

COVID-19

The coronavirus pandemic has touched all our lives. At WPP our first priority is the wellbeing of our people and doing what we can to limit the impact of the virus on society. Our second is continuity of service for our clients. We have thrown ourselves into achieving both objectives.

To ensure the safety of employees and to help reduce transmission, we moved to a global policy of managed remote working in mid-March, and at the time of writing approximately 95% of our people worldwide are working from home. Across the world, our agencies are providing NGOs, governments and clients with communications and other services – often on a pro bono basis – to help fight Covid-19.

The companies in the strongest financial position will be best placed to protect their people, serve their clients and benefit their shareholders during and beyond this period of deep uncertainty. At the end of March we announced a number of measures designed to minimise the impact of any downturn on our employees and ensure the Company is well prepared to weather the storm.

First, we suspended our share buyback scheme and our 2019 final dividend so that our balance sheet and cash position are as healthy as possible. Second, the WPP Board and Executive Committee took a voluntary 20% cut in their fees or salary for an initial period of three months. And third, we began a comprehensive programme of cost reduction and cash conservation measures.

We have also modelled a range of revenue declines resulting from the pandemic and, in the most extreme scenarios tested, considered further actions that could be taken to mitigate the impact on cash flow and ensure additional liquidity.

Most of the content of this Annual Report was produced before the outbreak became the global pandemic it is today, at a very different time for our business and for the world as a whole. We debated whether we should radically change the report in light of this, but decided against it. First, because we want it to stand as an accurate record of 2019, and second because we believe our strategy remains the correct one.

The changes we have made in WPP over the last year or so have made the Company more resilient and more future-facing. We have fewer, stronger agency brands, and a much simpler structure that is easier for clients to navigate and easier for us to manage. We have significantly reduced our debt through the sale of a majority stake in Kantar, meaning we are in a much stronger financial position than we were when I became CEO. And we are committed to our vision of WPP as a creative transformation company that brings together human brilliance and technological expertise to deliver results for our clients. The events of recent weeks and months call for us to accelerate rather than slow the pace of our own transformation.

When we come through the current situation, the world will have been changed in ways that we cannot fully anticipate yet. But the demand from our clients for the creativity and ingenuity possessed by the people who work at WPP and across our industry will be greater than ever. I am in no doubt about that.

What we do plays a vital role in driving and sustaining the wider economic activity that societies need to function. Every country will need to stimulate that activity when they move into the recovery phase.

So, while I am concerned about the wellbeing of our people, I am confident in the future of WPP.

I would like to take this opportunity to express my deep gratitude for the extraordinary effort, resilience and kindness of WPP employees all over the world, whose support for one another and commitment to their clients has been truly inspirational. I am very proud of all of them.

Mark Read
29 April 2020

CHIEF EXECUTIVE'S STATEMENT



In 2019 we made good progress in implementing our new strategy for WPP.

**"I AM MORE CONFIDENT
THAN EVER OF THE
ENDURING DEMAND
FOR OUR SERVICES."**

We presented the strategy in December 2018. Our vision was to become a creative transformation company, one that combined outstanding human talent and imagination with expertise in technology and data, and behaved not as a financial conglomerate or group of separate businesses, but as a unified whole.

We defined a new purpose – to use the power of creativity to build better futures for our people, clients and communities.

And we set new financial targets to allow us to invest in the long-term health of our business and deliver sustainable growth for our shareholders.

Our clients are our lifeblood, and we placed them at the centre of every part of our strategy:

- a new vision and contemporary offer to meet the needs of modern marketing;
- increased investment in creativity, the spark that makes for truly great work;
- harnessing our strengths in data and technology, including our unique partnerships with the world's leading technology firms, for the benefit of clients;
- a simpler structure that makes it easier for our clients to understand and access our talent and resources; and
- investment in our culture, to ensure WPP and our agencies are the natural home for the industry's brightest talent.

We describe our progress in each of these areas from page 18 but, in summary, we were encouraged by the positive momentum within the business in 2019.

"WE WANT OUR PEOPLE TO FEEL PROUD TO BE PART OF WPP."

A FOUNDATIONAL YEAR

2019 was the foundational year for our new strategy – one in which we stabilised and began to rejuvenate the Company. We said we would begin the journey to return WPP to growth, simplify our business and reduce our debt and, thanks to the hard work of our people all around the world, we met each of these goals.

That said, WPP began to under-perform its peers in the first quarter of 2017. From the outset we said it would take time to return the Company to sustainable growth, and progress towards that goal would not be linear. 2019 was the first of a three-year turnaround plan and, of course, the coronavirus pandemic has subsequently had its own major impact.

Organic growth¹ in 2019 was -1.6% (-1.2% including Kantar), in line with the guidance we provided in December 2018. The second half was stronger than the first, with performance improving globally and in the United States, our largest market.

Headline operating margin was 14.4%, down 1.2 margin points like-for-like (down 0.9 margin points including Kantar) as a result of challenges in our specialist agencies and investment for future growth.

Reported profit before tax fell by 21.9%, reflecting an exceptional gain in 2018 that was not repeated in 2019 and a charge on the revaluation of financial instruments (versus a credit in 2018). Net working capital improved by £350 million.

Year-end net debt fell from £4.017 billion in 2018 to £1.540 billion.

It is clear that the impact of Covid-19 on our business in the current financial year will be significant but it is not possible at this stage to quantify the depth or duration of that impact. As a result, at the end of March we took the decision to withdraw our guidance for the 2020 financial year.

PLATFORM FOR GROWTH

We have made a number of major structural changes within WPP to set us up for future success.

The mergers announced in the second half of 2018 that created our two newest agencies – VMLY&R and Wunderman Thompson – were finalised during 2019. We now have fewer, stronger agency brands that are better positioned to grow.

We announced the sale of 60% of Kantar to Bain Capital in July 2019 and completed the majority of the transaction in December, earlier than expected. The disposal achieved our objective of strengthening our balance sheet by reducing debt to the lower end of the target range.

The new partnership with Bain Capital means that we will benefit from the future growth of Kantar, and our clients will continue to benefit from its services.

It was a successful year for new business, reflecting clients' positive reaction to our new approach. Just as importantly, we retained and grew business with existing clients, who place a high value on the longevity of our relationships and how deeply we understand their businesses.

I am more confident than ever of the enduring demand for our services – especially as we expand our offer in high-growth areas. Clients continue to seek out our ideas, our creativity and our ability to combine our skills in every discipline – from advertising, media and public relations to technology, experience and commerce. Few companies are better placed to help clients navigate a dynamic and complex marketing landscape.

¹ Organic growth defined as like-for-like revenue less pass-through costs growth. A definition of revenue less pass-through costs can be found on page 205.

AWARDS IN 2019



Most effective holding company
for the eighth consecutive year



Number one holding company
in WARC Effective 100 ranking



189

Total awards



87

Total awards



82

Total awards



89

Total awards

Our people, teams and agencies produce work of exceptional quality – work that wins awards not only for its artistry but, most importantly, for its effectiveness in delivering results for clients. You will find examples throughout this report.

We welcomed new leaders to many of our agency networks, and we enhanced central WPP teams such as people, technology and marketing to provide greater support to our operating companies. We also formed WPP's first Executive Committee, consisting of the leaders of our largest agencies and central corporate functions.

A NEW CULTURE

One of WPP's most important roles is to be a supportive platform for our agency brands and the brilliant work that they do for our clients. We want our people to feel proud to be part of WPP, as well as the agencies who employ them directly.

Every WPP workplace should be open, inclusive and collaborative: somewhere to do your best work, and to make a difference. Having defined our purpose of building better futures, we have begun to pursue that aim with real determination and clarity.

We are investing in WPP Campuses around the world – state-of-the-art buildings that are great places for our people to work and learn, that bring together our different agencies under one roof, foster cooperation between them and champion creativity.

We are working hard to become an ever-more inclusive and diverse organisation, and making progress. The proportion of women on our Board has increased from 33% in 2018 to 40% today, and we are aiming for parity soon.

Although we have work to do to meet our commitment to achieve parity at the most senior executive level, women now make up 50% of our senior managers, compared to 49% in 2018. We were included in the Bloomberg Gender-Equality Index for the second year running, and the 2019 Hampton-Alexander Review of FTSE Women Leaders placed WPP at 12th in the FTSE 100.

We signed up to the Valuable500, a global initiative designed to put disability on the boardroom agenda, and 12 WPP leaders were named in the HEROes and Yahoo! Finance list of role models for women and champions of gender diversity.

We are placing ever-greater emphasis on the impact of what we do beyond the purely commercial – from our pro bono work for NGOs, charities and international bodies and our social contribution to the phasing out of single-use plastic within our offices. During the year our carbon emissions per employee fell by 21%, and our use of renewable energy rose to 35%, with all of the electricity we used in the United States purchased from renewable sources.

We have established our first Sustainability Committee at Board level to continue to drive improvements in our environmental and wider sustainability performance. To attract and retain the most talented people, we need to be an organisation that is a leader in every sense.

Our Company has been built by truly great people, and in 2019 we said goodbye to two of the greatest. We pay tribute to Lester Wunderman and Harold Burson on pages 50 and 51. Both Harold and Lester brought inspiration, originality and pioneering spirit to the organisations they founded and to WPP as a whole.

I would like to thank all the amazing people within our Company who carry that spirit forward, and the many thousands of WPP alumni around the world who have played their own important part in our success.

Mark Read
Chief Executive Officer
29 April 2020

FIGHTING CORONAVIRUS WITH CREATIVITY

AGENCY
MULTIPLE WPP COMPANIES

CLIENT
WORLD HEALTH ORGANIZATION

Communication is a critical part of the World Health Organization's strategy in the fight against Covid-19, as it works with governments, partners and stakeholders to encourage people to stay at home and adopt safe behaviours.

WPP is supporting the WHO on a pro bono basis by producing global and regional public awareness campaigns to help limit the spread of the coronavirus and its impact on society.

The partnership leverages the scale of our global resources, expertise and talent to assist the WHO in directly reaching the public with its life-saving communications. It involves a number of different WPP agencies, including Grey, GroupM, Hogarth, Hill+Knowlton, Inca, Motion Content Group, Ogilvy, Wavemaker and WPP Scangroup.

At the time of writing, global media partners including Al-Jazeera, Amazon, CNBC, CNN, Disney, Fox/National Geographic, Sky, Teads and Verizon (sourced by GroupM and Wavemaker) have donated more than \$20 million in media to support this effort.

The work shown here is a film from Grey New York called Five Heroic Acts, which stresses the importance of social distancing.

More examples of what WPP and our companies are doing to help – working with clients, governments and NGOs – can be found on our website, wpp.com.





AT A GLANCE

OUR GLOBAL BRANDS

AKQA
BCW
Finsbury
Geometry
Grey

GroupM
– Essence
– MediaCom
– Mindshare
– Wavemaker
– Xaxis

GTB
Hill+Knowlton
Strategies
Hogarth
Landor

Ogilvy
Superunion
VMLY&R
Wunderman Thompson

KEY FACTS AND FIGURES

106,000+
people

112
countries

Quoted on the London Stock Exchange and the New York Stock Exchange

Clients include

348
of the Fortune
Global 500

All 30
of the Dow
Jones 30

70
of the
NASDAQ 100

69
of the
FTSE 100

£53.1bn
Billings*
(2018: £53.2bn)

£13.2bn
Revenue*
(2018: £13.0bn)

£10.8bn
Revenue less pass-through costs*
(2018: £10.9bn)

Gold
in the EcoVadis CSR rating
for the fifth year in a row

0.60tCO₂e
Carbon emissions per
person from building
energy use (scope 1 and 2)*
(2018: 0.76tCO₂e)

35%
Electricity purchased
from renewable sources*
(2018: 32%)

Leader
in the Bloomberg Gender-
Equality Index for the
second year in a row

40%
Women on
our Board
(2018: 33%)

50%
Women in senior
management*
(2018: 49%)

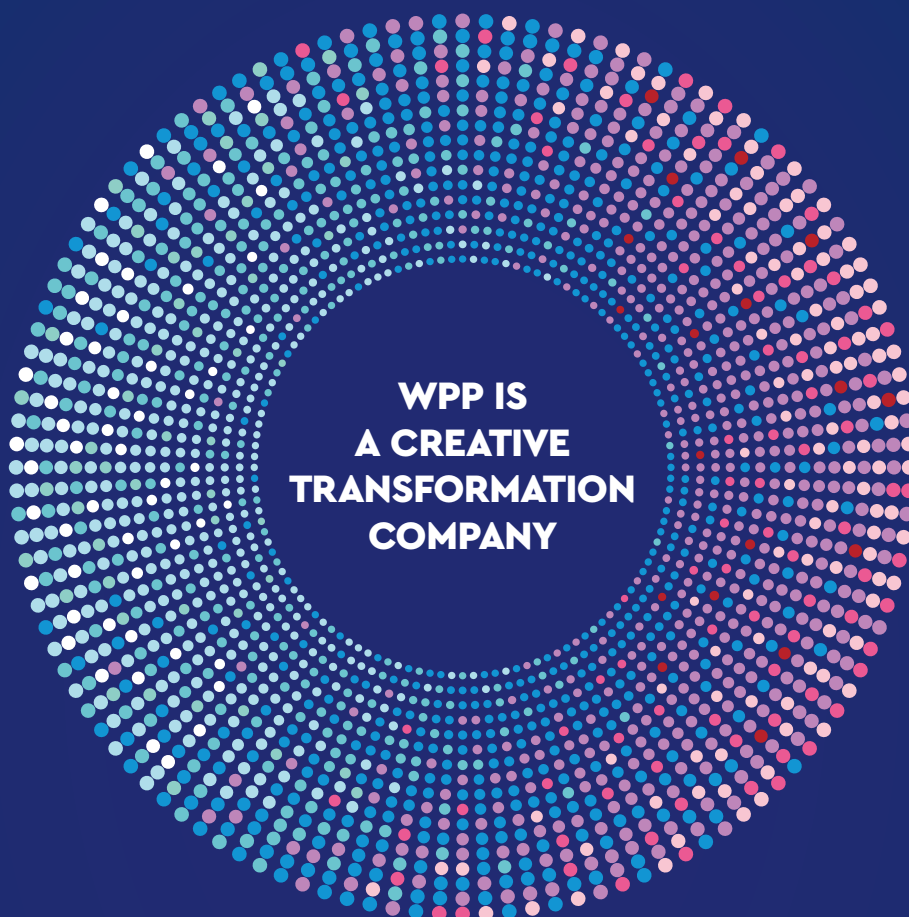
12th
in the FTSE 100 Rankings
for Women on Boards,
Hampton-Alexander
Review 2019

10th
in The Responsibility100
Index, which measures
the commitment to social,
environmental and ethical
objectives of FTSE 100
companies

1.60%
Social investment as a
percentage of reported
profit before tax*
(2018: 1.35%)

* Continuing operations,
with 2018 figures restated.

OUR BUSINESS MODEL



We build better futures for our clients through an integrated offer of communications, experience, commerce and technology.

WPP is a creative transformation company with a service offering that allows us to meet the present and future needs of our clients. Our business model is client-centric and we leverage resource and skills across our internal structures to provide the best possible service. WPP works with 348 of the Fortune Global 500, all 30 of the Dow Jones 30 and 70 of the NASDAQ 100.

We are committed to the principles of sustainability in business, through our assignments for clients, our substantial pro bono work and the management of our own operations. We aim to build better futures not only for our people and clients but our wider communities.

Our networks and agencies operate in all major global markets, offering a range of services across four key areas: communications, experience, commerce and technology. Each of these areas is critical to success for modern marketing.

By bringing them together WPP can meet clients' needs as they react to the changing marketplace and complex social, economic and environmental pressures, while expanding our own business in high-growth sectors.

Revenues are principally derived from fees for services on a rate per hour or per project basis. Client engagements include fixed-fee contracts, retainer agreements and commissions on media placements. Some client arrangements include performance incentive provisions designed to link revenue to quantitative and qualitative goals.

We focus on revenue less pass-through costs as a reflection of top-line performance. Pass-through costs comprise fees paid to external suppliers where they are engaged to perform part or all of a specific project and are charged directly to clients – predominantly media and data collection costs.

Our people are our most important assets and our ability to attract and retain diverse talent is a critical element of our competitiveness. Compensation and incentives are aimed at making WPP a home for the best and brightest, and are aligned with our strategy for growth. Our delivery model is based on an increasingly flexible cost structure, with the use of consultants, freelancers and incentives allowing the Company to respond to any market volatility.

Our transformation programme, encompassing a new vision and offer, a simplified structure including a consistent shared service infrastructure and the development of Campus co-locations, investments in creativity, technology and talent, and a new emphasis on building the Company's culture, will enhance WPP's proposition to clients and drive top-line growth.

INVESTMENT CASE

In an industry undergoing significant change, WPP has distinctive assets and a clearly differentiated strategy for growth.

1

THE WORLD'S NUMBER ONE MARKETING SERVICES BUSINESS

- Long-term track record of organic growth and successful M&A
- Business model and services constantly evolving to reflect changes in the market
- Extended offer to clients targeting high-growth areas of experience, commerce and technology

Global client list including 348 of the Fortune 500 and 69 of the FTSE 100

2

MARKET-LEADING SHARE IN MEDIA

- Media buying at scale, providing value and high-quality inventory to clients
- Ability to deliver integrated campaigns globally across traditional and digital platforms
- Significant source of data and insights to maximise campaign impact

17%

of global media-buying market share (40% in the UK, 13% in the United States)

Source: COMvergence

Market forecast to grow 3-4% annually to 2024

Source: GroupM, This Year, Next Year: December 2019 (pre Covid-19 impact)

3

UNRIVALLED GEOGRAPHICAL REACH

- Present in over 100 markets around the world
- Attractive combination of well-established, highly profitable markets such as the United States and UK, and faster-growing economies including India and Brazil
- Good balance of global and local clients

35%

of revenue less pass-through costs from the United States (2019)

10%

like-for-like growth in revenue less pass-through costs in India (2019)

13%

of revenue less pass-through costs from the UK (2019)

9%

like-for-like growth in revenue less pass-through costs in Brazil (2019)

4

CLOSE ALIGNMENT TO THE WORLD'S MAJOR GROWTH BUSINESSES

- Technology increasingly driving growth in advertising spend and underpinning services to clients
- Strategic partnerships with Adobe, Alibaba, Facebook, Google, IBM, Microsoft, Salesforce and Tencent
- Technology client base growing strongly
- Significant West Coast presence

10%

like-for-like revenue growth from technology companies in our top 200 clients (2019)

Top three

partner for Adobe and Salesforce worldwide

Number one

buyer of media on Google and Facebook

5

NEW STRATEGY DRIVING STRUCTURAL AND CULTURAL CHANGE

- Through mergers formed Wunderman Thompson and VMLY&R to create fewer, stronger agency brands and simplified the Company with the disposal of non-core businesses – easier to manage and a better proposition for clients
- Creating multi-agency Campuses worldwide to enhance collaboration and provide a better working environment
- Investing in central WPP teams such as people, technology and marketing & growth to provide greater support to operating companies

75,000

of our people in WPP Campuses by 2023

>50

disposals and more than 80 non-core business closures in past two years

6

WELL-CAPITALISED AND CASH-GENERATIVE

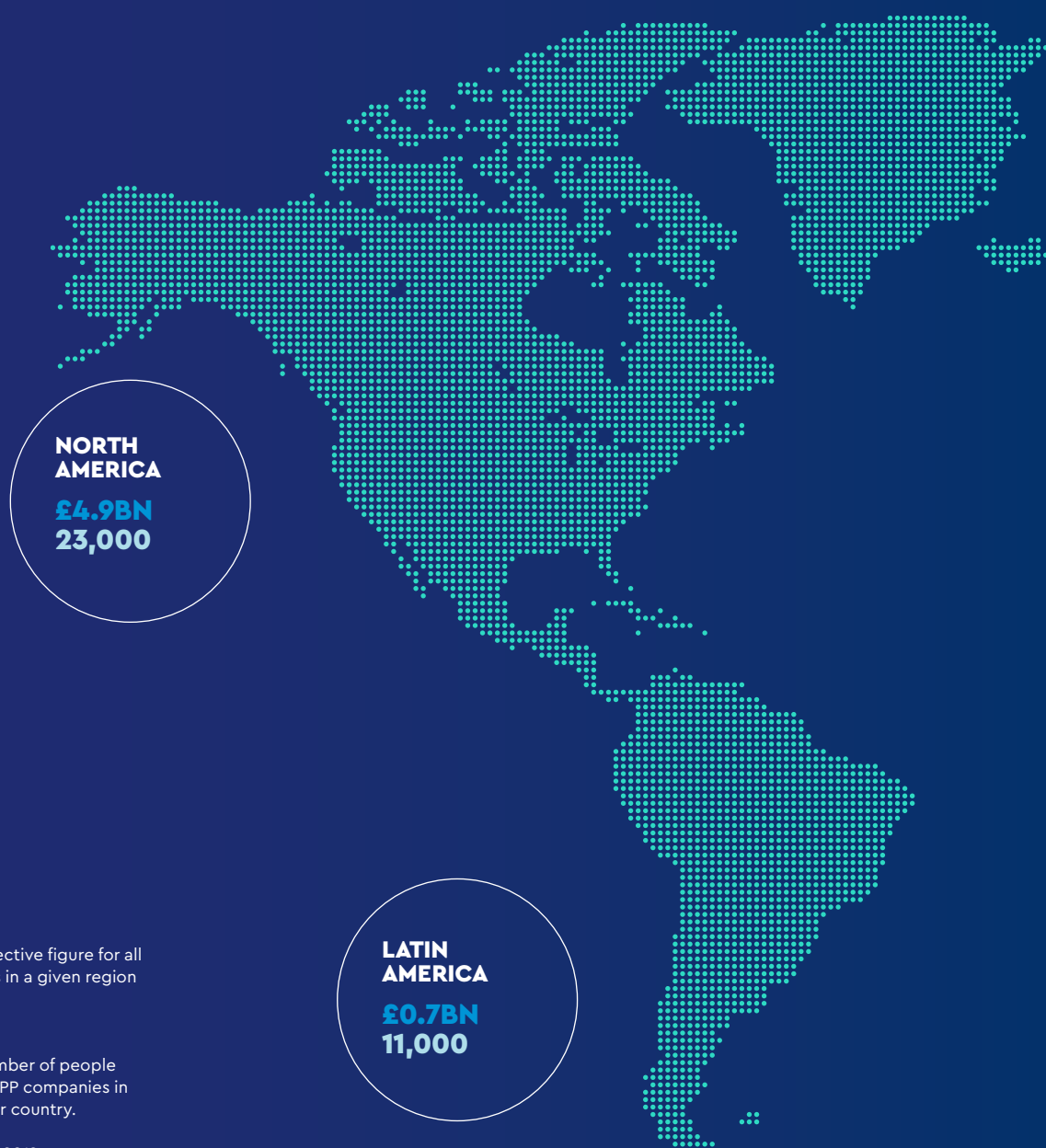
- Disposal programme has simplified WPP and reduced debt to lower end of target range
- Continued strong cash generation to fund investment

>£3.2bn

raised from disposals in past two years

WHERE WE ARE

WPP companies operate in 112 countries. Here we show our presence by region in terms of revenue and headcount.



- **Revenues**
Denote the collective figure for all WPP companies in a given region or country.
- **People**
Denotes the number of people employed by WPP companies in a given region or country.

As at 31 December 2019.



THE MARKET

Marketing and technology are colliding.

Agencies need strengths in data and technology – as well as creativity

Clients want our creativity more than ever, and they are seeking services beyond our traditional strengths in communications. Agencies in the industry perceived to be lacking in contemporary skills in areas such as data, technology, experience and commerce have come under significant pressure.

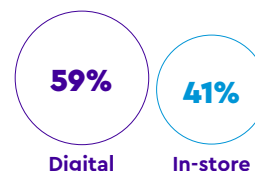
76%
of Chief Marketing Officers say their decisions are now being driven by data

Source: Gartner, Annual CMO Spend Survey 2019-2020

Clients need a trusted partner to navigate technological disruption

Every industry, from automotive and packaged goods to drinks and financial services, is facing structural change driven by technology. Organisations are looking to agencies to help them navigate this disruption.

TRANSACTIONS



Source: Bond Internet Trends 2019

Marketing technologies bring opportunities and new competition

The alignment of CMOs and CIOs to build and operate marketing technologies brings new opportunities for our business as well as competition from consultants. Agencies are now promoting their consulting and technology capabilities more effectively alongside their creative offerings.

14%
of Chief Marketing Officers now cite IT as a "top supporter" within their organisations – the most highly cited department

Source: Gartner, Annual CMO Spend Survey 2019-2020

Competition for top talent and attention

While their direct competitive threat to the marketing services industry has been overstated, technology firms are vying with agencies for talent and the attention of clients.

"OUR PEOPLE WILL DRIVE OUR STRATEGY."

Mark Read
Chief Executive Officer

Trust and transparency are paramount

New platforms are changing the way people interact with technology. Privacy, data and security breaches and the issue of fake news have damaged trust between organisations and the public. The industry needs to work hard to restore that trust.

64%
of internet users are concerned about how their personal data is being used by companies

Source: Global Web Index

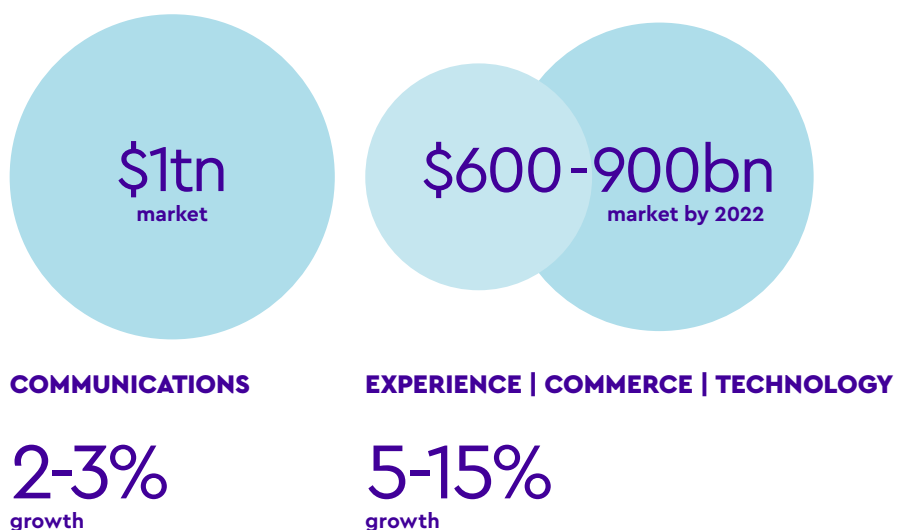
This collision creates significant opportunities for companies like WPP.

WPP is already one of the most forward-looking and tech-enabled companies in our industry. We have many of the world's leading creative, data and technology agencies, four of which were named as industry leaders in the influential Gartner Magic Quadrant study. We are the largest partner to the world's leading media and technology companies. We invest almost \$7 billion a year with Google on behalf of our clients, and almost \$3 billion with Facebook.

Our marketing technology operation consists of 7,000 experts worldwide, and we have strong, growing relationships with our clients' Chief Information Officers, as well as the Chief Marketing Officers. As we increasingly put technology at the heart of what we do, we are well positioned to capture the opportunities of the changing market, and to help our clients navigate the technology-driven disruption they are facing.

Market trends are driving our industry towards high-growth areas. These are reflected in our future-facing offer of communications, experience, commerce and technology (see page 19), each of which is critical to success for modern marketing.

ESTIMATED GLOBAL MARKET



Source: GroupM forecast (pre Covid-19 impact)

OUR STRATEGY

Radical evolution: a strategy for growth

We are one year into our three-year plan to drive sustainable top-line growth.

When we launched our new strategy in December 2018 we described it as one of radical evolution. Radical because we needed to take decisive action to stabilise the Company and reposition it for growth; an evolution because ours is a talent business, and we need to transform at a deliberate pace – taking our people and clients with us on the journey.

In 2019, we laid the groundwork by making major structural changes to the Company. We implemented the mergers announced in the second half of 2018, creating fewer, stronger agency brands. We have completed more than 50 disposals in the past two years – the most significant being the sale of 60% of Kantar to Bain Capital.

Our strategy focuses on growth. The savings from restructuring our business will allow us to increase investment in the areas that will drive top-line growth in the future: creativity, technology and talent.



VISION & OFFER

Read more from page 18

A vision developed with our people and clients and a refreshed, more contemporary offer to meet the needs of our clients in a rapidly changing market.



CREATIVITY

Read more from page 24

A renewed commitment to creativity, WPP's most important competitive advantage.



DATA & TECHNOLOGY

Read more from page 30

Harnessing the strength of our marketing and advertising technology, and unique partnerships with technology firms, for the benefit of clients.



SIMPLER STRUCTURE

Read more from page 36

Reducing complexity and making sure our clients can access the best resources from across the Company.



PEOPLE & CULTURE

Read more from page 44

Investment in our people, culture and values to ensure WPP is the natural home for the best and brightest talent.

Our approach to sustainability aligns with our strategy. See page 61

VISION & OFFER

We are a creative transformation company.



"THE NEW WPP IS PURPOSEFUL, DRIVEN AND VISIBLE ON THE WORLD STAGE."

Mark Read
Chief Executive Officer

How we are delivering on our strategy

CREATIVITY POWERED BY TECHNOLOGY

WPP's vision is to be a creative transformation company, using the power of creativity to build better futures for our people, clients and communities. 2019 was the year this inspiring vision and our modern new offer was rolled out to our clients and the industry.

Our simpler, more progressive offer covers four areas: communications, experience, commerce and technology. Each of these is critical to the success of modern marketing and will expand WPP's own business in high-growth areas. The last year has seen many of our largest existing clients – including Ford, Google and Coca-Cola – and new clients asking us for new services in these future-facing areas and responding positively to our proposition of creativity powered by technology.

BUILDING OUR BRAND

A strong and visible WPP brand will complement and support our strong agency brands within the Company. For the first time, WPP hosted spaces at the Cannes Lions Festival of Creativity and the Consumer Electronics Show (CES), creating new platforms for our people, agencies and partners to showcase original thinking and extraordinary work.

As a founding partner of the Institute for Real Growth, we are offering leading marketers unique insights, plus exclusive learning and development programmes to drive the future growth of their business.

We also launched a new home for our thought leadership online. WPP iQ showcases the best thinking and industry intelligence from across the Company and its agencies.

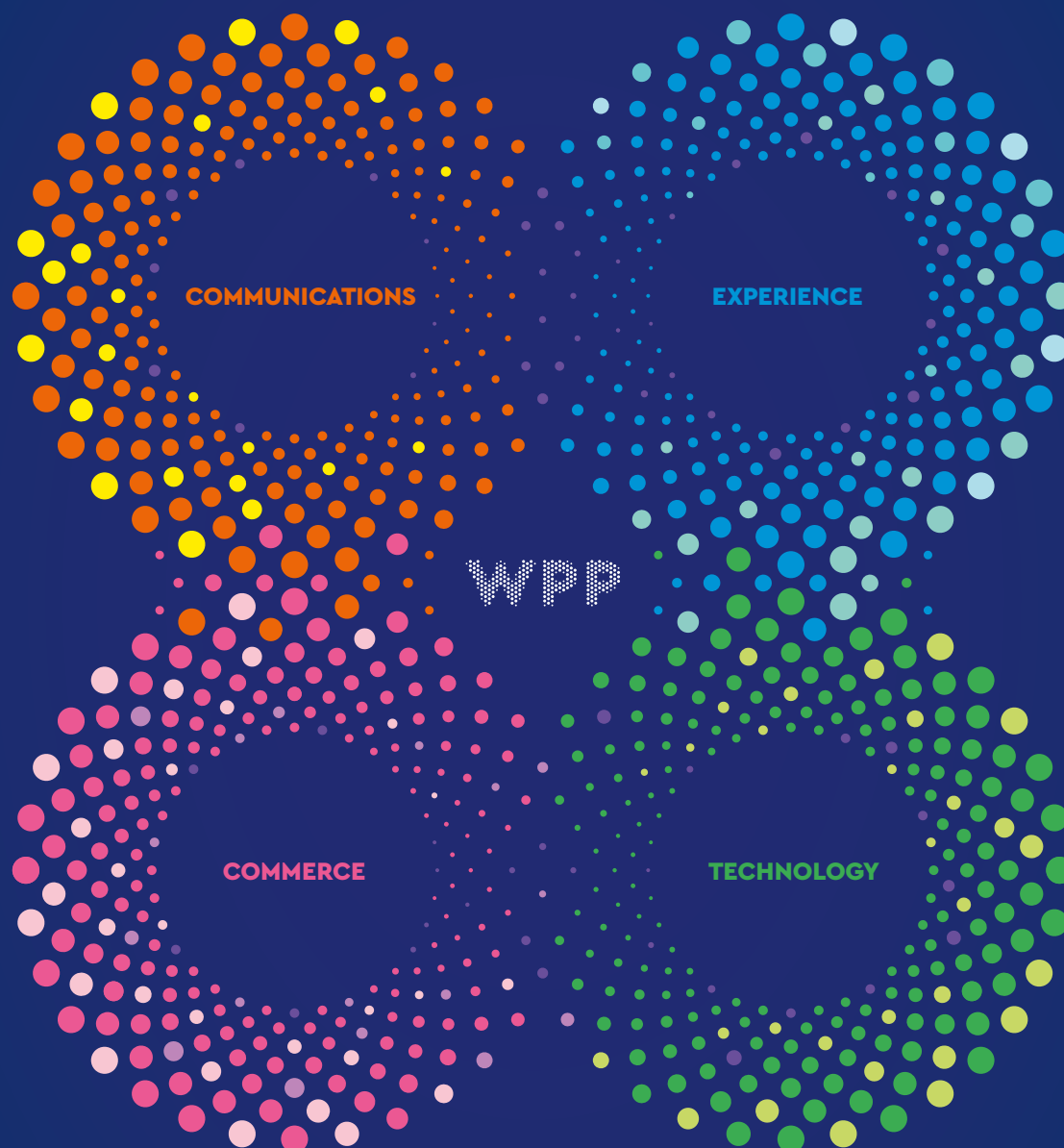
Progress in 2019

- Won significant client assignments based on new offer
- Increased investment in faster-growth areas of offer: experience, commerce and technology
- Strong presence at events celebrating creativity, innovation and technology
- Launched WPP iQ, a new online space for the best industry intelligence from across the Company

Focus for 2020

- Accelerate the delivery of our new offer
- Deliver an always-on marketing and growth model to respond in real-time to our clients
- Create a connected CMO community

OUR OFFER TO CLIENTS



● We create powerful ideas based on deep insights to connect brands' messaging with audiences in meaningful ways and channels at meaningful moments

● We build seamless experiences to make brands part of people's lives – creating more memorable engagement and driving better business results

● We make it easy for our clients to sell within the complex ecosystem of where and how their customers want to buy

● We leverage our global technology partnerships and unique scaled platforms and capabilities to build technology and data solutions fit for our clients' needs

AN OPEN, CONFIDENT AND FORWARD- LOOKING COMPANY

WPP presented its new, revitalised brand at the 2019 Cannes Lions Festival of Creativity through its first-ever physical presence at the event.

The WPP Beach provided a platform to showcase the creativity of WPP's agencies and the extraordinary work they do for clients – as well as present an open, confident and forward-looking company to the industry.

It was the place to hear from leading thinkers and business executives, with wide-ranging talks from Unilever CEO Alan Jope, Facebook's Sheryl Sandberg, Snap founder Evan Spiegel, Reddit CEO Steve Huffman, Microsoft's Corporate VP of Brand, Advertising & Research, Kathleen Hall and 21st Century Fox's Lachlan Murdoch. A packed-out Palais des Festivals also saw WPP share a stage with its client Wendy's for a discussion on how VMLY&R transformed the brand into a social media phenomenon.

WPP demonstrated its industry leadership on important issues by launching new initiatives at the festival, including committing to phasing out single-use plastics in its offices and Campuses worldwide and an industry-wide programme to address the problem of harmful content online.

The WPP Beach had as its centrepiece what *Campaign* magazine called a "stunning installation" based on the WPP logo.

51%

**WPP's share of voice in
Cannes vs its competitors
on social media**

By impressions on Twitter and
LinkedIn, during 2019 Cannes Lions
Festival of Creativity, 17-21 June





**"A STRONG WPP
BRAND CAN DELIVER
VALUE ACROSS THE
WHOLE COMPANY."**

Laurent Ezekiel
Chief Marketing & Growth Officer



AUTHENTIC BEAUTY

AGENCY
MINDSHARE

CLIENT
DOVE (UNILEVER)

70% of women do not feel represented in the images they see every day. Dove, long champions of real beauty, wanted advertising to depict real women. Women that would be recognisable. Dove took action to create the world's first publicly accessible photo library, created by women and non-binary individuals, designed to shatter beauty stereotypes.

Mindshare formed a ground-breaking partnership with publishing house Hearst in the United States, integrating images from Project #ShowUs into authentic, relatable content for *Cosmopolitan*, *Elle*, *Marie Claire*, *Harper's Bazaar* and more.

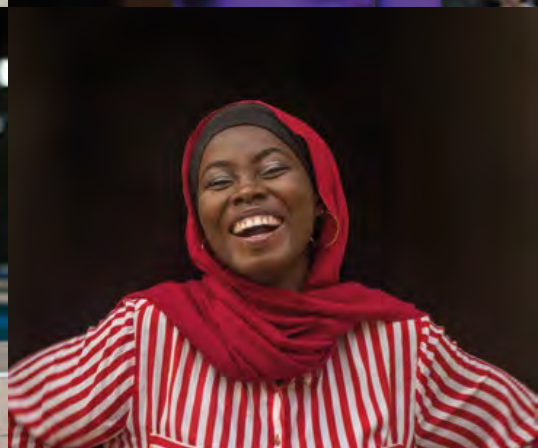
The mission to better represent women in media came to life as magazines replaced photoshoots with Project #ShowUs images, highlighting stories of the women in the collection and showing the importance of self-expression.

There have been over 40,000 social media mentions of the campaign which has reached more than 20 million women across the United States. A survey showed nine in ten agreed that Dove inspires women to feel more confident about the way they look – and just as many agreed Dove shows that diversity and representation is possible in media.

Project #ShowUs continues to empower women, changing how – and where – women see themselves in the world.

20m+
women reached
across the
United States

40,000+
social media posts
in response to the
campaign





CREATIVITY

Our most important competitive advantage is being able to respond to our clients' needs with creativity and imagination.

How we are delivering on our strategy

REINVENTING CREATIVITY

The creativity of our people – the power of their ideas to deliver results for clients – is what makes WPP special and what differentiates us from other professional services firms. WPP has great creative strengths, but we must continue to invest in talent and reinvent creativity on an ever-broader canvas. We also need to apply technology more effectively to enhance our creative capabilities at scale.

Last year we announced a renewed commitment to and investment in creativity and creative leadership. In the first year, this has enabled us to attract new world-class talent, with significant hires across key markets.

Progress in 2019

- Recruitment of high-profile creative leaders, including six key hires in the United States
- Strong performance at Cannes, including five Grand Prix, one Titanium Lion, 17 Gold, 59 Silver and 107 Bronze
- Continued demonstration of creative firepower with four spots at Super Bowl 2020

Focus for 2020

- Use the power of creativity to support clients, NGOs and governments during the Covid-19 crisis
- Recruit leading creative talent, particularly in the United States
- Develop learning programmes that keep our creative leaders innovating in a rapidly changing landscape
- Enable creative talent to move more seamlessly across the Company

INFINITE IN MOOD AND EXPRESSION

AGENCY
SUPERUNION LONDON

CLIENT
BBC TWO

BBC Two is a runway for the boldest and most risk-taking programming, with stories that surprise you at every turn. This brand, created in collaboration with BBC Creative and over a dozen renowned digital artists from around the world, puts diverse, contrasting emotions at the heart of the viewer's experience through dynamic animations. Infinite in mood and expression, and every bit as unpredictable as the cutting-edge content either side of it.

Winner

Cannes Lions, D&AD, New York
Festivals and Art Directors
Club New York



CREATIVE ACTIVISM

AGENCY
SCHOLZ & FRIENDS

CLIENT
THE FEMALE COMPANY

In Germany, tampons and other female sanitary products attract the top value added tax rate of 19% while many luxury goods – like truffles and oil paintings – are taxed with the reduced rate of 7%. The so-called tampon tax has already been abolished in some countries.

The Female Company, an online shop that sells organic female sanitary products, decided to take on the discriminatory tax. To gain attention for the tampon tax with media, influencers and politicians, Scholz & Friends outsmarted the tax law with the law itself.

The agency packaged tampons in books which are also taxed with the reduced rate of 7%. But *The Tampon Book* is much more than smart packaging that hacked the German tax system. *The Tampon Book* contains 45 pages with bold illustrations and empowering stories about menstruation, taboos and feminism and successfully promoted a petition that urged the German Parliament to discuss the abolition of the tampon tax.

It was subsequently announced that the reduced VAT rate will be charged for female sanitary products, and this became law in January 2020.

Winner **10,000**
Cannes Grand Prix and four Lions copies of the book sold
April-October 2019



DNA DISCOUNTS

AGENCY
OGILVY

CLIENT
AEROMEXICO

Aeromexico wants everyone to know there are no borders within us. And while the United States is the top destination for people flying from Mexico, Mexico is far from the top destination for people flying from the United States.

Ogilvy worked with the commercial airline to change that and set out to prove, for many people, Mexico is not just a place on the other side of the border. The agency visited Wharton in Texas and interviewed people who said they would never go to Mexico. It was not their "cup of tea", with one person, Bill, saying he likes tequila and burritos – but does not like Mexico.

People with Mexican heritage in the United States are on the rise – even if many do not realise it. Ogilvy gave DNA tests to their interviewees and offered discounted flights based on their percentage of Mexican descent: the more Mexican they were, the greater the discount. The results shifted perspectives. Bill discovers he is 18% Mexican, entitling him to 18% off flights; he boasts that this is 3.6% better than his wife's result.

With limited budget, the agency focused on social media and delivered 1.6 billion impressions including media coverage in *The New York Times* and *TIME*, as well as on broadcast networks including Fox News and CNN. The campaign was a viral hit.

1.6bn

earned media
impressions

January 2019

33.7%

increase in ticket sales
from the United States
to Mexico

In January 2019 vs average
monthly revenue in 2018





DATA & TECHNOLOGY

We are using technology to harness our collective intelligence, ingenuity and scale for the benefit of our clients.

How we are delivering on our strategy

DRIVING INNOVATION

Our technology strategy came to life in 2019. We established the central WPP technology team to manage our technology partnerships, product and data portfolio, and technology skills acceleration; we created a WPP Technology Council to increase collaboration and knowledge transfer between our agency technology leaders; and we delivered technology innovation in areas as diverse as creative AI, campaign optimisation and market simulation for clients around the world.

Progress in 2019

- Established the WPP technology team and cross-agency Technology Council
- Developed 360° partner programmes with all our key technology partners (Adobe, Amazon, Facebook, Google, IBM, Microsoft and Salesforce)
- Rationalised our internal product development strategy

Focus for 2020

- Launch and drive adoption of WPP OPEN, a business platform to share the best technology and data innovations from across the Company
- Accelerate our AI and creative technology skills development
- Increase our joint go-to-market activity with partners



**"TECHNOLOGY
HELPS US SOLVE
THE COMPLEXITY
OF MODERN
MARKETING."**

Stephan Pretorius
Chief Technology Officer

OUR UNIQUE APPROACH

SCALED GLOBAL PARTNERSHIPS

Leveraging our partnerships with the world's leading technology companies to create differentiated offerings and grow our capability

WPP OPEN

The development of WPP OPEN, a business platform to make the best data and technology solutions from across WPP and our partners available to all



WPP

DISTRIBUTED INNOVATION

Stimulating innovation to occur in a structured way in all our agencies

DEEP SPECIALISATION

Continuing to enhance our specialised technical capabilities in advertising and marketing technology

The Guardian

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Available for everyone, funded by readers

Contribute →

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The Guardian

News

Opinion

Sport

Culture

Lifestyle



Fashion **Food** Recipes Travel Health & fitness Women Men Love & sex Beauty More

The sweet spot **Food**

Tamal Ray's recipe for lemon and ginger friands

These lovely, light cakes are enriched with browned butter and spiked with the kick of stem ginger





Key words relating to

Recipes


Hey Google, add ginger
to my shopping list.


[Learn more](#)


Lemon and ginger friands
for dessert tonight


[Learn more](#)

HUMAN CREATIVITY MEETS ARTIFICIAL INTELLIGENCE

**AGENCY
ESSENCE**
**CLIENT
GOOGLE**

How do you create personalised online ads that do not use personal data?

Through combining smart copywriting with AI language and image recognition, Essence and Google are pioneering a future where ads can be relevant, meaningful and helpful for consumers – free of any privacy concerns.

Essence invented a new way to target specific web pages with specific ads at scale using Google Marketing Platform. Codenamed "Project Pegasus", this approach uses machine learning to analyse page content and context, using publisher data instead of user data. An automated process powers the production of thousands of creative options, each customised to be relevant to every article on a publisher's website in a brand-safe way.

The agency's first Pegasus-powered campaign was for Google Home. It served thousands of dynamic ads that demonstrated how Google's smart speakers can be used in environments directly related to the content on the page.

In 2019, campaigns using Pegasus to promote Google products demonstrated the effectiveness of this approach, driving a 5.2% increase in purchase consideration and a 5.1% increase in category understanding where generic ads drove no uplift.

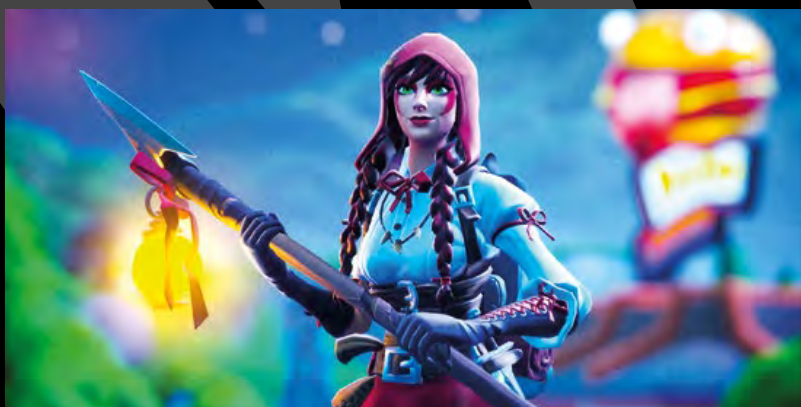
5.2%

 increase in purchase
consideration

5.1%

 increase in category
understanding





A GAME CHANGER

AGENCY
VMLY&R

CLIENT
WENDY'S

Fortnite is a global-gaming phenomenon with an estimated 250 million players and one of the largest audiences on streaming site Twitch. The potential for brands is significant, but most are left tweeting about it from the sidelines or paying significant sums for in-game sponsorships – that is until VMLY&R developed a game-changing campaign for Wendy's.

When Fortnite introduced a new game mode called Food Fight, pitting Team Burger against Team Pizza, VMLY&R picked up a controller and found an organic way into the game. The agency created a digital avatar that looked suspiciously like Wendy's namesake.

Subverting the game's objective of killing other players, this red-hooded character set out to destroy Team Burger's freezers – again and again – and through this action took Wendy's message of "fresh, never frozen beef" into the game and spread it far and wide.

By recording and streaming footage of a Wendy's-based character destroying freezers, the fast-food chain successfully penetrated not just the gaming community, but also live-streaming platforms, social media and mainstream media outlets. The success of the campaign led to it being awarded the Social & Influencer Grand Prix at the Cannes Lions Festival of Creativity.

1.5m
minutes watched

119%
increase in mentions of
Wendy's across all platforms
(Facebook, Instagram,
Twitter, YouTube)

Winner
Cannes Grand Prix and eight Lions

SIMPLER STRUCTURE

CLIENTS

The new WPP is built around the needs of clients.

How we are delivering on our strategy

ACCESS TO THE BEST OF WPP

Client-centricity runs through every aspect of our strategy. It means simplifying our structure, building solutions tailored to clients, and making available our best talent and cutting-edge capabilities – all in service of client growth and satisfaction.

Many of our clients have Global Client Leaders assigned to ensure easy and expert access to the breadth and depth of WPP. They play a critical role in setting our clients up for success in the modern marketing world, delivering our expanded offer of communications, experience, commerce and technology (see page 19).

Progress in 2019

- Appointed 17 Global Client Leaders to head up our most important client relationships
- Won 18 new major global accounts
- Expanded almost half of our existing top-50 client relationships

Focus for 2020

- Support clients and help them chart a course through the Covid-19 pandemic
- Establish a best-in-class customer feedback satisfaction system
- Continue to strengthen central resources for high-impact engagements, including more resource in the United States



**"CLIENT-CENTRICITY
KEEPS US FOCUSED
AND FRESH."**

Lindsay Pattison
Chief Client Officer

COMPANIES

Our streamlined company structure delivers what our clients need.

How we are delivering on our strategy

A SIMPLIFIED PORTFOLIO

The mergers to create VMLY&R and Wunderman Thompson combined brilliant creativity, expertise in data and sophisticated technology skills. These are the capabilities that our clients demand – and we can deliver them through single, joined-up companies that work on a global scale.

The sale of 60% of Kantar to Bain Capital in 2019 further simplified our business. Our partnership with Bain Capital means we will participate in the growth of Kantar and allows our clients to continue to benefit from its services. This transaction largely completed our disposal programme set out in last year's Annual Report.

Progress in 2019

- Sale of 60% share in Kantar
- 22 disposals of non-core businesses
- 100 local office mergers and 80 business unit closures

Focus for 2020

- Deliver cost-reduction and cash-conservation measures to address the impact of Covid-19
- Develop single approaches to technology, finance and people functions across the Company



"WPP TODAY IS SIMPLER, EASIER TO MANAGE AND EASIER FOR OUR CLIENTS TO NAVIGATE."

Andrew Scott
Chief Operating Officer

A SEAMLESS EXPERIENCE

AGENCIES

GTB, VMLY&R, BURROWS,
OGILVY AND COGNIFIDE

CLIENT

FORD

The Mustang Mach-E was the first significant ecommerce release for Ford and this global launch came with a deadline that depended on collaboration across our agencies.

Ford needed a seamless experience – to turn the anticipation of Mach-E into reality – for a vehicle that would not physically exist at the time of launch.

What started as an exploration to simply extend the existing online experience soon became a holistic global approach. Through a series of design sprints, involving the client, we demonstrated that ecommerce had to be considered as part of the full customer experience. The output was a strategy with three recommendations: ecommerce integrated into the entire online journey; tools to support and guide customers to the right vehicle; and the ability to purchase whenever is right for them, on their personal ecommerce journey.

With a hard launch deadline approaching, co-location with Ford IT was critical to delivery.

GTB, VMLY&R, Ogilvy and Cognifide in Europe and North America created a Global Design Delivery Process, with Burrows leading visualisation. This meant designs were delivered to Ford's developers by a combined international agency team.

We were collectively responsible for bringing the Mach-E to launch – selling the aesthetic and innovation before the vehicle itself had even been built.





COUNTRIES

Our country strategy is designed to leverage our collective strengths in important markets.

How we are delivering on our strategy

WORLD-CLASS WORKING ENVIRONMENTS

Our Campus programme is central to our country-level integration strategy. WPP Campuses provide our people with outstanding environments that allow them to do their best work; they foster an open, inclusive and collaborative culture; they help to simplify our structure; they cement our leadership position in key country markets; and they provide our clients with a tangible expression of WPP's integrated, agile, tech-enabled offer.

In 2019, we opened five new Campuses: in Helsinki, Bucharest, Amsterdam, Madrid and Mumbai, bringing our total to 16 WPP Campuses across four continents. Before the end of 2020, we will open a further three Campuses and we aim to have 75,000 people in 60 Campus locations worldwide by 2023.

Progress in 2019

- Established our WPP Campus strategic vision
- Opened new Campuses in Helsinki, Bucharest, Madrid, Amsterdam and Mumbai

Focus for 2020

- Ensure safe workspaces when people return to offices after Covid-19 lockdowns
- Activate a collaborative WPP Campus culture that facilitates extraordinary work
- Open new Campuses in Gurugram, Hong Kong and Chicago



**"WPP CAMPUSES
INSPIRE OUR
PEOPLE TO COME
TOGETHER TO DO
THEIR BEST, MOST
CREATIVE WORK."**

Ranjana Singh
Indonesia and Vietnam
Country Manager

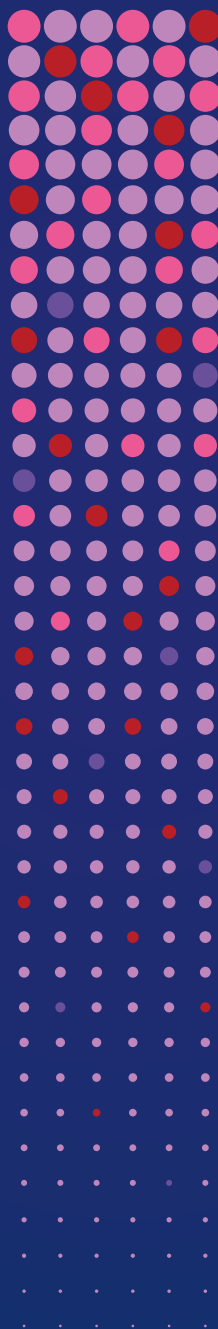
CLIENTS, COUNTRIES AND COMPANIES

Proportion of total WPP revenue
less pass-through costs

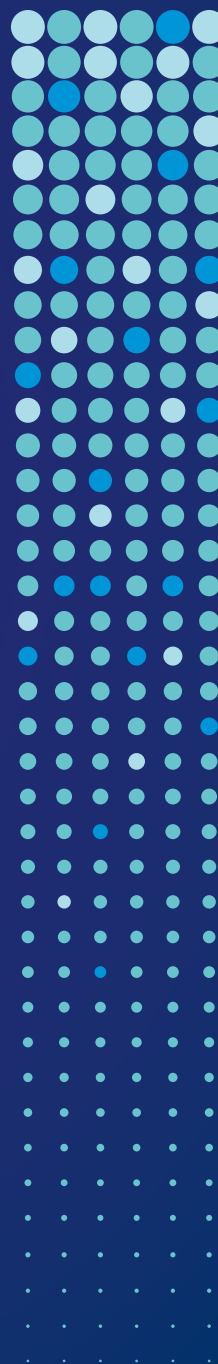
TOP 30
CLIENTS
27%



TOP 20
COUNTRIES
86%



TOP 10
COMPANIES
88%



INTEGRATED, COLLABORATIVE AND CREATIVE

CAMPUS AMSTERDAM

At the beginning of 2019, WPP had 1,500 people in Amsterdam operating across 11 different locations in the city. Today, our people and their agencies are housed in a single modern workplace – Amsteldok.

Refurbished by WPP's architectural and design consultancy BDG, the previously derelict building has been transformed into a vibrant 19,000m² working environment that will act as both an innovative office and community space.

The office building was Europe's largest when it was completed in 1973 by renowned architect Huig Aart Maaskant. Located on the river Amstel, the striking, box-stacked structure is a new centre of creativity in the heart of Amsterdam, complete with renovated roof terraces, a business lounge and an event space.

Each WPP Campus is designed to provide world-class spaces that bring together our people and agencies in one location, encouraging greater collaboration and giving clients easier access to all of WPP's talent and expertise.

Winner

FX International Design Awards 2019

BREEAM

Very Good certification standard

**"A FABULOUS GIFT
FOR THE CITY."**

Femke Halsema
Mayor of Amsterdam



PEOPLE & CULTURE

Openness, optimism and a commitment to extraordinary work.

How we are delivering on our strategy

ATTRACTING AND RETAINING THE BEST TALENT

We believe greater inclusion, diversity and gender balance leads to more rewarding and successful workplaces. Our core values of open, optimistic and extraordinary are being woven into the fabric of our organisation, enabling WPP to continue to attract and retain the best talent.

We are actively engaging with our people to break down barriers and nurture environments where everyone can connect, collaborate, learn and grow. In 2019, we implemented changes to make it easier for talent to progress across WPP and its agencies – so we are one true company not a collection of separate businesses.

Progress in 2019

- Programme to promote new values across the Company
- Reinvigorated creative recruiting and hiring experience
- Enhanced our employee experience with more defined and supported career paths
- Developed more inclusive policies and benefits for employees

Focus for 2020

- Prioritise employee wellbeing and safety during and beyond the coronavirus pandemic
- Increase productivity and delivery of services to clients
- Drive inclusivity and diversity through early career programmes
- Develop a talent pipeline of next generation leaders
- Enhance data-driven talent decisions based on transparent and consistent delivery of services



"WE ARE TAKING ACTION TO REALISE THE FULL POTENTIAL OF OUR PEOPLE BY CREATING OPEN AND INCLUSIVE WORKPLACES THAT CAN DRIVE BUSINESS SUCCESS."

Jacqui Canney
Chief People Officer

OUR VALUES

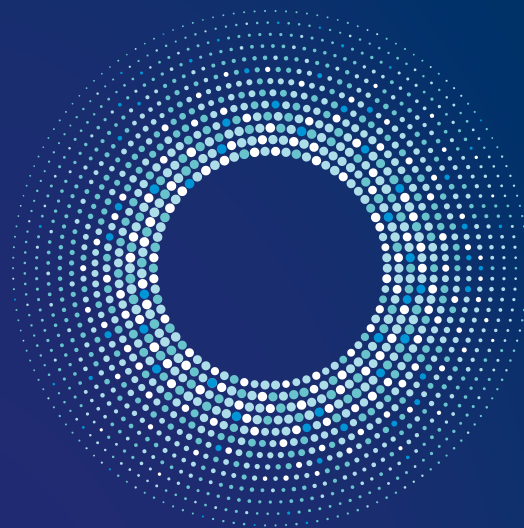
OPEN

We are inclusive and collaborative

We encourage the free exchange of ideas

We respect and celebrate diverse views

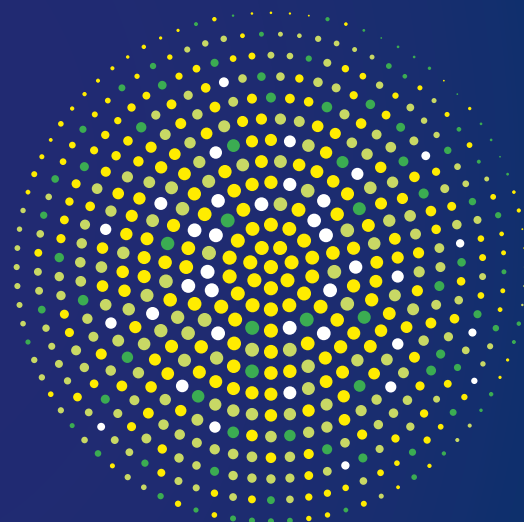
We are open-minded: to new ideas, new partnerships, new ways of working



OPTIMISTIC

We believe in the power of creativity, technology and talent to create better futures for our people, clients and communities

We approach all that we do with confidence: to try the new and to seek the unexpected

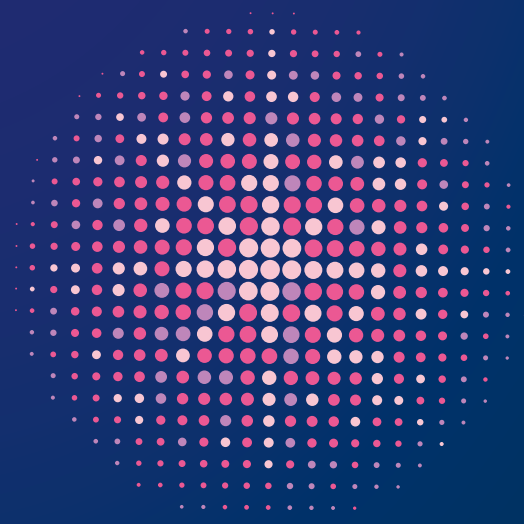


EXTRAORDINARY

We are stronger together: through collaboration we achieve the amazing

We are creative leaders and pioneers of our industry

We deliver extraordinary every day



UNPACK THE PROBLEM

WPP has committed to phasing out single-use plastics in its 3,000-plus agency offices and Campuses worldwide. While there is much we can do as a business, our people recognise the wider role we can play in helping our clients to transition to a world where plastic is reused and recycled. As a creative company, we also understand the power our work has to influence consumers to change their behaviour.

The Company held its first "Unpack the Problem" hackathon, an event that brought together people from across WPP's agencies to dedicate two days to exploring the role of creativity and technology in tackling plastic pollution. In partnership with A Plastic Planet and with data from Pinterest, our people used their collective brainpower to develop new solutions to pitch to a panel of judges.

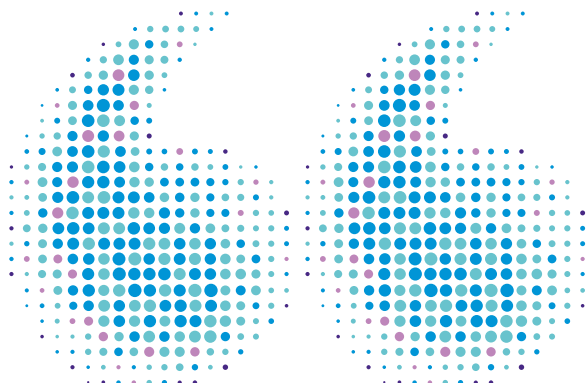
The creative solutions were ambitious, scalable and had a measurable impact. Ideas included tools designed to help ecommerce sites make it easier for their consumers to make sustainable purchase decisions, and an agency with a mission to support clients with their plastic pollution commitments.

The winning team, who designed a new "green" ecommerce search filter, now has an opportunity to transform their idea into an actionable solution to help reduce the impact of plastic on our planet.

35

people from 17 agencies
producing five creative solutions





"I'M NOT ENTIRELY SURE WHAT IT IS BUT I DO KNOW I WANT IT."

A FOOLHARDY ATTEMPT TO DE-MYSTIFY THAT PRECIOUS PROPERTY WE CALL CREATIVITY

BY JEREMY BULLMORE

Let's begin by eliminating. When we talk about creativity in marketing communications, we're not talking about paintings, plays or poetry. Creativity in marketing uses exactly the same tools as the fine arts do – words, images, sound – but unlike the fine arts, all creativity in marketing exists for an agreed purpose. It is expected to have an effect on its audience: on their knowledge, on their feelings, on their behaviour. It is expected not only to pay for itself but to return more than its cost to its sponsor.

That's the only class of creativity that concerns us here. But how do we recognise it? For years we've ducked the question by sub-contracting the identification of creativity to the judges of creative awards ceremonies: if it gets an award for creativity, it's obviously creative. But that's not really good enough. Creativity in our world existed long before creative awards came into being. We ought to know exactly what it is that we value so highly, why we're right to do so and how to encourage more of it.

Many years ago, according to advertising folklore, an agency copywriter, walking on Madison Avenue, encountered a beggar. The man held a sign which read, "I am blind." The upturned cap at his feet was almost empty.

The copywriter gently reached for the card, took out his pen, added three words, returned the card to the beggar and resumed his walk. Two hours later, he returned.

The beggar hadn't moved but his upturned cap was no longer almost empty. It contained a handsome pile of nickels and dimes and even a few dollar bills. The card, as amended by the copywriter, now read, "It's Spring – and I am blind."



WILLING COLLABORATION

The process of thought that the copywriter went through would have been familiar to any good advertising agency. What's the objective? To increase the beggar's takings from passers-by. What's the strategy? To remind passers-by of the deprivations that the blind suffer. So far, so simple. The copywriter could have written: "I am blind – so I can't see what you can see." That would have met the brief all right – but it wouldn't have pulled in the dollars.

Instead, he did what talented communicators, through intuition and training, instinctively do. Based on his understanding of human nature, he sought for an idea that would act as a spur, as a stimulus, that would conjure an immediate, rich and intense response in the minds of those passers-by.

Unlike the clumsy alternative, "It's Spring" is incomplete: its full significance is imagined and supplied by the onlooker. And all the evidence suggests that, in any form of communication, the more you can entice your subjects into willing collaboration, the more successful that communication will be.

Through its sheer efficiency, this kind of creativity makes marketing money go further. It may not always look "creative" and may seldom win creative awards, but it's worth a lot more than a piece of silverware. And it's particularly valuable when seeking an immediate response – or "brand activation" to use the jargon. "It's Spring" activated a lot of people to take immediate action.

BRAND-BUILDING

Brand-building calls for a different form of creativity; though the term needs a bit of sceptical interrogation (see later).

It's well-established that successful brands offer their users more than pure function. Successful brands have personalities, images, reputations: people can be fond of brands; can unselfconsciously describe them as "friendly" or "bossy" or "generous". These characteristics are created in people's minds as a result of a multitude of brand associations that are absorbed at a very low level of consciousness. Satisfaction with function is clearly paramount. Other associations may be advertisements, packaging, sponsorship,

in-store display, influencers or news items. Whether your parents used that brand – or didn't – can have an effect on how you feel about that brand.

The art of creating a strong and distinctive brand is first to determine what precise set of characteristics you believe, realistically, will make that brand most attractive to which defined set of people; and then to create the associations – the clues, the stimuli – that will trigger those target responses in the minds of those people.

This process demands a high degree of both discipline and creativity. Brand positioning must make competitive sense; so you need to know not just how people currently feel about your own brand but how they feel about all other brands in the same sector. The interpretation of the necessary research, if it is to illuminate a path to the future rather than simply deliver a snapshot of the present, demands imagination (one outstanding agency planner has said that she not only reads research findings, she tries to smell them).

When the ideal brand responses have been identified and conditionally agreed, already an imaginative act, it's time for invention (it's seldom quite so linear; often the right strategy emerges gradually as the process of invention goes through phases of trial and error). The search is not so much for explicit propositions or messages; the most effective factors that affect brand reputation tend to

be implicit. Again, the audience is being invited to participate; to absorb subconsciously the significance of the idea, or the story, or the music, or the choice of celebrity. Even the choice of media can, of itself, contribute to a brand's personality.

This is how brands are built, become salient, acquire a kind of fame, make their presence felt. And, as a result, earn loyalty, command a fair price, resist competition and reliably deliver profit in the years ahead. But as any publicist will tell you, for fame to be sustained, the subject must be kept in the public eye or that fame will fade. For the majority of brands, already enjoying an earned position, the role for creativity is primarily one of brand maintenance. A company would never question the need for a maintenance budget to protect its tangible assets. The case for a maintenance budget for its brands is equally compelling – and one that only creativity can deliver.

Jeremy Bullmore is a former Chairman of J. Walter Thompson London. He has also been a Non-Executive Director of WPP and a member of its Advisory Board. He has been described by *Campaign* magazine as "quite possibly the most admired man in advertising" and "Adland's greatest philosopher." *Marketing* magazine simply observed: "When Mr Bullmore speaks, the world listens."



REMEMBERING TWO INDUSTRY GREATS

Lester Wunderman, Chairman Emeritus and founder of Wunderman, the original and largest direct marketing agency, died on 9 January 2019 in New York. He was 98.

A trailblazer in the advertising industry, Mr Wunderman launched a new kind of advertising agency in 1958 – one that focused on delivering sales for its clients. That agency concept caught on and led to the creation of today's trillion-dollar direct marketing industry. The visionary marketing techniques he conceived and perfected over his long and brilliant career transformed the advertising industry and continue to shape the interactive marketplace.

A New Yorker throughout his life, Mr Wunderman was born in 1920 in the Bronx. After an apprenticeship served at several agencies, he joined Maxwell Sackheim & Company in 1947, where he became executive vice president. In 1958, he founded Wunderman, Ricotta & Kline, subsequently known as Wunderman.

In an address at Massachusetts Institute of Technology in 1967 he identified, defined and set the foundation for today's direct marketing industry, earning the title of "The Father of Direct Marketing".

In the same year, he served at the behest of President Lyndon Johnson to champion usage and acceptance of the fledgling U.S. Postal Service's Zip Code.

Mr Wunderman received many awards from the industry, including Hall of Fame designations from the Direct Marketing Association and the American Advertising Federation. He received the Golden Apple from the Direct Marketing Club of New York and Marketing EDGE's Lifetime Achievement Award, while *TIME* heralded Mr Wunderman as one of the "Great Pitchmen over the Years".

While he left the helm of Wunderman in 1998, he reported to work every day at the agency's offices, where he often met with clients, executives and interns alike. He was revered and respected throughout WPP.

Mr Wunderman is fondly remembered by Sue, whom he married in 1975, his son Marc and daughter Karen, and three stepchildren, Patrick, James and Thomas.



Harold Burson, the 20th century's most influential PR figure and founder of Burson-Marsteller, died on 10 January 2020 at the age of 98.

A leading figure in the transformation of public relations into a global business, Mr Burson was a counsellor to and confidant of chief executive officers and government leaders across the world. In 1999, a survey by *PRWeek* named Mr Burson as "the century's most influential PR figure".

Born in 1921 in Memphis, Tennessee, he enrolled at the University of Mississippi aged 15, covering his tuition as a stringer for the *Memphis Commercial Appeal*. He enlisted in the United States Army in 1943, and in 1945 was assigned to the news staff of the American Forces Network to report on the Nuremberg Trial. He was the only reporter to obtain an interview during the trial with Associate Justice Robert H. Jackson, the chief American prosecutor. Mr Burson is believed to have been the last living reporter who covered the historic event.

Following his discharge from the army in 1946, he opened his first public relations firm in New York in "a tiny nook in a client's office".

In 1952 Mr Burson met William A. Marsteller, with whom his name was linked by a hyphen for 65 years. The affiliation with Mr Marsteller developed into a new company, Burson-Marsteller, which opened in 1953 and offered "integrated communications services" to business-to-business clients. By 1983, Burson-Marsteller was the world's largest public relations firm.

He received numerous industry accolades, and sits in the Hall of Fame of the Public Relations Society of America, the Arthur W. Page Society, *PRWeek*, *PR News* and the Institute of Public Relations. He also shares a place in the Humes High School Hall of Fame in Memphis with Elvis Presley.

After he stepped down as Chief Executive Officer of Burson-Marsteller in 1988, Mr Burson continued to be an engaged and inspirational presence within the firm that carries his name, and across WPP as a whole.

Mr Burson was married to Bette for one month short of 63 years and is survived by his two sons, Scott and Mark, as well as five grandchildren.



FINANCIAL REVIEW

REVIEW OF RESULTS

The financial results for 2019 are based on the Group's continuing operations and the results of Kantar are presented separately as discontinued operations. The 2017 and 2018 reported numbers have been re-presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Reported billings were £53.059 billion, down 0.3%, down 1.4% in constant currency and down 1.0% like-for-like.

Reported revenue was up 1.4% at £13.234 billion. Revenue on a constant currency basis was up 0.2% compared with last year, the difference to the reportable number reflecting the weakness of the pound sterling against most currencies, particularly in the first half of the year. On a like-for-like basis, which excludes the impact of currency and acquisitions, revenue was flat.

Reported revenue less pass-through costs was down 0.3%, down 1.5% in constant currency and down 1.6% like-for-like, within the guidance range of -1.5% to -2.0% re-confirmed in October 2019. In the second half, like-for-like revenue was up 0.9%, a significant improvement from the first half of down 0.9%, with North America, the United Kingdom and Western Continental Europe improving, partly offset by Asia Pacific, Latin America, Africa & the Middle East and Central & Eastern Europe which were slower. On the same basis, revenue less pass-through costs in the second half was

down 0.7%, a significant improvement over the first half which was down 2.5%, with North America, Western Continental Europe and Asia Pacific, Latin America, Africa & the Middle East and Central & Eastern Europe stronger.

OPERATING PROFITABILITY

Reported profit before tax fell by 21.9% to £982 million from £1.258 billion, the difference between the headline and reported figures reflecting principally the £153 million of restructuring and transformation costs and £48 million of goodwill impairment charges. In constant currencies, reported profit before tax fell by 22.3%.

Reported profit after tax fell by 29.4% to £707 million from £1.002 billion. In constant currencies, profits after tax fell 30.3%.

Headline EBITDA was down 5.3% to £1.830 billion, from £1.933 billion the previous year and down 5.6% in constant currency. The Group's revenue is more weighted to the second half of the year across all regions and sectors, and, particularly, in the faster growing markets of Asia Pacific and Latin America. As a result, profitability and margin continue to be skewed to the second half of the year, with the Group earning approximately 40% of its profits in the first half and 60% in the second half. Headline operating profit for 2019 was down 5.5% to £1.561 billion, from £1.651 billion and down 5.6% in constant currencies.

Headline operating margin¹ was down 0.8 margin points to 14.4%, down 0.6 margin points in constant currency and down 1.2 margin points like-for-like. The difference between the constant currency and like-for-like margin reflects the impact of IFRS 16 Leases. The Group's operating margin of 14.4% is after charging £43 million of severance costs, compared with £30 million in 2018 and £294 million of incentive payments, which were 15.8% of operating profit before incentives, a similar level to the £311 million or 15.9% in 2018.

The Group's headline operating margin, excluding all incentives² and income from associates, was 17.1%, down 0.9 margin points, compared with 18.0% last year. The Group's staff costs to revenue less pass-through costs ratio, including severance and incentives, increased by 1.5 margin points to 65.4% compared to 63.9% in 2018.

On a like-for-like basis, the average number of people in the Group, excluding associates, in 2019 was 106,508 compared to 106,555 in 2018. On the same basis, the total number of people, excluding associates, at 31 December 2019 was 106,786 compared to 105,900 at 31 December 2018, an increase of 0.8%.

Notes

¹ Headline operating profit (excluding income from associates) as a percentage of revenue less pass-through costs.

² Short- and long-term incentives and the cost of share-based incentives.

KEY PERFORMANCE INDICATORS (2019)

-1.6%

Like-for-like revenue less pass-through costs growth
(2018: -0.2%)

14.4%

Headline operating margin
(2018: 15.2%)

89.3%

Free cash flow conversion¹
(2018: 80.2%)

This Strategic report should be read in conjunction with pages 94-137 and pages 198-203. The Group's key performance indicators are discussed in further detail in this report.

This Strategic report includes figures and ratios that are not readily available from the financial statements. Management believes that these non-GAAP measures, including constant currency and like-for-like growth, and headline profit measures, are both useful and necessary to better understand the Group's results. Where required, details of how these have been arrived at are shown in note 32 to the financial statements and are defined in the glossary on pages 204 and 205.

Note

¹ Free cash flow conversion is the ratio of free cash flow to headline earnings. Free cash flow is after earnouts and changes in working capital and before new acquisition spend, disposals and shareholder distributions. Free cash flow conversion represents total continuing and discontinued operations.

EXCEPTIONAL GAINS AND RESTRUCTURING AND TRANSFORMATION COSTS

As outlined at the investor day on 11 December 2018, we have undertaken a strategic review of our operations. As part of that review, restructuring actions have been taken to right-size underperforming businesses, address high-cost severance markets and simplify operational structures. This has included the merger, closure or sale of a number of WPP's operating companies. It also includes transformation costs with respect to strategic initiatives like co-locations in major cities, IT transformation and shared services.

In 2019, the Group recorded £121 million of restructuring and transformation costs in relation to this plan, in addition to the £212 million in 2018. Of this £333 million total, £220 million relates to actions with a cash cost, with £158 million paid to date – the balance to be paid in 2020 and beyond. Total restructuring and transformation costs in 2019 of £153 million comprise the £121 million above and £32 million of other costs, primarily relating to the continuing global IT transformation programme.

These exceptional costs of £153 million and £48 million of associate company exceptional losses have been partly offset by exceptional gains of £58 million, primarily relating to the gain on the sale of the Group's investment in Chime.

This gives a net exceptional loss of £143 million and compares with a net exceptional loss in 2018 of £70 million.

DISCONTINUED OPERATIONS

As Kantar classifies as held for sale under IFRS 5, the profit for the year is presented as discontinued operations on the income statement. The decrease in profit for the year from £138 million in 2018 to £11 million in 2019 primarily reflects the goodwill impairment on classification as held for sale of £95 million and the tax expense on the disposal of £157 million, partially offset by the gain on sale of £74 million.

INTEREST AND TAXES

Net finance costs (excluding the revaluation of financial instruments and interest expense on lease liabilities) were £160 million, compared with £180 million in 2018, a decrease of £20 million.

The headline tax rate was 22.0% (2018: 20.7%) and on reported profit before tax was 28.0% (2018: 20.4%). The difference in the reported tax rate in 2019 was principally due to the revaluation of financial instruments not being tax deductible. Given the Group's geographic mix of profits and the changing international tax environment, the tax rate is expected to increase slightly over the next few years.

EARNINGS

Headline profit before tax was down 11.7% to £1.363 billion from £1.543 billion, and down 11.6% in constant currencies.

Profits attributable to shareholders fell 33.0% to £628 million from £937 million, again reflecting principally the £153 million of restructuring and transformation costs and £48 million of goodwill impairment. In constant currencies, profits attributable to shareholders fell by 33.8%.

Headline diluted earnings per share, for continuing and discontinued operations, fell by 14.2% to 92.7p from 108.0p. In constant currencies, earnings per share on the same basis fell by 14.9%. Reported diluted earnings per share, on the same basis, fell by 41.3% to 49.5p from 84.3p and decreased 42.3% in constant currencies.

REGIONAL REVIEW

North America constant currency revenue less pass-through costs was down 4.7% in the year and down 5.7% like-for-like, with a significant improvement in the second half. Revenue less pass-through costs was down 4.0% in the second half on a like-for-like basis compared to down 7.3% on the first half as the negative effect of some of the 2018 client assignment losses started to ease.

REVENUE LESS PASS-THROUGH COSTS GROWTH V 2018

%



United Kingdom constant currency revenue less pass-through costs was down 0.3% in the year and up 0.3% on a like-for-like basis, with the Group's global integrated agencies and particularly GroupM performing less well in the second half of the year, partly offset by a significant improvement in the Group's specialist public relations businesses.

Western Continental Europe constant currency revenue less pass-through costs grew 1.0% in the year with like-for-like up 0.7%, the second strongest performing region. Germany was significantly stronger in the second half of the year, partly offset by a softening in France, Italy and the Netherlands.

In **Asia Pacific, Latin America, Africa & the Middle East and Central & Eastern Europe**, on a constant currency basis, revenue less pass-through costs growth in the region was 0.4% for the year with like-for-like growth 1.4%, the strongest performing region. Like-for-like growth improved in the second half to 1.8%, compared to 1.1% in the first half, with Africa & the Middle East improving significantly, partly offset by a slight softening in Asia Pacific and Latin America.

REVENUE ANALYSIS

£ million	2019	Δ reported	Δ constant ¹	Δ LFL ²	2018 ³
N. America	4,855	0.1%	-4.1%	-5.0%	4,852
United Kingdom	1,797	0.6%	0.6%	1.8%	1,785
W. Cont. Europe	2,629	1.5%	2.9%	1.5%	2,590
AP, LA, AME, CEE ⁴	3,953	3.5%	3.6%	4.7%	3,820
Total Group	13,234	1.4%	0.2%	0.0%	13,047

REVENUE LESS PASS-THROUGH COSTS ANALYSIS

£ million	2019	Δ reported	Δ constant	Δ LFL	2018
N. America	4,034	-0.6%	-4.7%	-5.7%	4,060
United Kingdom	1,390	-0.3%	-0.3%	0.3%	1,394
W. Cont. Europe	2,177	-0.3%	1.0%	0.7%	2,183
AP, LA, AME, CEE	3,246	0.2%	0.4%	1.4%	3,239
Total Group	10,847	-0.3%	-1.5%	-1.6%	10,876

HEADLINE OPERATING PROFIT ANALYSIS

£ million	2019	% margin [*]	2018	% margin [*]
N. America	662	16.4%	711	17.5%
United Kingdom	188	13.6%	180	12.9%
W. Cont. Europe	262	12.0%	289	13.3%
AP, LA, AME, CEE	449	13.8%	471	14.6%
Total Group	1,561	14.4%	1,651	15.2%

* Headline operating profit as a percentage of revenue less pass-through costs.

Notes

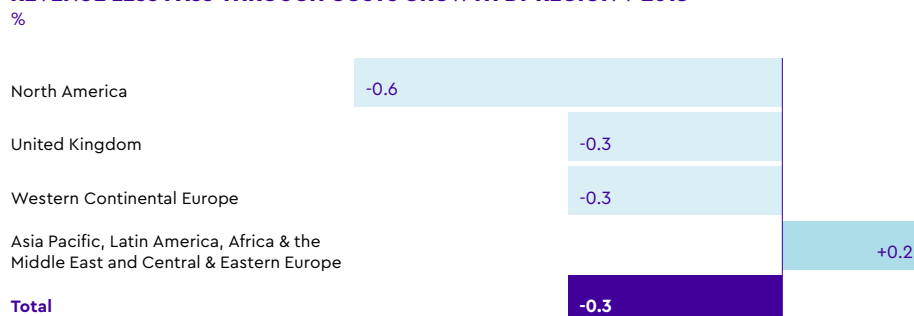
¹ Percentage change at constant currency exchange rates.

² Like-for-like growth at constant currency exchange rates and excluding the effects of acquisitions and disposals.

³ Prior year figures have been re-presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, as described in the Group's accounting policies.

⁴ Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe.

REVENUE LESS PASS-THROUGH COSTS GROWTH BY REGION V 2018



BUSINESS SECTOR REVIEW

Like-for-like revenue less pass-through costs in the Group's global integrated agencies was down 0.7% in the year, making it the strongest performing sector. There was a significant improvement in the second half of the year, with like-for-like growth of 0.3% compared to down 1.8% in the first half. Grey, Ogilvy, Wunderman Thompson and VMLY&R improved in the second half, partly offset by lower growth in GroupM.

Like-for-like revenue less pass-through costs in the Group's public relations businesses was down 1.0% in the year, with a significant improvement in the second half, down 0.4% on a like-for-like basis compared to down 1.5% in the first half. The Group's specialist public relations businesses Finsbury, Glover Park, Hering Schuppener, Buchanan and Clarion performed particularly strongly in the second half of the year.

In the Group's specialist agencies, like-for-like revenue less pass-through costs was down 5.6% in the year, as the Group's specialist brand consulting, advertising and direct, interactive and ecommerce businesses came under pressure, particularly in North America, Western Continental Europe and Asia Pacific. The Group's specialist agencies include the specialist global Ford agency, GTB, and performance reflects the loss of the omnichannel work in the second half of 2018.

REVENUE ANALYSIS

£ million	2019	Δ reported	Δ constant ¹	Δ LFL ²	2018 ³
Global Integrated Agencies	10,205	2.8%	1.5%	1.4%	9,931
Public Relations	957	2.7%	0.5%	-0.7%	932
Specialist Agencies	2,072	-5.1%	-6.2%	-5.9%	2,184
Total Group	13,234	1.4%	0.2%	0.0%	13,047

REVENUE LESS PASS-THROUGH COSTS ANALYSIS

£ million	2019	Δ reported	Δ constant	Δ LFL	2018
Global Integrated Agencies	8,108	0.5%	-0.7%	-0.7%	8,071
Public Relations	898	2.1%	-0.1%	-1.0%	880
Specialist Agencies	1,841	-4.4%	-5.6%	-5.6%	1,925
Total Group	10,847	-0.3%	-1.5%	-1.6%	10,876

HEADLINE OPERATING PROFIT ANALYSIS

£ million	2019	% margin [*]	2018	% margin [*]
Global Integrated Agencies	1,220	15.0%	1,228	15.2%
Public Relations	141	15.7%	139	15.8%
Specialist Agencies	200	10.9%	284	14.7%
Total Group	1,561	14.4%	1,651	15.2%

* Headline operating profit as a percentage of revenue less pass-through costs.

Notes

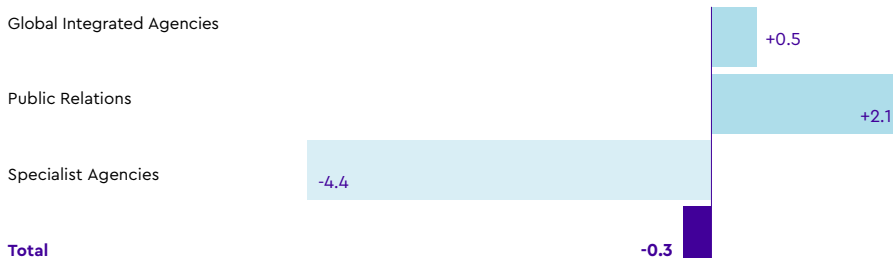
¹ Percentage change at constant currency exchange rates.

² Like-for-like growth at constant currency exchange rates and excluding the effects of acquisitions and disposals.

³ Prior year figures have been re-presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, as described in the Group's accounting policies.

REVENUE LESS PASS-THROUGH COSTS BY BUSINESS V 2018

%



CASH FLOW HIGHLIGHTS

In 2019, operating profit was £1.580 billion, depreciation, amortisation and goodwill impairment £734 million, non-cash share-based incentive charges £71 million, working capital and provisions inflow £350 million, net interest paid £190 million, tax paid £536 million, lease liabilities (including interest) paid £355 million, capital expenditure £394 million, earnout payments £130 million and other net cash outflows £86 million. Free cash flow was, therefore, an inflow of £1.044 billion.

This free cash inflow was enhanced by £2.221 billion in net cash acquisition payments and disposal proceeds (of which £1.971 billion was the Kantar disposal net of cash disposed and costs, and £250 million of net income from other disposal proceeds net of acquisition payments) and absorbed by £44 million in share buybacks and £750 million in dividends. This resulted in a net cash inflow of £2.471 billion.

Free cash flow conversion¹ in 2019 was 89% (2018: 80%).

Note

¹ Free cash flow conversion is the ratio of free cash flow to headline earnings. Free cash flow is after earnouts and changes in working capital and before new acquisition spend, disposals and shareholder distributions.

BALANCE SHEET HIGHLIGHTS

Average net debt in 2019 was £4.282 billion, compared to £5.025 billion in 2018, at 2019 exchange rates. On 31 December 2019 net debt was £1.540 billion, against £4.017 billion on 31 December 2018, a decrease of £2.477 billion (a decrease of £2.313 billion at 2019 exchange rates). The reduced period end debt figure reflects the benefit of £1.971 billion proceeds in relation to the disposal of 60% of the Group's interest in Phase 1 of the Kantar business.

RETURN OF FUNDS TO SHAREHOLDERS

Funds returned to shareholders in 2019 totalled £794 million, including dividends and share buybacks. In 2019, 4.6 million shares, or 0.4% of the issued share capital, were purchased at a cost of £44 million. All of these shares were purchased in the fourth quarter.

**OUTLOOK
FINANCIAL GUIDANCE**

We have made good progress with our three-year strategy during 2019, creating a simpler business, making significant investments for future growth and strengthening our balance sheet. Our financial performance in the second half of the year showed an encouraging improvement over the first half.

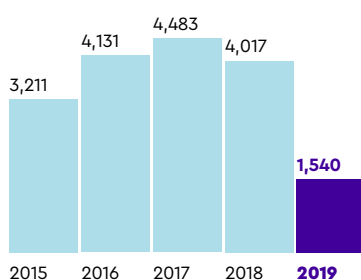
It is clear that the impact of Covid-19 on the business will be significant, but it is not possible at this stage to quantify the depth or duration of the impact. As a result, we have withdrawn our previously issued guidance for the 2020 financial year.

Revenue from continuing operations in the first quarter of 2020 was £2.847 billion, down 4.9% compared with the same period last year on a reported basis and down 4.6% on a constant currency basis. Like-for-like revenue was down 3.8% compared with last year. Revenue less pass-through costs was £2.366 billion, down 4.3% on a reported basis, down 4.0% in constant currency and down 3.3% like-for-like. In March, like-for-like revenue less pass-through costs was down 7.9% as the impact of Covid-19 began to be felt more widely across our business.

**BALANCE SHEET, LIQUIDITY
AND HEADROOM**

WPP has a strong balance sheet and good liquidity. Over the last two years, we have raised approximately £3.2 billion from our disposals programme, selling 50 businesses and investments.

As at 31 December 2019 we had cash of £3.0 billion and total liquidity, including undrawn credit facilities, of £4.8 billion. Net debt was £1.5 billion, down from £4.0 billion a year earlier. Our year-end net debt/headline EBITDA ratio was 0.8x, compared to 2.1x the previous year.

NET DEBT
£ million

Our covenants, which relate to our \$2.5 billion revolving credit facility, are <3.5x net debt/EBITDA and >5x EBITDA/net interest. Our bond portfolio at the 2019 year-end had an average maturity of 8.2 years, with only a May 2020 €250 million Eurobond due in the next two years.

Given the significant uncertainty over the coming months, we are taking prudent action now to maintain our liquidity and ensure that we emerge from this global crisis strong, secure, and ready to meet the continuing needs of our clients, shareholders and other stakeholders.

The Board has therefore decided to suspend the £950 million share buyback, funded by proceeds from the Kantar transaction. Since December 2019, we have completed £330 million of the programme.

In addition, the Board has suspended the 2019 final dividend of 37.3 pence per share, which was due to be proposed at the 2020 AGM. These two actions together will preserve approximately £1.1 billion of cash. The Board will continue to review the status of the 2019 dividend.

COST REDUCTION MEASURES

Most of our costs are variable in nature. We have commenced a review of our costs to protect profitability, where possible, from a decline in revenue. At the same time, we want to protect our people as much as possible, as well as our ability to serve clients and grow when markets recover. The immediate actions we have taken include: freezing new hires; reviewing freelance expenditure; stopping discretionary costs, including travel and hotels and the costs of award shows; and postponing planned salary increases for 2020.

In addition, members of the WPP Executive Committee, as well as the Board, have committed to taking a 20% reduction in their salaries or fees for an initial period of three months.

We anticipate these measures will generate total in-year savings for 2020 of £700-800 million. In addition, we are making a detailed assessment of further actions to reduce cost subject to the impact of the virus on our business over the coming weeks and months.

CASH CONSERVATION MEASURES

We have also reviewed our capital expenditure budgets for 2020 and looked at opportunities to improve working capital. We have identified savings in excess of £100 million in property and IT capital expenditure against an initial 2020 budget of around £400 million. On working capital, we have a standing weekly management process to review cash outflows and receipts to monitor our position. We are continuing to work closely with our clients to ensure timely payment for the services we have provided in line with contractual commitments. On media, we are working with clients and vendors to maintain the settlement flow. Should we see any deterioration in payment from our media clients we will take appropriate action to manage our cash position.



SUSTAINABILITY

At WPP we use the power of creativity to build better futures for our people, clients and communities.

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 2016¹, while companies with long-term strategies are outperforming their peers financially².

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 in 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 INDUSTRY HAS A RESPONSIBILITY TO USE OUR POWERS FOR GOOD – TO INFLUENCE NORMS AND CHANGE BEHAVIOUR. WE CAN'T WAIT FOR OTHERS TO ACT: IT'S UP TO US TO LEAD THE WAY."

Andrea Harris
Group Chief Counsel
and Head of Sustainability

¹ Global Sustainable Investment Alliance 2018 Global Sustainable Investment Review.

² Harvard Business Review.

Twój Weekend

OSTATNI NUMER W HISTORII

8 MARCA 2019

SHUT DOWN TO OPEN UP

AGENCIES
VMLY&R AND WAVEMAKER

CLIENT
GAZETA.PL

When liberal news portal Gazeta.pl wanted to start a national debate in Poland about everyday sexism and gender inequalities, they turned to VMLY&R and Wavemaker for help. The agencies suggested they team up with MasterCard and BNP Paribas to buy *Twój Weekend (Your Weekend)*, one of Poland's longest-running and most-read adult magazines. And then close it down. Before they shut it down, the team reimagined its last issue, The Women's Issue, filling regular sections and columns with content on gender portrayal, sexism, equal rights and more. The project was supported by an advertising campaign, including outdoor, media, cinema, radio, press, social media and online.

4.5m
organic reach

25m
media impressions

Winner
Cannes Titanium Lion, Grand Prix, and three bronze Lions

48 STRON BEZ SEKSIZMU

Cena: 9,99 zł (w tym 8% VAT)

ISSN 2230-8706

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

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.

SUSTAINABILITY AND OUR STRATEGY

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

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. To learn more about the Goals we believe we can make the most significant contribution towards, see page 11 of our full Sustainability Report 2019, available as a PDF download.

STRATEGIC ELEMENT

SUSTAINABILITY STRATEGY

**VISION
& OFFER****A STRONGER OFFER FOR OUR CLIENTS**

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 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.

A stronger offer for our clients, see page 64
Transparency and trust, see pages 76 and 77

CREATIVITY**SOCIAL INVESTMENT**

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.

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.

Social investment, see page 66

INCLUSIVE AND DIVERSE TEAMS

Creativity thrives on diversity of background and thought. This makes having an inclusive and diverse workplace essential to our long-term business success.

We want all of our people to feel valued and able to fulfil their potential, regardless of gender, ethnicity, age or disability.

Attracting and retaining talent, see pages 68-70

DATA & TECHNOLOGY**PRIVACY AND DATA ETHICS**

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

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.

Privacy and data ethics, see page 78

**SIMPLER
STRUCTURE****GREENER OFFICE SPACE**

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

moving to Campus locations that: use green building standards; reduce our impact; help us to use space more efficiently; and encourage collaboration between our companies.

Environment, see page 72


PEOPLE & CULTURE**SHARED VALUES ACROSS OUR BUSINESS AND SUPPLY CHAIN**

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. Selecting suppliers and partners who adopt standards consistent with our own can reduce costs, improve efficiency and protect our reputation.

Attracting and retaining talent, see pages 68-70
Supply chain, see page 74

A NOTE ON OUR SUSTAINABILITY DATA

During 2019 we agreed the sale of 60% of Kantar to Bain Capital. To ensure comparability to 2019 figures, which exclude Kantar, prior year figures have been restated. 2018 figures, and 2017's where provided, have been restated in sections highlighted with the symbol .

For our full review of our sustainability activities and outcomes, download our Sustainability Report 2019.



wpp.com/sustainability



5.993.714 OF US LIKE

STRENGTH IN NUMBERS

AGENCY

SANTO BUENOS AIRES

CLIENT

SPRITE

Sprite wanted to show Gen Z that there should not be any topics they feel too uncomfortable to talk about. So Santo launched You Are Not Alone, a series of forums on Reddit where young people can express their feelings on issues that make them feel isolated. To get the conversation started, Santo asked influencers to share their own experiences to show people they are not alone.

80%

increase in positive
sentiment

300%

increase in
free media

20x

more consumer
engagement than
previously

November 2019

BOTH GIRLS AND BOYS

PUTTING SUSTAINABILITY AT THE HEART OF OUR OFFER FOR CLIENTS

The work we do for our clients reaches billions of people each year, presenting our greatest opportunity to create positive change.

Our clients must balance a complex set of social and environmental challenges with changing consumer expectations and constant technological developments. While challenging, today's landscape also offers major opportunities to create new markets for more inclusive and sustainable products and services.

WORK WITH IMPACT

In response, our clients increasingly aspire to generate a lasting positive impact through their brands and look to us to help them express and enhance that impact through brand purpose and strategy, communications and marketing. The breadth and depth of our expertise means we can offer clients the latest technology alongside the creativity and sustainability expertise needed to inspire consumers and help shift behaviour to more sustainable norms.

This work is of growing importance to WPP. We are already engaging with corporate, government and NGO clients on issues ranging from plastic waste to human rights during the development of brand strategies or campaigns.

For example, in November, Mindshare's 7,000 people spent the agency's 22nd anniversary connecting with the scale and urgency of the climate crisis and how through their work they could be part of the solution with #ChangeTheBrief, an invitation for the advertising industry to use its skills to tackle the issue. #ChangeTheBrief is about creating work which answers the "Now" brief, but also the "Future" brief, to encourage the attitudes, lifestyles and behaviours which are consistent with a transition to a carbon-free world. As part of Mindshare Day, the network took live briefs from Unilever to generate #ChangeTheBrief ideas.

Recognising our clients' growing focus on sustainable products and practices, we continue to strengthen our offer to ensure we can provide our clients with the best support and the expertise they need to do well by doing good.

COMPLIANCE WITH MARKETING STANDARDS

Marketing is powerful – it can change attitudes and behaviour. It is critical that we apply high ethical standards to our work to ensure those changes are for the better. We work hard to maintain high standards and strong compliance in areas such as ethics, human rights, privacy and data security.

We require that all the work our companies produce for clients complies with all relevant legal requirements, codes of practice and marketing standards. There are occasional complaints made about campaigns we have worked on, and some of these are upheld by marketing standards authorities. Our companies take action where needed to prevent a recurrence.

Our agencies have policies and processes to mitigate against online advertising appearing on sites with illegal, illicit or unsuitable content.

ETHICAL DECISIONS IN OUR WORK

We have a review and referral process for work that may present an ethical risk, such as work for government clients, work relating to sensitive products or marketing to children.

Before our people can accept potentially sensitive work, they must elevate the decision to the most senior person in the relevant office and then to the most senior WPP executive in the country concerned, who will decide if further referral to a global

WPP executive is required. This referral process is covered in our How We Behave online training, which will contain a new sustainability module from 2020 onwards.

Our companies also have copy-checking and clearance processes for the legal team to review campaigns before publication. These processes have strict requirements in highly regulated sectors such as pharmaceutical marketing.

In 2019, WPP established Risk Committees with the aims of ensuring accountability at both the enterprise and network level and to review, monitor and advise on risk and compliance throughout all of our businesses and markets. Duties include providing reports and insights on current risk exposures, identifying new risk types and tracking and pro-actively addressing any breaches of risk limits.

1 in 5
of our top 50
clients have made
commitments to
carbon neutrality

80%
of our top 50
client leads have
discussed
sustainability
with their clients

For more examples of our client and pro bono work to address social and environmental issues, download our Sustainability Report 2019.



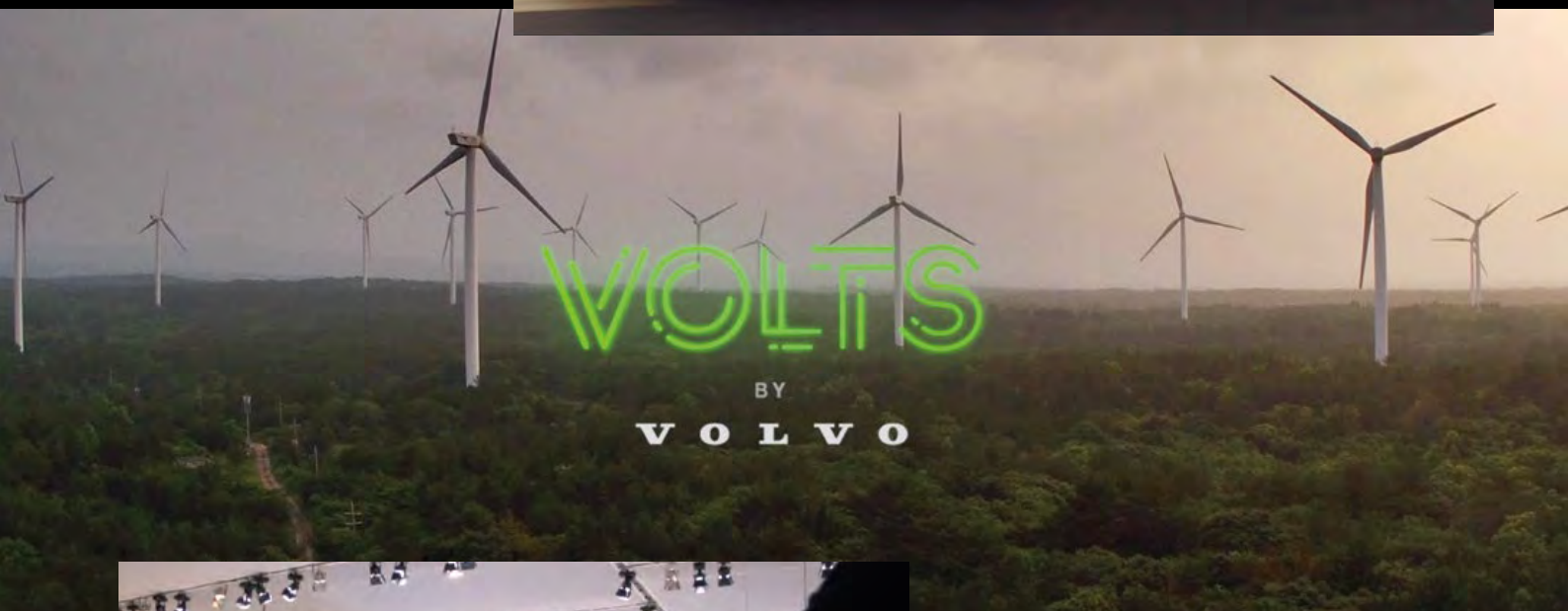
wpp.com/sustainability

LEADING THE CHARGE

AGENCY
FAMOUSGREY

CLIENT
VOLVO

Volvo asked FamousGrey to help them answer this question: what is the use of driving electric if you do not charge your car with green energy? To help meet this challenge, the agency created Volts by Volvo, a new energy contract for homes which provides 100% green electricity, so that drivers are not only using electric cars, but also charging them with green energy. And with the energy generated from both wind and solar and provided by green energy expert Eneco, the result is clear: no impact, zero emissions.



7.5m

Belgians reached
(population 11 million)

71%

said they would
re-evaluate their
electricity contract in a
post-campaign survey

1 in 4

drivers of electric cars
engaged with the Volts
by Volvo platform

April 2019-January 2020

SOCIAL INVESTMENT

Charities and non-governmental organisations (NGOs) do vital work, often with limited resources. We can help boost their impact by providing communications and creative services on a pro bono basis (for little or no fee).

This work is mutually rewarding. While enabling our voluntary sector clients to raise money and awareness, recruit members, and achieve campaign objectives, pro bono work also provides opportunities for our people to work on fulfilling and often award-winning campaigns that raise the profile of our companies.

WHAT WE GAVE IN 2019

Our pro bono work was worth £10.6 million in 2019 (2018: £11.3 million), for clients including UN Women and WildAid.

We also made cash donations to charities of £5.2 million (2018: £5.7 million). This resulted in a total social investment of £15.8 million (2018: £17.0 million), equivalent to 1.60% of reported pre-tax profits (2018: 1.35%).

WPP media agencies negotiated free media space worth £18.9 million on behalf of pro bono clients (2018: £23.8 million), making our total social contribution for the year £34.7 million (2018: £40.8 million).

VOLUNTEERING

In addition to providing donations and pro bono services, we encourage our people to volunteer their time. Half of our companies have formal volunteering policies in place (2018: 41%), and 61% (2018: 54%) organised volunteering activities for their people during 2019. For example, VMLY&R celebrated its first anniversary in September by closing all 82 offices so its 6,500 people could volunteer to support their local communities, a celebration that will be repeated each year.

SOCIAL IMPACT

Our support helps charities and NGOs to continue and grow their work in critical areas such as improving health and education, reducing inequality and protecting human rights. Pro bono work is often worth more than an equivalent cash donation as it raises awareness of our partners' work while helping to increase donations, recruit members, change behaviour and achieve campaign goals. We have conducted research to quantify this wider impact.

Our most recent analysis shows that in 2019 our pro bono work created wider social benefits worth £92 million (2018: £91 million). This includes, for example, the impact of charities being able to improve health and wellbeing in communities. Adding in our charitable donations and free media space as well as our pro bono work, the wider social benefits created in 2019 were worth an estimated £291 million (2018: £331 million).

COMMON GROUND INITIATIVE

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.

The greatest contribution we can make towards the SDGs is through our client and pro bono work.

£92m

wider social benefits created by pro bono work in 2019

£291m

wider social benefits from pro bono work, charitable donations and free media space in 2019

Read our Quantifying our impacts report and see more examples of our pro bono work in our Sustainability Report 2019.



wpp.com/sustainability

CODE OF CONSCIENCE

AGENCY
AKQA

CLIENT
NGOs WORLDWIDE

A third of the world's protected nature reserves are under threat, with illegal deforestation a leading cause. Alongside a group of global NGOs, AKQA launched Code of Conscience: open source software that restricts the use of heavy-duty vehicles in protected areas. The code is available for free and, for the first time, gives heavy-duty vehicle manufacturers the opportunity to be part of the solution to illegal deforestation. An invitation comprising the Code of Conscience chip embedded in a wooden sculpture of an endangered animal has been sent to the CEOs of the world's top-ten construction equipment manufacturers, with a vision for all new machines to leave the factory with Code of Conscience pre-installed.

10
manufacturers
sent the code

2
countries considering
making the code law

100+
coverage in over 100 countries,
sparking positive change

ATTRACTING AND RETAINING TALENT

The insights, creativity, and expertise of our people are what bring our clients to our door. Our success depends on hiring and retaining the brightest, most forward-thinking people with the best and most original ideas.

SKILLS, TRAINING AND DEVELOPMENT

By investing in training and development, we strengthen our creative, technical and leadership skills. Providing our people with opportunities for training and for professional and personal development also helps keep them engaged in their work and with the Company.

In 2019, we spent £38.7 million on training (2018: £36.6 million) and 66% of our people took part in an average 11 hours of formal training per person. In addition, almost 60,000 people accessed online courses through LinkedIn Learning (previously Lynda.com), which provides access to thousands of courses via desktop or mobile devices.

We follow up with training participants to assess the effectiveness of a course and whether it has helped improve performance at work.

Development needs are assessed during a formal appraisal process. In 2019, 86% (2018: 87%) of our people had a formal appraisal, including 360-degree appraisals for 65% (2018: 66%) of executive leaders and 64% (2018: 66%) of senior managers.

Our people can find new roles within our companies in the UK, China and Singapore using our online job board, Springboard. In 2019, 24% (2018: 23%) of vacancies were filled by people already working within the Company.

ENGAGEMENT AND FEEDBACK

We use formal and informal mechanisms to assess and improve employee engagement and satisfaction.

Employee surveys help us assess and act on engagement and satisfaction levels. In 2020, we will launch our first Company-wide employee survey. We conducted the first inclusion survey in the UK this year and are currently analysing the results.

The vast majority (95%) of our companies carry out exit interviews with leavers, which often provide helpful feedback on our culture and practices.

To ensure our Board understands the views of our employees on WPP's purpose, values and strategy, in 2019 we established our first People Forum in the UK. Sponsored by our UK Country Manager, the Forum has representatives from across our UK business who gather feedback from their agencies to feed up to the WPP Board. The Board also consults the Forum on key people issues. In 2020, we will roll out an India People Forum representing employees from Mumbai, Delhi and Bangalore.

LABOUR RELATIONS ^K

We support the rights of our people to join trade unions and to bargain collectively, although trade union membership is not particularly widespread in our industry. In 2019, around 5% of our employees were either members of a trade union or covered by a collective bargaining agreement (2018: 6%). We held 1,507 consultations with works councils, mainly in Europe (2018: 476).

We have made around 3,500 redundancies as part of our transformation programme, as we merge and restructure some agencies and as a result of changes in our client base. We aim to support affected people through our employee assistance programmes.

INCLUSION AND DIVERSITY

Different backgrounds and perspectives are what drive creativity. A diverse and inclusive workplace is essential to our daily work and our long-term success. We work hard to make all our people feel valued and fulfilled at work, regardless of gender, ethnicity, age or disability.

WPP does not tolerate harassment, sexual harassment, discrimination or offensive behaviour of any kind. We select and promote our people based on 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. Our Code of Business Conduct sets out this commitment, applies to all our people and is available on our website, in our Policy Book and on our intranet. Our online ethics training, How We Behave, covers diversity and unconscious bias.

GENDER BALANCE ^K

Our overall workforce has an equal gender balance and 50% of our senior managers are women (2018: 49%). During the year the proportion of women in executive leadership roles increased slightly to 37% (2018: 36%). At Board level, the proportion of women is 40%, compared with 33% in 2018 and a FTSE 100 average of 32.4%. We aim to reach parity.

In 2019, WPP joined the 30% Club, a campaign group of Chairs and CEOs taking action to increase gender diversity on boards and management teams to a minimum of 30% female representation.

We remain a committed signatory of the Women's Empowerment Principles, a guide for businesses on how to empower women in the workplace, marketplace and community. We are also a proud partner of UN Women, which is a significant beneficiary of our pro bono work.

Our WPP Stella network expanded to France and the United States in 2019, in addition to being active in India, Italy, Mexico, South Africa, Taiwan and the UK. It aims to tackle barriers that may prevent women progressing to the most senior roles. It runs events, networking opportunities, coaching and training and maintains a speaker database to raise the internal and external profile of our senior women.

GENDER DIVERSITY ^K

Board and Executive

37% (1,513)	63% (2,577)	2019
36% (1,452)	64% (2,614)	2018

Senior Managers

50% (8,689)	50% (8,578)	2019
49% (8,474)	51% (8,792)	2018

All other employees

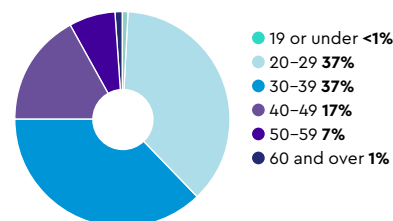
57% (47,625)	43% (36,118)	2019
56% (47,131)	44% (36,630)	2018

Total employees

55% (57,827)	45% (47,273)	2019
54% (57,057)	46% (48,036)	2018

● Female ● Male

AGE DIVERSITY ^K



DISABILITY

We recruit, select and promote our people on the basis of their qualifications, relevant experience, and merit, without discrimination or concern for disability. Candidates are assessed objectively against the requirements of the job, taking account of any reasonable adjustments that may be required for candidates with a disability. For people who develop a disability during their employment, we make adjustments to their working environment or other employment arrangements wherever possible, within a reasonable time frame and in consultation with the employee.

As an inclusive business we have signed up to the Valuable500, a global initiative that is putting disability on the boardroom agenda and celebrating inclusion among 500 influential businesses. As part of our commitment, we launched our new Inclusive Experience Practice, which helps brands to reach and be relevant to the widest market possible by making their communications, products and services inclusive and accessible.

FLEXIBLE WORKING AND PARENTAL LEAVE ^K

Flexible working can make work accessible to a broader pool of talent, including parents and people with caring responsibilities, helping to create a more diverse and engaged workforce. We estimate 24% of our workforce had flexible working arrangements in place in 2019, such as part-time working, flexible hours and home working, as well as career breaks and sabbaticals (2018: 25%). More than half (55%) of our companies offer parental leave benefits that exceed local legal requirements (2018: 48%).

HEALTH, SAFETY AND WELLBEING ^K

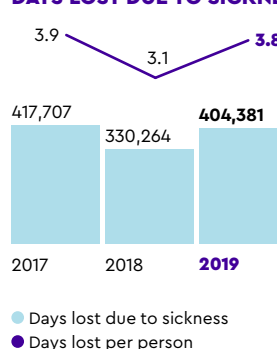
Supporting our people's physical and mental health and wellbeing is good for our people and good for business. The main health and safety hazards in our business are work-related stress and ergonomic injuries. 71% of our companies employ someone responsible for health and safety management (2018: 78%). There were no work-related fatalities in 2019.

The range of programmes on offer in our businesses include fitness facilities and subsidised gym memberships; health and nutrition services, including health insurance and medical assessments; counselling and employee assistance services; and ergonomic risk assessments and specialist equipment.

MENTAL HEALTH

Work-related stress is one of our main – and growing – health and safety hazards. Though having good policies and procedures in place for managing mental-health issues is important, we also need a working culture where people feel able to discuss concerns and seek support. In countries where very long working hours are the norm, our companies need to take additional measures. These can include overtime restrictions and monthly management reviews of overtime worked.

DAYS LOST DUE TO SICKNESS ^K



To learn more about our programmes, including information about our training programmes and our development programmes that support our senior and mid-level women, download our Sustainability Report 2019.



wpp.com/sustainability

INTO THE SPOTLIGHT

AGENCY
WUNDERMAN THOMPSON

CLIENT
LUX (UNILEVER)

Despite changing attitudes towards women and work in Saudi Arabia, only 16% of the workforce is female. The Unilever brand Lux turned to Wunderman Thompson to highlight women when people searched online for male-dominated jobs.

The agency launched #IntoTheSpotlight on International Women's Day and used paid search results on Google to profile leading women in the relevant fields. Linking to content on Mira, a joint venture between Unilever and Vice, this meant when someone searched for "photographers" it took the user to videos and information about leading fashion photographer Huda Beydoun.

15-20%
increase in inquiries
for the featured
professionals

870,000
people reached
across Saudi Arabia
on International
Women's Day 2019



ENVIRONMENT

We support urgent action to tackle the climate crisis and aim for net zero carbon emissions in our Campuses by 2025.

OUR CLIMATE STRATEGY ^K

We recognise the major threat that climate change and environmental degradation pose to global social and economic development. We support urgent action to tackle the climate crisis through the Paris Agreement.

Our environmental management programmes are reducing our carbon emissions and broader environmental impact, while helping us to identify and mitigate climate-related risk. These programmes reduce costs and business risks, while meeting our clients' and colleagues' expectations.

In 2019, 25% of our floorspace was certified to advanced sustainability standards such as LEED and BREEAM, meeting our 2020 target a year early.

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

We support the Taskforce on Climate-related Financial Disclosures (TCFD) and are developing our disclosures in line with its recommendations. The TCFD seeks to encourage businesses to disclose climate-related risks and opportunities and is structured around four themes: governance, strategy, risk management, and metrics and targets.

For our second TCFD disclosure, see pages 196 and 197.
For our carbon emissions statement, see page 199.

CIRCULAR ECONOMY

In 2019, WPP committed to take the "plastic" out of "Wire and Plastic Products" (the original name of the Company) by:

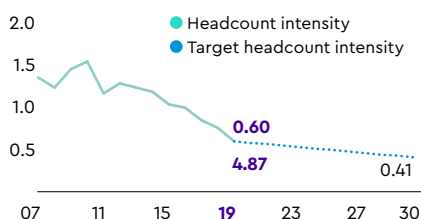
- phasing out plastics that cannot be reused, recycled or composted across all of our 3,000+ agency offices and Campuses worldwide by the end of 2020;
- signing up to the New Plastics Economy Global Commitment led by UN Environment and the Ellen MacArthur Foundation which aims to unite businesses, governments and other stakeholders behind a common vision for a plastics system that works; and
- pledging to work with clients and partners to drive consumer change at scale.

Phasing out single-use plastics across our offices is an ambitious goal but our greatest impact is through our client work. We have worked with more than 60 clients to help them reduce their own single-use plastics use, on briefs ranging from product and packaging design and innovation to consumer engagement and behaviour change.

PERFORMANCE SUMMARY

SCOPE 1 AND 2 (MARKET BASED) ^K

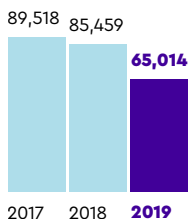
TONNES CO₂e EMISSIONS PER PERSON



Our scope 1 and 2 market-based emissions for 2019 were 0.60tCO₂e/head, a 21% reduction from 2018. Our carbon intensity per £1 million revenue was 4.87 tCO₂e/head, a 22% reduction since 2018.

CARBON OFFSETS PURCHASED

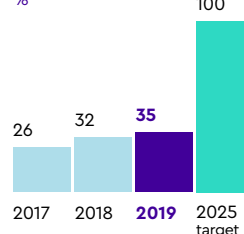
tCO₂e



Since 2007 we have purchased and permanently retired 1.55 million carbon credits to offset our carbon emissions from air travel. We offset 100% of our air travel emissions in 2019.

ELECTRICITY FROM RENEWABLE SOURCES ^K

%



We increased the percentage of electricity purchased from renewable sources to 35% (2018: 32%), making substantial progress towards our 50% target.

TARGETS AND COMMITMENTS

0.41

tonnes of CO₂e per employee by 2030, a 50% reduction from 2017

Net zero

carbon emissions in our Campuses by 2025

100%

renewable electricity by 2025 in line with RE100

100%

of emissions from air travel offset through the purchase of high-quality carbon credits since 2011

CHALLENGING MEATY NORMS

AGENCY
DAVID

CLIENT
BURGER KING

In the United States, animal farming is responsible for half of the carbon emissions released into the atmosphere, even if it is only responsible for 3% of the calories in our diet (LCA Impossible Foods 2019). When Burger King wanted to reduce the environmental impact of the Whopper, they turned to DAVID to help get meat-eaters to try something new. The Impossible Whopper looks, smells and tastes just like a Whopper should, but the plant-based patty delivers that same great Whopper taste with an 89% drop in carbon emissions. It is almost impossible to believe that helping the planet could taste so good.

13bn
impressions

10yrs
best-selling
product launch
in 10 years

\$140m
in earned media

89%
reduction in GHG
emissions achieved
by each Impossible
Whopper compared
to meat-based
equivalents

April 2019



EVERYDAY CLIMATE ACTION

AGENCY
H+K STRATEGIES

CLIENT
DOCONOMY

When Swedish fintech Doconomy wanted to find an innovative solution to addressing the climate crisis, they turned to H+K Strategies. Alongside RBK Communication, H+K helped them create DO Black: a credit card with a carbon emission limit, which stops you from overspending not based on available funds but on the impact caused by your consumption. It blocks transactions exceeding the CO₂ limit, disables the credit card and notifies the cardholder, giving people a real feel for their carbon footprint.

\$100m
in earned media

80+
banks and credit card companies
discussing collaboration

10,000+
registered users
in Sweden

Winner
Cannes Grand Prix and a silver Lion

April 2019-January 2020



To learn more about our approach to environmental management, our full performance and our approach to carbon emissions accounting, download our Sustainability Report 2019.



wpp.com/sustainability

SUPPLY CHAIN

We expect the companies we work with to meet high ethical, human rights, workplace and environmental standards. However, with over 130,000 companies in our supply chain, some risks will remain. We endeavour to mitigate these risks.

Our Group procurement team is led by our new Chief Procurement Officer and manages centrally negotiated contracts with preferred suppliers. A significant proportion of additional procurement is delivered through contracts negotiated by budget holders within our operating companies.

In 2019, we commissioned an independent consultancy to assess the maturity of our supply chain management policies and processes. Following this evaluation, our Chief Procurement Officer is leading a complex programme of activities designed to evaluate and implement a modernised procurement ecosystem and infrastructure. Working with Group Procurement, the sustainability team is conducting an exploratory project on how to embed new controls and processes to develop a more mature responsible sourcing programme.

SOURCING STANDARDS

Our expectations of suppliers are set out in our Supplier Code Of Conduct, which includes requirements relating to labour practices (such as anti-harassment and discrimination, and health and safety), human rights (including modern slavery issues such as child, forced or bonded labour), social impacts (such as anti-bribery and corruption) as well as other sustainability issues. Our Code requires suppliers to apply similar standards to companies within their own supply chain.

SUPPLIER SELECTION

We evaluate potential new suppliers on factors such as assurance of supply, quality, service, cost, innovation and sustainability. To continue to strengthen our due diligence, in 2019 we completed the roll-out of two additional supplier pre-selection questionnaires across 12 of our largest markets. Any "flags" raised in this process are immediately sent to the global sustainability team for investigation before any further onboarding takes place.

SUPPLIER DIVERSITY

We work with many small and diverse suppliers and this can be a source of new ideas and creativity. In the United States, around 1.6% of spend (2018: 2.1%) is with certified diverse suppliers including women- and minority-owned businesses.

HUMAN RIGHTS

Respect for human rights is a fundamental principle for WPP. We aim to prevent, identify and address any negative impacts on human rights associated with our business activities.

We look for opportunities to promote human rights, in areas such as our pro bono work.

Our Human Rights Policy Statement summarises our approach. It reflects international standards and principles, including the International Bill of Human Rights, the UN 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 a member of the United Nations Global Compact and report progress against its 10 principles annually.

Our most direct impact on human rights is as a major employer. We recognise the rights of our people, including those relating to freedom of association and collective bargaining, and we do not tolerate harassment or any form of forced, compulsory or child labour. Human rights are included in the ethics training completed by all employees, which we updated during the year as part of a wider commitment.

See attracting and retaining talent, from page 68

We work with clients to manage any human rights risks from marketing campaigns, for example by protecting children's rights in relation to marketing. WPP companies will not undertake work designed to mislead on human rights issues.

MODERN SLAVERY

We do not tolerate any form of modern slavery in our business or supply chain.

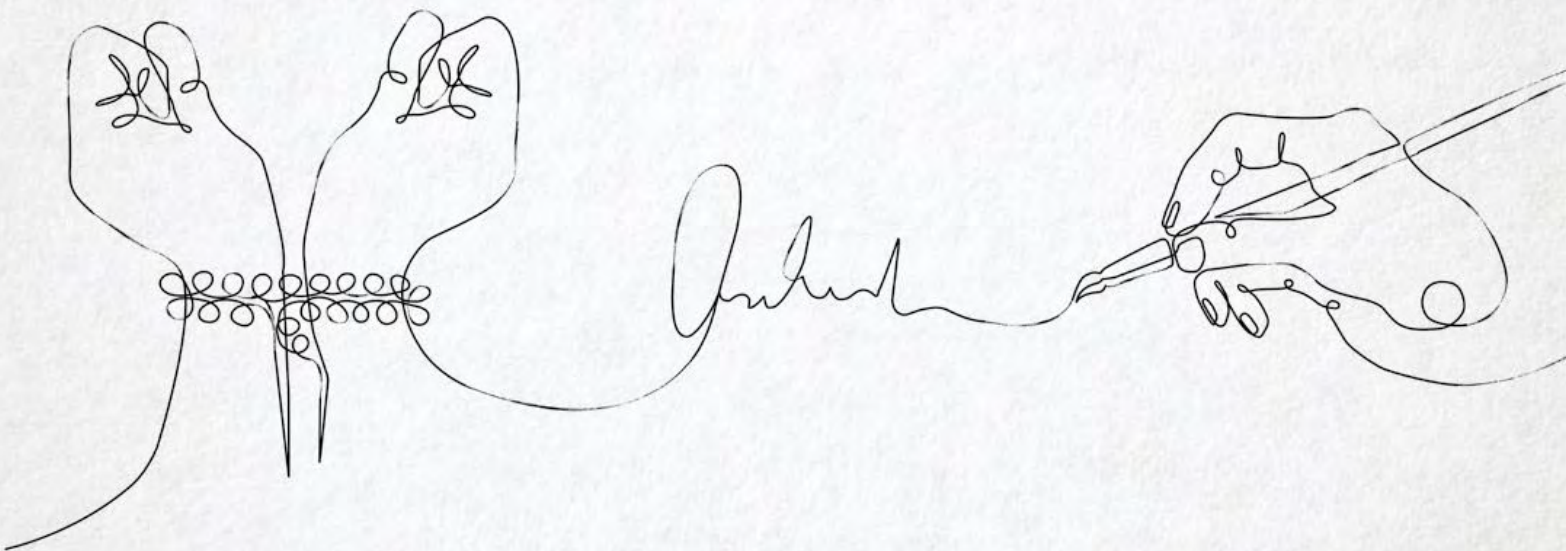
WPP recognises the prevalence of modern slavery across all countries. We aim to implement appropriate measures to mitigate the risk of it occurring, either in our own operations or those of our partners. To this end, we are working with a transnational crime consultant to help us re-evaluate our approach to managing modern slavery risks within our supply chain.

In 2019, we updated our Global Supplier Agreement to include a specific clause relating to modern slavery.

To learn more about our Supplier Code of Conduct, Human Rights Policy, and Modern Slavery Act Transparency Statement see:



wpp.com/sustainability/policies-and-resources



THE POWER OF PEN ON PAPER

AGENCY
GREY

CLIENT
AMNESTY
INTERNATIONAL

Amnesty International wanted to show Indonesians that a single signature can make a big impact. So Grey created Signature, a poster series chronicling the role petitions can play in ending human rights violations such as child marriage and gender-based violence, and calling for Indonesians to take action by putting pen to paper.

25%

increase in signature
pledges to Amnesty
International
Indonesia

October-December 2019

YOUR SIGNATURE CAN FREE INDONESIA

FROM FREE SPEECH VIOLATIONS



TRANSPARENCY AND TRUST

We can reduce risks to our business and clients by establishing clear policies and procedures in areas such as data security, ethical conduct, supply chain management, and human rights, and by being transparent about our progress.

OUR CODE OF CONDUCT

Our policy framework and training set clear ethical standards for our people and companies.

The WPP Code of Business Conduct summarises our principles and the key policies that apply to everyone at WPP. It is underpinned by more detailed policies on anti-bribery and corruption, hospitality and gifts, facilitation payments, the use of third-party advisors, human rights and sustainability. In 2019, we implemented a new Disability Policy.

We require our people to take our online ethics training, How We Behave, on joining and then on a regular basis, including after each update (at least every two to three years). Topics include diversity, human rights, conflicts of interest and avoiding misleading work. More than 57,000 employees completed the training in 2019. In 2020, How We Behave will be refreshed and new modules will be introduced on sustainability and business integrity.

Our online training on anti-bribery and corruption covers the requirements of the Foreign Corrupt Practices Act and UK Bribery Act, including issues such as hospitality and gifts, facilitation payments and the use of third-party advisors.

57,000+
people completed ethics
training in 2019

MANAGEMENT AND COMPLIANCE

Our Group Chief Counsel and Head of Sustainability oversees our approach to ethics and compliance. Senior managers in all our companies and our business and supplier partners are asked to sign a copy of the WPP Code of Business Conduct each year to confirm they will comply with its principles. Our newly established Board-level Sustainability Committee and Executive Committee sustainability working group provide additional oversight and guidance on any ethical issues that may arise.

Our people can report concerns or suspected cases of misconduct confidentially through our independently managed Right to Speak facility, which is overseen by our legal and business integrity team departments and is available via phone or email in local languages. We publicise the facility in induction packs, on our intranet, in the WPP Policy Book and via our ethics training. In 2019, we received 361 reports (2018: 200) via Right to Speak, all of which were followed up, investigated where appropriate by our legal, business integrity and internal audit teams, and reported to the Audit Committee.

ASSOCIATES, AFFILIATES AND ACQUISITIONS

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

Our due diligence process for acquisitions and expansion into new markets includes a review of ethical risks including those relating to bribery and corruption, human rights or ethical issues associated with client work.

We identify any specific human rights risks associated with different countries of operation, using sources such as the Transparency International Corruption Index, Human Rights Watch country reports and government guidance.

Acquired businesses must adopt our policies and their people must undertake our ethics training within a month of joining WPP. This is agreed in an integration plan before the acquisition is finalised, and we monitor progress.

PUBLIC POLICY

Most of our public policy activity is work that our public affairs businesses carry out for clients, including direct lobbying of public officials and influencing public opinion. On occasion, we also advocate on issues that affect our business.

We believe that business can make a valuable contribution to public policy debate, but that to protect the public interest it is important to conduct all lobbying with integrity and transparency.

The majority of work undertaken by our public affairs companies takes place in the United States and the EU, although many clients are multinational businesses operating in many countries.

OUR STANDARDS

Our Code of Business Conduct and our Political Activities and Engagement Policy govern our political activities, and both are available on our website. These documents commit us to acting ethically in all aspects of our business and to maintaining the highest standards of honesty and integrity. Political activities in particular should be conducted legally, ethically and transparently and all related communication should be honest, factual and accurate. Our policies apply to all companies and employees at all levels.

Many of our companies are members of professional organisations and abide by their codes of conduct. Examples include the UK Association of Professional Political Consultants (APPC), and the European Public Affairs Consultancies' Association (EPACA).

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

Our companies in the United States 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 to mislead and always seek to identify the underlying client before taking on work. We do not knowingly represent "front groups" which purport to be independent campaign groups but are in fact controlled by another organisation for the purpose of misleading.

Our Group Chief Counsel and Head of Sustainability has responsibility for developing and implementing our political activity policy and public reporting procedures. The CEO and CFO in each country or region are responsible for implementing our policy at the local level.

Any third parties conducting political activities on behalf of WPP or its companies must comply with our Political Activities and Engagement Policy. Third parties are required to complete the WPP ethics training or equivalent within their own organisation.

POLITICAL CONTRIBUTIONS

WPP companies are not permitted to make direct cash donations. Other political donations can only be made with the prior written approval of a WPP executive director. Donations must be reported to WPP legal before they are made, to confirm they comply with this policy and to obtain the necessary approvals.

POLITICAL ACTION COMMITTEES

In countries where it is consistent with applicable law, individuals working at WPP companies may make personal voluntary political contributions directly to candidates for office. Several of our businesses, including Burson Cohn & Wolfe/Prime Policy and Glover Park Group, also maintain political action committees (PACs) which accept voluntary donations from their people to support political candidates. In 2019, these PACs made disbursements worth \$128,295 (data from fec.gov).

LOBBYING AND POLITICAL ADVOCACY

We occasionally contribute to the debate on public policy issues relevant to our business, sometimes through our public affairs companies.

We advocate on sustainability issues, through partnerships such as the Common Ground initiative in support of the UN Sustainable Development Goals. In 2019, Demet İkiler, WPP Country Manager for Turkey and EMEA CEO of GroupM, joined the local board of the UN Global Compact with responsibility for diversity and inclusion. Karen Blackett OBE, WPP UK Country Manager, serves as the UK Government's Race at Work Champion, supporting the Race at Work Charter.

Our companies contribute to public policy debate in areas where they have expertise and a special interest. Our digital and research companies, for example, are involved in privacy and data protection issues.

WPP companies must implement clear procedures for employing serving or former politicians, including a six-month "cooling-off" period for people joining WPP from public office or the public sector.

MEMBERSHIP OF TRADE ASSOCIATIONS

We are members of trade associations, industry groups and membership organisations which undertake lobbying activity on behalf of their members. We select organisations with priorities and values aligned with our own and with robust governance processes. WPP companies must nominate a senior manager to manage and oversee trade association relationships. Memberships are listed in our Sustainability Report 2019.

PRIVACY AND DATA ETHICS

More than ever, data underpins, drives and contributes to the work that we do for our clients. We use the term "data" in its broadest sense, to include client data, consumer data, and all information and data related to the operating of our businesses.

We require all our people to operate in line with our Data Code of Conduct. This contains the underlying principles that: WPP, its companies and its people are committed to the responsible collection, management, use and protection of data; and we recognise our obligations to all stakeholders, including shareholders, clients, our own people, suppliers and consumers.

We focus on building our people's awareness and knowledge so everyone understands and takes responsibility for data privacy and security. We have robust standards and governance processes in place to reduce risks and comply with regulation. We partner with clients, peers and industry organisations to promote best practice.

In 2020, the focus will continue to increase on data ethics, artificial intelligence and machine learning, and privacy by design, particularly as the availability and possible applications of data increase across all areas of our business.

POLICIES AND GOVERNANCE

Since the launch of the WPP Data Privacy and Security Charter in 2018, we have issued incremental updates to reflect regulatory changes and best practices, as well as changes to our business. For example, the Charter now includes an Artificial Intelligence Statement to guide our people on its use.

The Charter helps us communicate our approach to data to our people and clients, setting out core principles for responsible data management through our Data Code of Conduct, our IT security, privacy and social media policies, and our security standards (which are based on ISO 27001).

Our Group Chief Privacy Officer leads our work on privacy, supported by our Data Protection Officer. Together, they provide practical guidance and support to our agencies on data ethics, ensure that privacy risks are well understood across the business, help us prepare for relevant new regulation, and promote best practices.

Our networks and companies have appointed privacy leads to oversee the implementation of our policies at a local level. They report progress via our Group Chief Counsel and Group Chief Privacy Officer.

AUDIT AND DUE DILIGENCE

Our company-wide audit programme includes controls reflecting the technical and organisational measures in place to protect data, as well as specific data privacy controls. Our internal audit team runs a rolling programme of audits across our companies to review privacy risks and practices using these controls.

Suppliers who collect, manage or store employee, consumer or client data on behalf of WPP, our companies and our clients must have the right data security and privacy standards in place. We conduct due diligence on data suppliers and embed privacy requirements in our supplier contracts.

TRAINING AND ENGAGEMENT

We continue to enhance our Safer Data platform, which is a well-used resource across the Group. The platform provides information, guidance and resources to help our people understand privacy risks and to apply our policies in their work.

The platform also includes our regulatory toolkits for GDPR, CCPA and LGPD, model data protection contract clauses, privacy impact assessment tools, policy templates and other topic- or jurisdiction-specific guidance and resources.

We will relaunch our mandatory global Privacy and Data Security Awareness online training in 2020. There will be updates to both the style and content of the training, making it more engaging and relevant and ensuring our people are well-trained in our data responsibilities as a company and in their individual roles. Our team also continues to run face-to-face training to reflect specific topics or regulations; for example, we have trained over 1,000 of our employees on the new California Consumer Privacy Act.

We work with clients to share insights and privacy best practices, demonstrating how we apply these across the Group and in the work we undertake for them. Our people have access to a range of resources to support them in these conversations, and our Data Privacy and Security Charter is written in a way that can be shared with clients.

As regulations continue to evolve, we partner with clients, industry organisations and peer companies on privacy and data protection issues, particularly with advertising bodies in the regions in which we operate such as the Internet Advertising Bureau (IAB) in Europe and the United States, and the UK Advertising Association.

DATA HEALTH CHECKER

We use our Data Health Checker to review privacy risks and data security practices in our businesses. This provides insight into how data is used, stored and transferred and helps to identify any parts of the business that need further support on data practices. The results show that the majority of our companies continue to have measures in place that meet or exceed their level of privacy risk (the average risk score is 2.14, where 5 is the maximum risk score). Of those companies surveyed, 80% have a dedicated privacy lead.

OUR APPROACH TO SUSTAINABILITY

EMBEDDING SUSTAINABILITY IN OUR COMPANIES

WPP sets the sustainability policy for the Group with every company responsible for implementation. We have a clear policy framework through our Code of Business Conduct, Sustainability Policy, Supplier Code of Conduct, Data Privacy and Security Charter, Human Rights Policy Statement and other policies included in the WPP Policy Book. We track progress using our social and environmental key performance indicators.

Our internal sustainability advisors are working to ensure consistent implementation of our standards. In 2019, we ran training for our top 200 global leaders on sustainability as a lever for innovation and growth. We also piloted an online resource hub to share best practice across our companies and encourage collaboration.

STAKEHOLDER ENGAGEMENT

Dialogue with our stakeholders including our people, clients and investors provides valuable feedback and insight into sustainability risks and opportunities, for our Company and our clients.

Most stakeholder engagement takes place in the course of doing business. We also carry out more formal research as part of our materiality process. We work with clients on sustainability issues (see page 64). Information on employee engagement is on page 68.

INVESTOR ENGAGEMENT

Our involvement with investors, rating agencies and benchmarking organisations on sustainability during 2019 included: Bloomberg Gender-Equality Index; CDP; Ecovadis; Ethibel; Euronext Vigeo Europe; FTSE Russell; Human Rights Campaign Foundation's 2018 Corporate Equality Index; ISS Data Verification; MSCI Research Inc; Sustainalytics; Thomson Reuters D&I index; Trucost; and Workforce Disclosure Initiative (WDI).

We are included in the FTSE4Good Index and participate in the CDP Climate benchmark, receiving a rating of B in 2019 (2018: A-). For an explanation of this change, see Sustainability Report, page 39).

OUR MATERIALITY PROCESS

Our first formal materiality assessment in 2014 included interviews with clients, investors, NGOs, and sustainable business experts, as well as senior executives in our Company functions and our operating companies. We carried out further reviews in 2016 and 2017. In 2019, we updated our materiality assessment in light of our new corporate strategy (see Sustainability Report, pages 57 and 58).

ABOUT OUR REPORTING

Data included in this review is for the calendar year 2019 and covers all subsidiaries of the Company. Some key environmental and people data is verified by Bureau Veritas, an independent assurance provider (see Sustainability Report page 59).

NON-FINANCIAL INFORMATION STATEMENT

This section provides information required by regulation in relation to:

- environmental matters (page 72 and TCFD Statement, pages 196 and 197);
- our people (pages 68-70);
- social matters (page 66);
- human rights (page 74); and
- corruption and bribery (page 76).

In addition, other related information can be found as follows:

- business model (page 9);
- principal risks and how they are managed (pages 80-91); and
- non-financial key performance indicators (page 8).

To find further details, data, our materiality analysis and case studies, download our full Sustainability Report 2019.



wpp.com/sustainability

ASSESSING AND MANAGING OUR RISKS

The success of our strategic objectives, as discussed in this report, depends to a significant extent on the steps we are able to take to respond to the impact of the Covid-19 pandemic on the Group and how we recognise and address the other current and emerging risks and uncertainties we face as a business. The extent of the impact of Covid-19 will depend on future developments which are highly uncertain and cannot be predicted.

The Board, assisted by the Audit Committee, has oversight and responsibility for our internal control system which is structured through our three lines of defence model and delivered through our risk governance framework, business integrity programme, culture based upon the principles set out in our Code of Conduct and our approach to risk management.

The Board has reviewed the design and effectiveness of this system during the year and up to the date of this report and carried out a robust assessment of the impact of the Covid-19 pandemic, along with other principal risks that are currently impacting or could impact our business.

The system of controls described below is designed to manage and mitigate, but may not eliminate, the risk of failure to achieve our strategic objectives and is not an absolute assurance against material misstatement or loss.

RISK GOVERNANCE FRAMEWORK AND BUSINESS INTEGRITY PROGRAMME

A key element of our risk governance framework is our Risk Committees. Each network has a global Risk Committee chaired by the CEO and with key senior managers participating to ensure that leadership has a full understanding of the risks across businesses and the remediation steps required from time to time in certain markets. We also have a WPP Risk Committee which has oversight over all network Risk Committees and itself reports into the Audit Committee.

The agenda of the Risk Committees is to review, monitor and advise on: compliance with laws, regulations, internal procedures, and industry standards, including anti-bribery and corruption matters; the implementation of our compliance framework (including setting clear standards and reporting lines

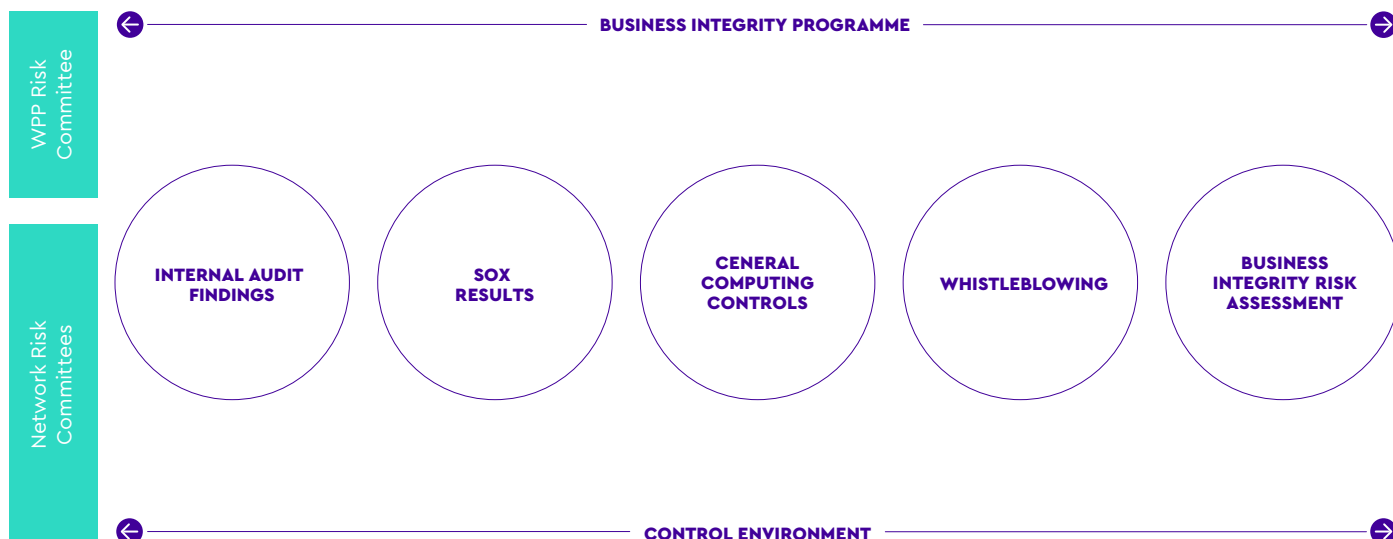
for the accurate and timely monitoring of exposures and certain risk types of importance); compliance policies and practices; and risks that present themselves throughout each network. This agenda is topped by our business integrity programme and tailed by our control environment.

In order to carry out their duties comprehensively, each Risk Committee has secure access to a central pool of data from their network that is crucial to the ability to recognise and monitor a full risk and compliance picture; this includes internal audit reports, SOX results, general computing controls results, whistleblowing data and the results of our annual assessment of business integrity risk.

WPP'S RISK GOVERNANCE FRAMEWORK

Our business integrity programme is integral to ensuring that the policies, procedures and control environment set by the Board is understood and worked within across all geographies and markets. It is produced by mapping resources, systems and processes against WPP's risk appetite (which the business integrity function helps the Board and WPP Risk Committee to set), governance

WPP'S RISK GOVERNANCE FRAMEWORK



requirements and regulator expectations and then crafting actions from the results for both the business integrity team and the Risk Committees.

Actions for the business integrity team focus on tackling root causes of risk and include:

- in respect of resources, bolstering messages and examples from leadership (including the Risk Committees) with communications, training sessions, workshops and practical guidance for our people and providing "on the ground" support for day to day queries from our networks;
- in respect of systems, advising on the implementation of WPP's policies, procedures and controls (including around internal reporting and approvals) and providing a compliance lens for the design and structure of our enterprise resource planning (ERP) environment; and

- in terms of processes, conducting an annual assessment of business integrity risk, monitoring dynamic data feeds (including our financials, internal audit findings and SOX results), reviewing and investigating whistleblowing reports and tracking remediation efforts.

POLICIES, PROCEDURES AND CULTURE

The quality and competence of our people, their integrity, ethics and behaviour, and the culture embedded within our businesses are all vital to the maintenance of our system of internal control which is maintained and reviewed in accordance with the UK Corporate Governance Code and FRC guidance on risk management and internal control.

In order to help our people make the right decisions, we provide a number of tools. The baseline reference of our policies and procedures is set out in our Policy Book, internal control bulletins and accounting guidelines. To communicate these effectively, we require all employees to complete an online training course upon joining and at regular intervals which

includes How We Behave, Anti-Bribery & Corruption and Privacy & Data Security Awareness modules. In addition, we top up the online resource with in-person training sessions, workshops and daily support on the ground from our regional compliance directors and managers. The business integrity function also houses an e-library of practical guides and compliance FAQs.

The core of our Policy Book is our Code of Business Conduct, which is regularly reviewed by the Board and sets out the principal obligations of all of our people. As a company and as individuals we have a collective responsibility to behave in the right way, to live up to our values and to conduct our business with integrity. Our Code outlines the commitments we make to each other, our business partners, and others with a stake in what we do. The principles of the Code are embedded in our training courses and workshops and our senior managers are required to sign it each year.

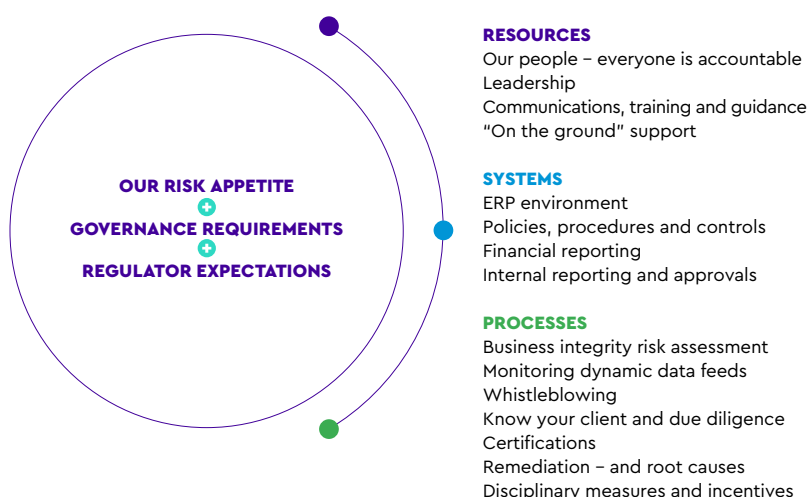
Our Anti-Bribery & Corruption Policy prohibits any form of bribery across the Group and is supported by the Advisor Payment Policy which restricts the use of advisors and details the due diligence that must be undertaken in the limited cases where advisors may be used. Our gifts and entertainment policy sets limits on values that may be given or received, supported in each company by a gift register.

Our Code of Conduct for suppliers replicates all of these obligations in our supply chain. Our Policy Book also includes required practices in many operational, tax, legal and human resource areas.

The application of our policies and procedures is monitored within each company and by the internal audit, legal and business integrity functions. Breaches are investigated by our legal and business integrity teams and, where appropriate, external advisors.

The Compensation Committee continues to review how the Group's performance rewards support the risk management and internal control systems.

WPP'S BUSINESS INTEGRITY PROGRAMME



RIGHT TO SPEAK

WPP's Code of Conduct sets out our responsibilities to our people, partners and shareholders to act ethically and with integrity. We want to embed a culture of integrity and transparency and one in which our people recognise that doing the right thing is good business.

Part of this culture is making sure that our people have confidence to speak up and raise concerns with their managers or supporting teams or through their employee forums or our Right to Speak hotline (which is confidential and allows for anonymity) if they experience or are concerned about behaviour which conflicts with our Code.

WPP is continuously raising awareness of these channels to our people and other stakeholders and as a result there has been a steady increase in the number of reports received over the past few years. In 2019, a total of 361 reports were received via the Right to Speak hotline. The most commonly raised concerns were about respect in the workplace and protection of WPP's assets.

RISK IMPACT FROM RIGHT TO SPEAK REPORTS 2019

All Right to Speak reports are received by the Group Chief Counsel and General Counsel, Corporate Risk. Each report is logged, investigated and tracked through to a conclusion including any remediation or follow-up actions that might be required.

Reports are also analysed for risk impact and root causes. Learnings generated from this analysis are converted into recommendations including for training sessions, workshops and practical resources by WPP's business integrity function and then implemented together with the support and input of the Risk Committees.

The nature of each report, action taken and outcome is reported to the Audit Committee and the approach and process are reviewed by the auditors.

WPP is committed to providing a safe and confidential way for people with genuine concerns to raise them, and to do so without fear of reprisals. WPP does not tolerate any retaliatory behaviour against individuals reporting concerns and is equally committed to preserving the anonymity of an individual who makes a report and does not wish to have their identity revealed.

The consequences for misconduct or retaliation range from individual performance management, training for a business or an office and one-on-one training or coaching for an individual through to staff relocation and staff dismissal.

FINANCIAL REPORTING

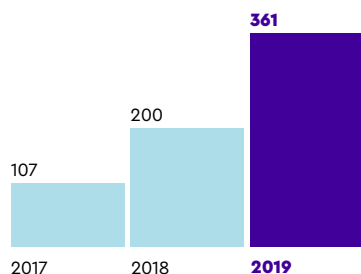
Each company annually updates a three-year strategic plan, which incorporates financial objectives. These are reviewed by executive management and are agreed with the Chief Executive of the relevant company.

We operate a rigorous procedure for the development of company budgets, which build up the Group's budget. During the final quarter of each financial year, operating companies prepare detailed budgets for the following year for Group review. The Group's budget is reviewed by the Board before being adopted formally. Company results are reported monthly and are reviewed locally, regionally and globally by the business groups and by Group management on a consolidated basis and ultimately by the Board. The results are compared to budget and the previous year, with full-year forecasts prepared and updated quarterly throughout the year.

At each year-end, all companies supply their full-year financial results. This information is consolidated to allow the Group to present the necessary disclosures for International Financial Reporting Standards (IFRS) as adopted by the European Union and issued by the International Accounting Standards Board (IASB).

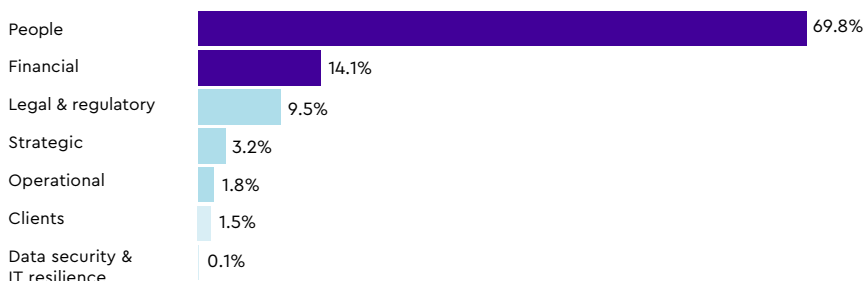
The Disclosure Committee gives further assurance that publicly released information is free from material omission or misstatement.

TOTAL NUMBER OF RIGHT TO SPEAK REPORTS



RISK IMPACT FROM RIGHT TO SPEAK REPORTS

%



RISK MANAGEMENT

We use a "three lines of defence" model in relation to risk management:

1. COMPANY REVIEWS

Each company undertakes monthly and quarterly procedures and day-to-day management activities to review their operations and business risks, supported by our policies, training and guidance on required internal controls over financial reporting and monitoring controls and reviews within their network.

In addition, our companies must maintain and update documentation of their internal controls and processes. This documentation incorporates an analysis of business risks, detailed control activities and monitoring, together with IT and financial controls and controls over security of data and the provision of timely and reliable information to management.

The information collated feeds up to each network's Risk Committee which uses it to assess and monitor current risk exposures, identify new risk types and set future risk strategy as well as compile it into a report and insights for the WPP Risk Committee and executive management.

2. EXECUTIVE MANAGEMENT REVIEWS

The company reviews are formally communicated to executive management in monthly reports and quarterly review meetings and, in turn, to the Board. At each Board meeting, the management team presents a business review of each of the operations, including an assessment of the risks in each business, and details of any change in the risk profile since the last Board meeting.

The business review includes the possibility of winning or losing major business; succession and the addition or loss of a key employee; regulatory changes; sustainability, including risks relating to marketing ethics, privacy, diversity and employment; political instability; and changes in accounting or corporate governance practice. To add to this, the Board has tasked the WPP Risk Committee with the evolution of our enterprise risk management process and the implementation of new technology for monitoring and tracking risks across all businesses and markets. This new platform is due to be rolled out through 2020 alongside refreshed risk appetite statements, drivers and tolerances which were reviewed by the Audit Committee during 2019. The resulting risk dashboard and map will feed into the regular risk discussions of the Audit Committee and the regular risk discussions of the Board.

In 2020 the Company also established a Risk and Controls Group to drive continuous improvement in the Group's control environment. The new function will focus on internal financial controls, risk appetite controls and controls in change programmes.

3. INTERNAL AUDIT AND AUDIT COMMITTEE OVERSIGHT

The internal audit function, with Audit Committee oversight and external resource as required, provides an independent review of risk management and internal control via internal audits and management of the testing programme for SOX.

Lines of Defence

FIRST LINE OF DEFENCE

Functions that own and manage risk

SECOND LINE OF DEFENCE

Functions that oversee or specialise in risk management and business integrity

THIRD LINE OF DEFENCE

Functions that provide independent assurance, above all internal audit

THE NEWLY ESTABLISHED RISK AND CONTROLS GROUP IS PART OF OUR SECOND LINE OF DEFENCE.

OVERARCHING GOALS

- Driving continuous improvement in the Company's control environment through strengthening ownership and accountability for internal controls by CEOs and CFOs at all levels of the organisation
- Driving culture change throughout the Company and improving understanding of internal controls
- Providing training and development as to "what good looks like" in relation to controls and demonstrating the value of good controls throughout the Company

VIABILITY STATEMENT

RISK ASSESSMENT

ASSESSMENT OF PROSPECTS

An understanding of the Group's business model and strategy detailed on pages 9 and 16 is central to understanding its prospects.

The Group's business model, transformation programme and diversification across marketing services businesses which operate in 112 countries, with a broad spectrum of clients, technology partners and suppliers and track record of setting up new businesses, are all relevant to any consideration of prospects and viability.

The Directors assess the Group's prospects on a regular basis through the financial reporting and planning process, the business reviews at each Board meeting, quarterly reviews of our businesses by the executive team and ongoing reviews of the Group's profitability, cash flows and funding requirements. The Board has also considered the longer-term risks and opportunities for the Group discussed in the Strategic Report and the potential impact of competition for talent and competition from consulting firms, technological disruption, climate change and regulation. The Board has also considered the impact of the Covid-19 pandemic which is adversely affecting and is expected to continue to adversely affect our business and our clients' and suppliers' businesses across all of the countries in which we operate. The Group has experienced and expects to continue to experience unpredictable reductions in demand for our services from clients in sectors impacted by the pandemic.

VIABILITY STATEMENT

The Directors' assessment of the Group's viability for the next three years has been made taking account of:

- Covid-19
 - the uncertainty of the consequences and duration of the Covid-19 pandemic and mitigation strategies being mandated by governments in impacted countries; the adverse financial impact already being experienced by the Group, disruption to clients' economic activity and client financial pressures and the impact on our people caused by Covid-19;
 - the ongoing reviews, reduction in pitch activity as a consequence of Covid-19 short-term notice periods or assignment nature of many of the client engagements; the volatility of global economic conditions and impact of a global recession as a consequence of the Covid-19 pandemic; and

- the Company's ability to cover interest payments on the Group's debt, to issue bonds and refinance bonds as they fall due given the potential impact of Covid-19.
- Other ongoing matters
 - the Group's current position and prospects;
 - the ongoing transformation programme updated in this report;
 - the changes taking place in our industry;
 - the long-term impact of technological disruption; and
 - the ongoing simplification of the Group structure and improving integrated service offering to clients.

This period has been chosen as it extends one year beyond our three-year transformation programme and strategic plan and aligns with our three-year budget process and reflects the Board's best estimate of the future viability of the Company. In testing the viability of the Company, we have undertaken a robust scenario assessment of the principal risks which could threaten the viability or existence of the Company. The potential impact of Brexit has been considered and it is not deemed to have a significant impact on this assessment. In the scenario modelling of the principal risks, we have stress tested our forecast cash flows to reflect a range of possible adverse effects of the Covid-19 pandemic on our business, clients and people and the potential impact of one or more of the Group's other principal risks occurring and leading to client loss, loss of reputation, contract breach, our inability to win new business, and the impact of revenue less pass-through costs decline. The Company's forecasts and projections took account of (i) reasonably possible declines in revenue less pass-through costs; and (ii) remote declines in revenue less pass-through costs for stress testing purposes as a consequence of the Covid-19 pandemic from April 2020 onwards compared to 2019; and considered the Group's bank covenants and liquidity headroom including the suspension of share buybacks and the final dividend in 2019 and cost mitigation actions being implemented.

The Company modelled a range of revenue less pass-through cost declines from 15% to over 35%. In the most extreme scenarios tested, the Directors have considered the further actions that could be taken to mitigate negative cash flow impact and ensure additional liquidity. The Directors have assumed that the Company will be able to refinance existing bonds and that trading conditions will stabilise in 2021 and, as a result, the Company will continue to operate

in accordance with its bank covenants. However the long-term viability of the Company could be impacted by other as yet unforeseen risks and the mitigating actions that have been put in place in respect of the principal risks, could turn out to be less effective than intended.

Having assessed the current position of the Company, its prospects and principal risks and taking into account the assumptions above, the Board has determined that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over a period of three years from 1 January 2020.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial review on pages 52-57 and Principal risks and uncertainties on pages 85-91. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial statements and the Notes to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk. The Company's forecasts and projections, taking account of (i) reasonably possible declines in revenue less pass-through costs; and (ii) remote declines in revenue less pass-through costs for stress-testing purposes as a consequence of the Covid-19 pandemic from April 2020 onwards compared to 2019, considering the Group's bank covenant and liquidity headroom taking into account the suspension of share buybacks and the final dividend of 2019 and cost mitigation actions which are and which could be implemented, show that the Company and the Group would be able to operate with appropriate liquidity and within its banking covenants and be able to meet its liabilities as they fall due. The Company modelled a range of revenue less pass-through cost declines from 15% to over 35%. The Directors therefore have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has carried out a robust assessment of the principal risks and uncertainties affecting the Group and the markets we operate in and strategic decisions taken by the Board as at 31 December 2019 and up to the date of this report including the adverse effects of the Covid-19 pandemic and which are described in the table on the following pages.

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
COVID-19 PANDEMIC		
<p>The coronavirus pandemic is adversely affecting and is expected to continue to adversely affect our business, revenues, results of operations, financial condition and prospects.</p> <p>⬆</p>	<p>While we expect the impacts of Covid-19 to have an adverse effect on our business, financial condition and results of operations, we are unable to predict the extent or nature or duration of these impacts at this time.</p>	<p>A strong balance sheet, supported further by action to maintain liquidity including the suspension of share buybacks and the 2019 final dividend. Cost reduction and cash conservation measures including freezing of new hires, 20% salary and fee sacrifice for CEO, Board, Executive Committee members and employees earning above certain thresholds, savings on property and IT capex. Constant monitoring of working capital position.</p> <p>Close to 95% of our people are remote working and maintaining services to our clients and using creativity to support clients to adjust their communications, and support governments and NGOs in mitigating the impact of Covid-19.</p>
STRATEGIC RISKS		
<p>The failure to successfully complete the three-year strategic plan to return the business to growth by the end of 2021 and simplify our structure.</p> <p>⬆</p>	<p>A failure or delay in implementing the transformation plan and/or returning the business to growth may have a material adverse effect on our market share and our business, revenues, results of operations, financial condition or prospects. The Covid-19 pandemic is impacting the implementation of the transformation plan, and we cannot predict the extent or duration of the impact.</p>	<p>Board oversight of the implementation of the strategic plan and regular briefings on the Group's response to the Covid-19 pandemic.</p> <p>The Executive Committee formed in 2019 regularly reviews progress against the strategic plan and actions required to deliver against the plan and convenes regularly to discuss the Group's response to and implementation of the measures highlighted above to mitigate the impact of the Covid-19 pandemic on the Group's operations, people, clients and financial condition.</p> <p>The impact of the pandemic and focus on managing cost and changes in ways of working will accelerate aspects of the transformation as we move faster towards a simplified company structure and enhanced use of technology by our people as a consequence of adapting to remote working.</p>

KEY

- ⬆ Increased risk
- ➡ No change from last year
- ⬇ Reduced risk
- ✳ New risk in 2019

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
OPERATIONAL RISKS		
CLIENTS We compete for clients in a highly-competitive industry which has been evolving and undergoing structural change and is being adversely impacted by the Covid-19 pandemic. Client loss to competitors or as a consequence of client consolidation, insolvency or a reduction in marketing budgets due to recessionary economic conditions or a shift in client spending would have a material adverse effect on our market share, business, revenues, results of operations, financial condition and prospects.	<p>The competitive landscape in our industry is constantly evolving and the role of traditional agencies is being challenged. Competitors include multinational advertising and marketing communication groups, marketing services companies, database marketing information and measurement, social media and professional services and consultants and consulting internet companies.</p> <p>Client contracts can generally be terminated on 90 days' notice or are on an assignment basis and clients put their business up for competitive review from time to time. The ability to attract new clients and to retain or increase the amount of work from existing clients may be impacted if we fail to react quickly enough to changes in the market and to evolve our structure, and by loss of reputation, and may be limited by clients' policies on conflicts of interest.</p> <p>There are a range of different impacts on our clients globally as a consequence of the Covid-19 pandemic. In the short-term media spend has largely remained committed or diverted to alternative channels but there is an increasing volume of cancellations. Project and retained work have continued in most sectors but activity has begun to decline. New business pitches continue where the process was already underway, but there is increased uncertainty in the future pipeline. In the past, clients have responded to weak economic and financial conditions by reducing or shifting their marketing budgets which are easier to reduce in the short term than their other operating expenses. The risk of client loss or reduction in marketing budgets has increased significantly.</p>	<p>Three-year transformation plan commenced in December 2018. Emphasis on providing faster, more agile and more effectively integrated solutions for our clients.</p> <p>Simplifying our organisational structure such as the disposal of 60% of our interest in Kantar and the disposal of non-core minority holdings.</p> <p>Launch of further Campus co-locations including in Mumbai, Amsterdam and Madrid. Embedding data and technology more deeply into our offer to clients.</p> <p>Board focus on the importance of a positive and inclusive culture across our business to attract and retain talent and clients. Creation of a team focused on culture, diversity and inclusion across the Group.</p> <p>Continuous improvement of our creative capability and reputation of our businesses.</p> <p>The development and implementation of senior leadership incentives to align more closely with our strategy and performance.</p> <p>Business review at every Board, Management and Executive Committee meeting to identify client loss. During the Covid-19 pandemic, a weekly update to the management team on the status of the Group's major clients and upcoming pitches for potential new clients. Continuous engagement with our clients and suppliers through this period of uncertainty and reduction in economic activity.</p>
We receive a significant portion of our revenues from a limited number of large clients and the net loss of one or more of these clients could have a material adverse effect on our prospects, business, financial condition and results of operations.	<p>A relatively small number of clients contribute a significant percentage of our consolidated revenues. Our 10 largest clients accounted for 15% of revenues in the year ended 31 December 2019. Clients can reduce their marketing spend, terminate contracts or cancel projects on short notice. The loss of one or more of our largest clients, if not replaced by new accounts or an increase in business from existing clients, would adversely affect our financial condition.</p>	<p>Increased flexibility in the cost structure (including incentives, consultants and freelancers).</p> <p>Business review at every Board meeting and regular engagement at executive level with our clients.</p>

PRINCIPAL RISK**PEOPLE, CULTURE AND SUCCESSION**

Our performance could be adversely affected if we do not react quickly enough to changes in our market and fail to attract, develop and retain key creative, commercial and management talent, or are unable to retain and incentivise key talent as a consequence of the cost saving actions implemented to maintain liquidity during the Covid-19 pandemic and reduction in economic activity.

**POTENTIAL IMPACT**

We are highly dependent on the talent, creative abilities and technical skills of our people as well as their relationships with clients. We are vulnerable to the loss of people to competitors (traditional and emerging) and clients, leading to disruption to the business.

To maintain our liquidity position through the current crisis, cost reduction measures have already been taken which impact our people include freezing new hires, postponing salary increases for 2020 and reducing salaries or fees for the Board, Executive Committee, CEO and senior employees. Further additional measures including reduced working hours or severances will also be required which may lead to challenges in retaining and attracting key talent during this period of disruption and at the beginning of a recovery.

HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES

Our incentive plans are structured to provide retention value, for example by paying part of annual incentives in shares that vest two years after grant date.

We are working across the businesses to embed collaboration and investing in training and development to retain and attract talented people. The investment in co-located Campus properties is increasing the co-operation across our companies and provides extremely attractive and motivating working environments.

Succession planning for the Chief Executive Officer, the Chief Financial Officer and key executives of the Company is undertaken by the Board and Nomination and Governance Committee on a regular basis and a pool of potential internal and external candidates identified in emergency and planned scenarios.

Compensation Committee oversight for the Group's incentive plans and compensation.

Our first priority during the Covid-19 pandemic is the safety and welfare of our people and seeking to protect them as much as possible as well as the ability to serve clients and win new business as markets recover.

CYBER AND INFORMATION SECURITY

We are undertaking a series of IT transformation programmes to support the Group's strategic plan and a failure or delay in implementing the IT programmes may have a material adverse effect on its business, revenues, results of operations, financial conditions or prospects. The Group is reliant on third parties for the performance of a significant portion of our worldwide information technology and operations functions. A failure to provide these functions could have an adverse effect on our business. During the transformation, we are still reliant on legacy systems which could restrict our ability to change rapidly.

A cyber-attack could result in disruption to one or more of our businesses or the security of data being compromised.





We may be subject to investigative or enforcement action or legal claims or incur fines, damages, or costs and client loss if we fail to adequately protect data. A system breakdown or intrusion could have a material adverse effect on our business, revenues, results of operations, financial condition or prospects and have an impact on long-term reputation and lead to client loss.

Nearly 95% of the Group's people are working remotely as a consequence of the Covid-19 pandemic which has the potential to increase the risk of compromised data security and cyber-attacks.





The IT transformation programmes will underpin our three-year strategic plan and enhance our data security.


There is a rolling programme to retire servers across the Group and move to cloud solutions.




We monitor and log our network and systems and keep raising our people's security awareness through our WPP Safer Data training and mock phishing attacks. Heightened focus on monitoring our network and systems and raising awareness of the potential for phishing and other cyber-attacks during the period of remote working and an increased focus on our control environment.



PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
FINANCIAL RISKS CREDIT RISK We are subject to credit risk through the default of a client or other counterparty. 	<p>We are generally paid in arrears for our services. Invoices are typically payable within 30 to 60 days.</p> <p>We commit to media and production purchases on behalf of some of our clients as principal or agent depending on the client and market circumstances. If a client is unable to pay sums due, media and production companies may look to us to pay those amounts and there could be an adverse effect on our working capital and operating cash flow.</p> <p>A significant number of our clients and suppliers are adversely financially impacted by the Covid-19 pandemic and economic inactivity across markets in periods of lockdown. Clients may seek to renegotiate payment terms, ask for discounts or fail to honour their payment obligations which would have an adverse impact on our working capital and operating cash flow.</p>	<p>Evaluating and monitoring clients' ongoing creditworthiness and in some cases requiring credit insurance or payments in advance.</p> <p>We are working closely with our clients during this period of economic uncertainty to ensure timely payment of services in line with contractual commitments and with vendors to maintain the settlement flow on media.</p> <p>Our treasury position and compliance with lending covenants is a recurring agenda item for the Audit Committee and Board.</p> <p>Increased management processes to manage working capital and review cash outflows and receipts during the Covid-19 pandemic.</p>
INTERNAL CONTROLS Our performance could be adversely impacted if we failed to ensure adequate internal control procedures are in place. 	<p>Failure to ensure that our businesses have robust control environments, or that the services we provide and trading activities within the Group are compliant with client obligations, could adversely impact client relationships and business volumes and revenues.</p>	<p>Transparency and contract compliance are embedded through the networks and reinforced by audits at a WPP and network level.</p> <p>Regular monitoring of key performance indicators for trading are undertaken to identify trends and issues. An authorisation matrix on inventory trading is agreed with the Company and the Audit Committee.</p> <p>A new controls function has been established in 2020 to review and enhance controls across the Group. We have issued renewed guidance to our businesses of the need to focus on controls through the period of remote working as a consequence of the Covid-19 pandemic.</p>

KEY





-  Increased risk
-  No change from last year
-  Reduced risk
-  New risk in 2019

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
COMPLIANCE RISKS DATA PRIVACY <p>We are subject to strict data protection and privacy legislation in the jurisdictions in which we operate and rely extensively on information technology systems. We store, transmit and rely on critical and sensitive data such as strategic plans, personally identifiable information and trade secrets. Security of this type of data is exposed to escalating external threats that are increasing in sophistication, as well as internal data breaches.</p> <p>Existing and new data protection laws, GDPR and the CPPA and legislation in the markets in which we operate concerning user privacy, use of personal information, consent and online tracking may restrict some of our activities and increase costs. Privacy regulators have continued to underline the obligation on businesses to ensure continued compliance with data privacy legislation during the Covid-19 pandemic.</p> 	<p>We may be subject to investigative or enforcement action or legal claims or incur fines, damages, or costs and client loss if we fail to adequately protect data or observe privacy legislation in every instance. A system breakdown or intrusion could have a material adverse effect on our business, revenues, results of operations, financial condition or prospects.</p> <p>Governments and public health officials have mandated precautions to mitigate the spread of Covid-19 including lock-downs and remote working. Nearly 95% of our people are working remotely which has the potential to increase the risk of compromised data security.</p>	<p>We develop principles on privacy and data protection and compliance with local laws. We implemented extensive training ahead of GDPR implementation in 2018 and the roll out of a GDPR toolkit to assist our people to prepare for implementation and will do the same as new legislation is adopted in other markets.</p> <p>A Chief Privacy Officer and Data Protection Officer have been appointed at the Company and Data Protection Officers are in place at a number of our companies.</p> <p>Our people must take Privacy & Data Security Awareness training and understand the WPP Data Code of Conduct and WPP policies on data privacy and security.</p> <p>The Data Health Checker survey is performed annually to understand the scale and breadth of data we collect so the level of risk associated with this can be assessed.</p> <p>We have issued renewed guidance to our businesses of the need to focus on controls and privacy legislation through the period of remote working as a consequence of the Covid-19 pandemic.</p>

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
TAXATION We may be subject to regulations restricting our activities or effecting changes in taxation. 	Changes in local or international tax rules, for example, as a consequence of the financial support programmes being implemented by governments during the Covid-19 crisis, changes arising from the application of existing rules, or challenges by tax or competition authorities, for example, the European Commission's State Aid decision into the Group Financing Exemption in the UK CFC rules, 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.	We actively monitor any proposed regulatory or statutory changes and consult with government agencies and regulatory bodies where possible on such proposed changes. Annual briefings to the Audit Committee of significant changes in tax laws and their application and regular briefings to executive management. We engage advisors and legal counsel to obtain opinions on tax legislation and principles.
REGULATORY We are subject to strict anti-corruption, anti-bribery and anti-trust legislation and enforcement in the countries in which we operate. 	We operate in a number of markets where the corruption risk has been identified as high by groups such as Transparency International. Failure to comply or to create a culture opposed to corruption or failing to instil business practices that prevent corruption could expose us to civil and criminal sanctions.	Online and in-country ethics, anti-bribery, corruption and anti-trust training on a Group-wide basis to raise awareness and seek compliance with our Code of Conduct and the Anti-Bribery & Corruption Policy. Formation of our internal business integrity function to ensure compliance with our codes and policies and remediation of any breaches of policy. Renewed communication of the Right to Speak confidential, independently operated helpline for our people and stakeholders to raise any potential breaches of our Code and policies, which are investigated and reported to the Audit Committee on a regular basis. Due diligence on acquisitions and on selecting and appointing suppliers and restrictions on the use of third-party consultants in connection with any client pitches. Rolling programme of creating shared financial services in the markets in which we operate and the creation of a new controls function in 2020. The establishment during 2019 of Risk Committees at WPP and across the networks to monitor risk and compliance through all of our businesses and the enhancement of our business integrity programme across our markets. Gift and hospitality register and approvals process.
SANCTIONS We are subject to the laws of the US, the EU and other jurisdictions that impose sanctions and regulate the supply of services to certain countries. 	Failure to comply with these laws could expose us to civil and criminal penalties including fines and the imposition of economic sanctions against us and reputational damage and withdrawal of banking facilities which could materially impact our results.	Online training to raise awareness and seek compliance and updates to our companies on any new sanctions. Regular briefings to the Audit Committee and constant monitoring by the WPP legal team with assistance from external advisors of the sanctions regimes.

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
EMERGING RISKS		
<p>Increased frequency of extreme weather and climate-related natural disasters.</p> <p></p>	<p>This includes storms, flooding, wildfires and water and heat stress which can damage our buildings, jeopardise the safety of our people and significantly disrupt our operations. At present 9% of our headcount are located in countries at "extreme" risk from the physical impacts of climate change in the next 30 years.</p>	<p>Our strategy of co-locating our people in WPP Campuses is enabling us to centralise emergency preparedness procedures. It will also enable us to more efficiently deploy climate mitigation measures. We intend to further explore the exposure of our assets to the physical impacts of climate change using the IPCC's RCPs utilising a 2c scenario analysis.</p>
<p>Increased reputational risk associated with working on environmentally detrimental client briefs.</p> <p></p>	<p>As consumer consciousness around climate change rises, our sector is seeing increased scrutiny for our role in contributing to consumption. Our clients seek expert partners who can give recommendations that take into account stakeholder concerns around climate change.</p> <p>Additionally, WPP serves some clients whose business models are under increased scrutiny. This creates both a reputational and related financial risk for WPP if we are not rigorous in our content standards as we grow our sustainability-related services.</p>	<p>Our climate crisis training will ensure that our people recognise the importance of our sector's role in addressing the climate crisis. It will be part of a broader sustainability training programme which we will run in multiple markets with localised content in key regions.</p> <p>We are also developing internal tools to help our people identify environmentally harmful briefs. These tools will embed climate-related issues within existing content-review procedures across the organisation.</p>

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