

Corporate Responsibility Report 2004



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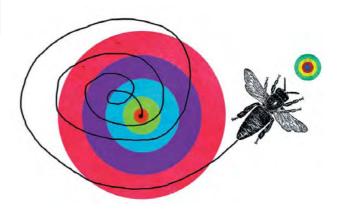
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About this report

This Report describes WPP's corporate responsibility (CR) activities in 2004. It updates our Corporate Responsibility Report published in 2004. Data relates to the calendar year 2004, unless stated. The information is collected via an internal survey of our businesses. The survey is collated and validated by our audit function. It is not independently verified.

The data in this report does not cover the businesses of Grey Global, acquired by WPP in March 2005, but some examples of CR at Grey Global have been included. Grey Global will be fully incorporated in our reporting in 2006.

Tell us what you think

We welcome your views on any of the information in this Report or CR at WPP. Send us an email at cr@wpp.com

Our significant issues

Corporate responsibility covers a wide range of issues. Its relevance is still being defined for the media sector. We want to play our part in setting the CR agenda and have consulted widely to identify the three most significant CR issues for our business. These are:

- The impact of our work including marketing ethics, compliance with marketing standards, protection of consumer privacy, social and cause-related marketing.
- Employment including diversity and equal opportunities, business ethics, employee development, remuneration, communication and health and safety.
- Social investment including pro bono work, donations to charity and employee volunteering.

These issues represent opportunities for us to strengthen our business by enhancing our reputation with clients and our people. In the event of poor performance or serious and high-profile failures, the first two of these could also present a potential reputational risk to the business.

Of less significance, but still part of our CR programme, are our environmental impact and our suppliers' CR performance.

Introduction by WPP's CEO



ttending the World Economic Forum at Davos in January brought home to me the pressing importance of tackling world problems such as poverty, AIDS in Africa and global warming. Later in the year, Live 8 demonstrated

these issues can motivate a global audience.

Companies are viewed both as the problem and the solution, depending whose view you listen to. Managing the responsibility of being a global business is a complex task. The economic growth business generates is greatly needed to lift billions of people out of poverty. But the social and economic impact of global business is frequently criticised. Never has there been such a compelling need for business leaders to show vision and look beyond short-term objectives.

Marketing may seem peripheral to such weighty issues, but in fact it is integral to the solutions. Great companies have long-term interests. They intend to prosper and be a presence decades from now. They therefore care greatly about building long-term trust in their brands and corporate reputation. They need to adapt to changing pressures and opportunities and assess the sustainability of their products and services.

WPP businesses are helping them to understand the markets of the future and the impact of global social and environmental trends.

Innovative products will not succeed unless they gain consumer awareness and acceptance. Our business is all about understanding the consumer. Today's niche green or ethical products must evolve into tomorrow's best-sellers and we need to create these openings.

In this, our third CR Report, we discuss topical subjects that are impacting the marketing world and how WPP companies are using their expertise to respond. We give an account of our own performance on the significant CR issues we have identified for our business – the impact of our work; our people; our contribution to society through pro bono work and donations; and our impact on the environment.

I am grateful to all those in WPP who are working on these issues and look forward to reporting our progress again next year.

Sir Martin Sorrell

Math Some

Who we are

WPP is one of the world's largest communications services groups, made up of leading companies in:

- Advertising
- Media investment management
- Information, insight & consultancy
- Public relations & public affairs
- Branding & identity
- Healthcare communications
- Direct, promotion & relationship marketing
- Specialist communications

Collectively, the Group has almost 91,000* people working in over 2,000 offices in 106 countries. WPP companies provide communications services to clients worldwide including more than 300 of the Fortune Global 500; over one-half of the NASDAQ 100 and over 30 of the Fortune e-50.

Our companies work with over 330 clients in three or more disciplines. More than 230 clients are served in four disciplines; these clients account for around 50% of Group revenues. The Group also works with nearly 200 clients in six or more countries.







Who we are

Our companies and associates

Advertising

www.adk.jp Bates Asia

www.batesasia.com

BrandBuzz .

www.brandbuzz.com

Dentsu Young & Rubicam (DY&R)1

www.yandr.com Diamond Ad

Grey Worldwide www.greyglobalgroup.com

LG Ad

www.lgad.co.kr

JWT www.jwt.com

Marsteller Advertising

www.marsteller.com

Ogilvy & Mather Worldwide

www.ogilvy.com red cell

www.redcellnetwork.com

Soho Square

www.yandr.com

Media investment management

MAXUS

www.maxusglobal.com

MediaCom

Mediaedge:cia www.mecalobal.com

MindShare

www.mindshareworld.com

Outrider 4

www.outrider.com

Other media agencies

Kinetic Worldwide

KR Media

Information, insight & consultancy

The Kantar Group

www.kantargroup.com Added Value Group

Cannondale Associates www.cannondaleassoc.com

Center Partners

www.centerpartners.com

Fusion 5

Glendinning

www.glendinning.com

Henley Centre HeadlightVision

IMRB International

KMR Group

www.kmr-group.com

-AGBNielsen Media Research

-BMRB International

-IBOPE Media Information

www.ibope.com.br

-Mediafax

www.mediafax-pr.com

Lightspeed Research

www.lightspeedresearch.com

Management Ventures

Mattson Jack Group

www.mattsonjack.com

Millward Brown

www.millwardbrown.com

pFour Consultancy

Research International

Ziment Group

www.zimentgroup.com

Other marketing consultancies

www.ohal-group.com

Public relations & public affairs

www.bksh.com

Blanc & Otus www.blancandotus.com

Buchanan Communications

Burson-Marsteller

www.bm.com

Chime Communications PLC

Clarion Communications

Cohn & Wolfe www.cohnwolfe.com

Finsbury www.finsbury.com

GCI Group

www.gcigroup.com

Hill & Knowlton

www.hillandknowlton.com

Ogilvy Public Relations Worldwide

Penn, Schoen & Berland www.psbsurveys.com

Quinn Gillespie

www.guinngillespie.com

Robinson Lerer & Montgomery

Timmons and Company

www.timmonsandcompany.com

Wexler & Walker Public Policy Associates

www.wexlergroup.com

Branding & identity

Enterprise IG

www.enterpriseig.com

Landor Associates

The Partners

www.thepartners.co.uk

Addison Corporate Marketing

www.addison.co.uk

BDGMcColl

BDGworkfutures www.bdgworkfutures.com

Coley Porter Bell

Dovetail www.dovetailfurniture.com

www.fitchww.com

Lambie-Nairn

www.lambie-naim.com

Walker Group

Warwicks www.warwicks-uk.com

Healthcare communications

CommonHealth

www.commonhealth.com

Feinstein Kean Healthcare

www.fkhealth.com

Grey Healthcare Group * www.ghgroup.com

Ogilvy Healthworld

www.ogilvyhealthworld.com

Sudler & Hennessey www.sudler.com

Direct, promotion & relationship marketing

A. Eicoff & Co www.eicoff.com

Brierley & Partners

Dialogue Marketing www.dialmkg.com

Einson Freeman

www.einsonfreeman.com

EWA

www.ewa.ltd.uk

FullSIX 1

www.fullsix.com

Good Technology www.goodtechnology.com

Grass Roots

Grey Synchronized Partners

-Grey Direct*

www.greydirect.com

-Grey Interactive www.grevinteractive.com

-G2 Worldwide*

www.g2.com

-J. Brown www.jbrown.com

Headcount Worldwide Field Marketing

High Co

www.highco.fr

KnowledgeBase Marketing

www.knowledgebasemarketing.com

Mando Brand Assurance

www.mando.co.uk

Maxx Marketing

www.maxx-marketing.com

OgilvyOne Worldwide

www.ogilvy.com

rmg:connect

www.rmgconnect.com

RTC Relationship Marketing

syzygy¹ www.syzygy.net

VML*

www.vml.com Wunderman*

www.wunderman.com

141 Worldwide

www.141worldwide.com

Specialist communications

Corporate/B2B

Brouillard

www.brouillard.com

Ogilvy Primary Contact

www.primary.co.uk

Custom media

Forward

www.theforwardgroup.com

Spafax

www.spafax.com

Demographic marketing

The Bravo Group

www.thebravogroupyr.com

Kang & Lee

www.kanglee.com

MosaicaMD UniWorld 1

www.uniworldgroup.com

WINGLATINO*

www.winglatino.com

Employer branding/recruitment

JWT Specialized Communications

www.jwtworks.com

Event/face-to-face marketing

MJM

www.mjmcreative.com

PCI Fitch

The Event Union

-MJM

-Pro Deo

www.prodeo.com -facts + fiction

www.factsfiction.de

Foodservice

The Food Group

www.thefoodgroup.com

Sports marketing

Global Sportnet

www.globalsportnet.com

Premiere Sponsorship Marketing www.premiere.co.uk

PRISM Group

www.prismteam.com

Entertainment marketing

Alliance*

www.alliance-agency.com

Youth marketing

The Geppetto Group www.geppettogroup.com

G Whiz*

www.thinkgwhiz.com

Real estate

Pace www.paceadv.com

Technology

Banner Corporation

Media & production services

Clockwork Capital

www.clockworkcapital.com

The Farm Group www.farmpost.co.uk

MEDIAPRO Group

Metro Group www.metrobroadcast.co.uk

WPP Knowledge Communities

The Channel dmuir@wpp.com

The Store

m.johnson@the-store.org

Key

- Associate
- Joint venture
- Minority investment
- A Young & Rubicam Brands company
- A Mediaedge:cia company
- A Grey Global Group company

As at October 2005



Corporate responsibility is relevant to all aspects of our business from the work we create for our clients to our relationship with employees and the steps we take to reduce our impact on the environment. This section explains how we approach corporate responsibility in these fields.



The impact of our work

he work our operating companies produce for their clients is the core of our CR performance. We have a responsibility to present products fairly and accurately, comply with the law and marketing codes, protect customer privacy and reflect changing public attitudes to questions of taste

Some marketing work is specifically designed to achieve a social or environmental objective. Many WPP agencies create 'social marketing' campaigns for governments, non-governmental organisations and business clients.

and decency or marketing of sensitive products.

Engaging in the debate about standards

Cultural values and standards of good taste vary within and between countries and over time. In addition, marketing standards for products such as processed food, alcohol or tobacco are often the subject of debate.

WPP companies must be sensitive to concerns about advertising and reflect changing attitudes in the marketing they produce for clients. Through their participation in industry associations, many of our people engage in the debate on marketing standards and help to revise marketing codes in sensitive areas such as advertising to children.

These are some examples of positions held by WPP senior executives in advertising standards organisations during 2004:

■ Jan Faber, Director of Business Process Change, Millward Brown UK, is a member of the Marketing Research Society's Professional Standards Committee responsible for the MRS Code of Conduct, best practice guidelines, and disciplinary regulations and procedures.

- Steven Girgenti, CEO of Ogilvy Healthworld USA, is a member of the American Association of Advertising Agencies' Medical Advertising Committee.
- Julie Halpin, CEO of the Geppetto Group, is a Board Member of the Children's Advertising Review Unit.
- Fred Maddersom from creative services at red cell Australia, is a committee member on the Advertising Federation of Australia's Ethics Committee.
- Denise Maguire, Managing Director, Hill & Knowlton Hong Kong, is Chair of the Ethics Committee for the Council of PR Firms of Hong Kong.
- Jarmo Seppälä, Managing Director of JWT Finland, is a member of the Inspection Board of Marketing & Medicinal Products.

Marketing ethics

WPP companies are expected to comply with all laws, regulations and codes of marketing practice in the work we produce for clients. Our Code of Business Conduct (see page 29) states that we will not knowingly create work that is offensive to the general public or minorities.

The vast majority of marketing campaigns we produce are published without complaint. Occasionally complaints do occur relating to matters of taste or fact. In most countries these are arbitrated by government or industry organisations.

We expanded the marketing ethics section of our CR survey in 2004 to collect global data on infringements of marketing codes.

Our global statistics are still incomplete but among the many thousands of advertisements prepared by Group companies we identified some 50 infringements of marketing codes in 17 countries.

In the UK, information on infringements of marketing codes is published by the Advertising Standards Authority (ASA). In 2004, the ASA upheld nine complaints relating to press, poster, direct mail and broadcast advertisements by WPP companies, compared with four complaints relating to press and poster work in 2003.

The impact of our work

Complaints upheld by the UK Advertising Standards Authority 2004

WPP company	Type of advertisement	t ASA finding	
JWT Cheetham Bell	Poster	Breach of rules governing advertising of alcoholic products and the implication of sexual success	
Harrison Troughton Wunderman Direct N		A direct mail advertisement was not clearly identifiable as an advertisement	
HHCL/red cell Broadcas		TV commercial was ruled to be potentially scary for young children and unsuitable for early evening viewing	
JWT	Broadcast	Misleading regarding the period of availability of a special offer	
JWT Press		An advertisement claimed the product was the 'best' when this could not be objectively substantiated	
JWT	Press	Misleading price claim	
Ogilvy & Mather	Poster	Misleading claim to have an exclusive product benefit	
Rainey Kelly Campbell Roalfe/Y&F	R Broadcast	A TV commercial advertising a special offer was aired in a region where the offer did not apply	
Rainey Kelly Campbell Roalfe/Y&F	R Broadcast	A TV commercial featuring a starting pistol was ruled to be potentially harmful and offensive	

Privacy

Our market research and direct marketing agencies use consumer data to study lifestyles, purchasing habits and target direct marketing campaigns. Privacy is therefore an important issue.

WPP companies comply with data protection laws and marketing codes of practice such as the UK Data Protection Act, the EU Data Protection Directive, the US Safe Harbor principles as certified by the US Department of Commerce, the ICC/ESOMAR International Code of Marketing and Social Research Practice, the US Direct Marketing Association Guidance and the UK Market Research Society Code of Conduct.

These require us to use and process data fairly and lawfully. For example, data must be obtained by lawful and fair means with the knowledge and choice of the data subject. It should be accurate, complete and up to date and only used for the purposes specified at the time of collection. Individuals should be able to access personal information held about them.

Privacy is particularly relevant for direct marketing agencies, whose services include gathering, analysing and processing consumer and business data. For example, Wunderman, one of WPP's direct marketing companies, complies with privacy regulations and industry guidelines. For most accounts Wunderman uses data from the client's database. Technical and managerial procedures are in place to ensure the data is kept and used securely and in line with privacy guidelines. Data is usually destroyed or returned after use. Data may only be retained with a client's permission.

KnowledgeBase Marketing, Wunderman's database marketing subsidiary, has additional safeguards in place for large-scale data capture, storage and management services. Clients sign fair-use agreement contracts. Client data is only accessible by the client who supplied it and never shared beyond the intended use. Consumers may be removed from KnowledgeBase Marketing lists by e-mailing or writing to the company, or by registering with the Direct Marketing Association's mail and telephone preference services. A Financial Data Privacy Policy governs the use and processing of data used to establish a consumer's eligibility for credit, insurance or employment, which complies with the US Fair Credit Reporting Act.

A similar approach is taken at our market research companies. For example, Research International,

has a data protection policy and a committee of senior managers responsible for data protection arrangements. Training on data protection is given to all new employees and supporting information is provided on the company intranet. Susan Blackall, a Research International Board Director, sits on the Market Research Society Standards Board which sets, enforces and advises on professional standards consistent with data protection legislation. Data collected by Research International is aggregated and de-personalised before it is shared with clients and in most cases before it is transferred outside the company (e.g. for storage or processing by a contractor). If personal data is transferred to a third party the agency's contract terms oblige them to protect privacy and comply with European standards on data protection.

MindShare UK has achieved accreditation to the BS7799 Information Security Standard for its system for handling company and customer information confidentially and securely.

WPP also holds personal information, including name and e-mail address details, for other groups such as users of our website. Use of data from our website is governed by our Internet Privacy Statement, accessible at www.wpp.com. We only collect personal information which is voluntarily submitted and will not transfer data to third parties without permission. Users can access personal information held about them.

Social marketing

Our operating companies undertake work for clients where the objective is to advance a social or environmental cause. These campaigns have a positive impact, for example, by providing public health information or by raising awareness of an environmental objective like energy saving or recycling.

Several WPP companies specialise in social marketing including Ogilvy Outreach, Ogilvy PR's Social Marketing Practice and Thompson Social.

Examples of social marketing campaigns in 2004 include:

■ PSM's public relations work for a UK government anti-bullying campaign. The campaign targeted young people using sports and music celebrities. During the campaign more than 50 celebrities were recruited to wear a 'beat bullying' blue wristband. The campaign generated news coverage reaching 53% of the target audience.

■ Ogilvy PR's Social Marketing Practice in Washington has been working for the National Heart, Lung, and Blood Institute, since 2001, on The Heart Truth, a national campaign for women about heart disease. The campaign seeks to raise awareness through media outreach and partnerships with America's fashion industry, other businesses, community groups, government agencies, and non-profit organisations.

Activity in 2004 included a National Wear Red Day, the Red Dress Collection 2004 fashion show featuring dresses donated by 26 leading fashion designers held during New York's Fashion Week, and The Heart Truth Road Show that brought the campaign directly to women. Since the campaign launch, awareness that heart disease is the number one killer of women has increased from 34% to 57%.

■ Y&R New Zealand has worked for the Electoral Enrolment Centre since 2002, on campaigns to encourage more New Zealanders to vote in general and local elections. Their work has won an Effie award for its success in convincing 94.1% of New Zealanders to enrol to vote for a general election in which polls indicated the result was a foregone conclusion. It also encouraged 84% of voters to use a new EasyVote card to speed up voting in the polling booth and helped increase enrolment in the 18-24 age group to 85.7%. The agency developed a recognisable 'Elector' character, telling eligible voters how easy it is to enroll and vote.

Cause-related marketing

Cause-related marketing links brands to charities, usually through a donation for every product purchased. Executed sensitively, these campaigns benefit both brand and charity.

Many WPP companies work on cause-related marketing. For example, Y&R South Africa developed a cause-related marketing campaign for Danone Clover yoghurts, where the brand supports the CHOC Childhood Cancer Foundation. Three cents were donated to CHOC for every Danone Clover yoghurt purchased during June-July 2004. Children suffering from cancer who have benefited from CHOC helped to shoot the commercial. Danone Clover employees also got involved distributing leaflets in shops and schools and collecting clothes and toys. The campaign raised 1.3 million rand for CHOC which was used to build a new CHOC lodging, where children undergoing cancer treatment and their families can stay. Danone Clover sales also increased.

Employment

Employment

PP employs over 91,000* people in 2,000 offices in 106 countries. Their creativity is our most important asset and business offering. Salaries and employee benefits account for £2.5 billion

annually, 58% of our total revenue.

We aim to recruit and retain the most talented people and support them to expand their skills and capabilities. We offer competitive salaries and benefits as well as performance-related pay to reward strong performance.

Mark Linaugh, our Chief Talent Officer, appointed in May 2005, is responsible for all aspects of our talent operations. He leads our efforts to attract, manage, evaluate, compensate, motivate, develop and retain our top talent. When appointed to the role, Mark explained that in agreement with Martin Sorrell, CEO, his charter is "to ensure that WPP companies continue to be the destination of choice for the brightest talents in the industry in which to invest their careers".

Diversity

Advertising and communications need to speak to a diverse audience. Our goal is to have a talent base that reflects the communities in which we operate. We believe diversity contributes to creativity, new ideas and a richer workplace, and enhances our consumer understanding and insight.

Our non-discrimination policy, introduced in 1992, commits us to select, develop and promote the best people without regard to factors such as race, religion, colour, sex, sexual orientation, age, disability, marital status, military service, national origin or ancestry.

The Group's Code of Business Conduct contains policies on human resource issues, such as harassment and discrimination. Our people can report any concerns or suspected cases of discrimination or misconduct confidentially (and anonymously if desired) through our Right to Speak helpline.

Ultimate accountability for diversity resides with the CEOs of our operating companies but we encourage every employee to be a diversity ambassador.

During 2005, we are asking operating companies to track their diversity profile in the areas of recruitment, retention and awareness programmes. Operating company diversity programmes will be reviewed by the parent company as part of our annual talent review process.

Diversity data for 2004

In 2004, women accounted for 32% of executive directors, 51% of account directors and 56% of total employees. There are three women on WPP's Board. Our data on ethnic diversity is currently incomplete.

Gender diversity 2002-2004

9/0



^{*} Including employees of associate companies.

Diversity initiatives in the US

WPP's US-based advertising agencies are part of Operation Success, an initiative launched in 2004 by the American Association of Advertising Agencies (AAAA) to increase diversity in the US advertising industry. We sponsor events such as the Harvard Business School African-American Alumni Association conference that help inform minority professionals about new career opportunities, and position WPP as a preferred employer.

Several WPP companies, including The Bravo Group, Grey Worldwide, JWT, Mediaedge:cia, MindShare, Ogilvy & Mather Worldwide and Y&R participate in the AAAA's Multicultural Advertising Internship Program (MAIP). This enables students from a range of ethnic backgrounds to gain work experience in the advertising industry.

Diversity initiatives at our agencies include:

■ JWT US is involved in several initiatives to promote ethnic diversity, including the American Advertising Federation's (AAF) Mosaic Awards, the AAF's Most Promising Minority Student Award, and INROADS (an internship program for minority youth). JWT has also supported the AAAA's MAIP programme for more than 20 years.

On gender diversity, JWT partners with the Advertising Women of New York to help female professionals succeed in advertising. The agency plays an active role with Dress for Success, an organisation that helps outfit low-income women for business interviews. JWT has long-standing relationships with the Business Advisory Committee (a national organisation helping the disabled to find jobs) and The Rusk Institute (a centre for rehabilitation medicine), often employing their members. The agency's comprehensive benefits package covers same-sex and non-married domestic partners, reinforcing the agency's commitment to non-discrimination and equality.

During 2005, JWT is introducing a new centrally funded and managed outreach programme across its North American offices. This will include a partnership with TORCH (Together Our Resources Can Help), a programme for underserved New York public high school students. JWT will lead the TORCH Professional Development Program, running workshops on resumé writing and interviewing skills. It will also provide internships and permanent positions to TORCH interns and alumni. The agency will significantly increase the number of interns it

takes on and develop a *Careers in Advertising* presentation for INROADS.

JWT is focusing its entry-level recruitment initiatives on diversity events, such as NYU's Diversity Careers Fair and the Diversity & Leadership Group at Duke University. The agency is hosting information sessions at the Atlanta University Center Consortium serving Clark Atlanta University, Morehouse and Spelman Colleges, and fielding agency tours from Howard University. In addition, JWT is launching a new diversity/ harassment training programme for employees in its North American offices.

■ Ogilvy & Mather US has developed a range of initiatives to improve recruitment and retention from minority groups.

For graduate recruitment, the agency attends campus recruitment sessions at minority institutions such as Howard University, and participates in career fairs aimed at minority students such as the International Radio and Television Society's Minority Career Workshop and AAF's Mosaic Career Fair.

Ogilvy has taken part in the AAAA's MAIP since it was launched 31 years ago. In 2004, Ogilvy & Mather and OgilvyOne hosted a record nine interns from MAIP. The agency makes an annual \$10,000 donation to the AAAA Multicultural Scholarship Program and is a member of the AAF's Most Promising Minority Students Program.

Ogilvy's commitment to recruit and retain a diverse workforce is generating results. Minority employees make up 27% of total employees and 22% of professionals at the agency's New York office.

During 2005, Ogilvy is strengthening its diversity programmes by working with executive search diversity recruiting firms, exploring targeted mentoring programmes and providing more information to minority schools and colleges on careers in the advertising industry. The agency is conducting diversity awareness training for all employees, with 60 sessions being held at the New York office alone.

■ Young & Rubicam Brands US is a partner and participant in the AAAA's Operation Success and MAIP, and the AAF's Mosaic Council and Most Promising Minority Students Program. The internships give students the chance to gain practical work experience while helping our companies to identify talented minority undergraduates.

Employment

Young & Rubicam Brands (YRB) also participates in recruiting events where students and professionals can learn about our industries and opportunities within YRB companies. These include the Advertising Women of New York Conference, the job fair of the National Society of Hispanic MBAs, the Asian American Diversity Career Expo and the US Department of Labor's Job Fair for Hispanics.

Senior executives at YRB continue to support multicultural events that demonstrate our commitment to diversity. In 2004, Ann Fudge, Chairman and CEO of Young & Rubicam Brands, participated in the Executive Leadership Council's Diversity Best-Practices Summit as well as Howard University's Advertising Club. YRB continued its long history of pro bono work for minority organisations. This includes a relationship of over 20 years with the United Negro College Fund (see page 52) and a decade of support for A Better Chance – an organisation helping to improve access to educational and career opportunities for young minority people.

In 2004, YRB executives approved the hiring of a senior manager (Vice President, Director of Organization Development & Diversity) to coordinate diversity initiatives and help implement best practice. Responsibilities will include promoting the business case for diversity, garnering support for multicultural development among the company's leadership and integrating diversity with the company's business and human resources practices.

■ Burson-Marsteller participates in diversity initiatives led by the Council of PR Firms and is developing relationships with a number of organisations including the National Black Public Relations Society (NBPRS), the Hispanic PR Association, UNITY, National Association of Black Journalists (NABJ), National Association of Hispanic Journalists (NAHJ), The Asian American Journalist Association (AAJA), and The National

Association of Minority Media Executives (NAMME). The company participates in campus recruiting fairs at historically black colleges and posts job opportunities on diversity job boards.

■ Hill & Knowlton is partnering with colleges and universities to develop a Growth through Recruitment and Diversity (GRAD) programme. The aim is to attract talented multicultural students who are interested in pursuing a public relations career. The programme will be rolled out during 2005. The agency is also a member of the New York Opportunity Network, which helps public high school students find career opportunities through relationships with New York City professionals and private sector organisations. During 2005, they are hosting a summer intern from the programme as well as an intern from the INROADS programme. Other recent diversity initiatives at Hill & Knowlton include participation in the US PR Coalition's Focus on Diversity Summit, which looked at ways to improve diversity in recruitment, mentoring and advocacy. Mary Lee Sachs, Chairman of Hill & Knowlton US, is a board member of the LaGrant Foundation, a non-profit organisation providing career development support to students from ethnic minorities. Hill & Knowlton sponsors the PR Week Diversity Survey and hosted a roundtable discussion during 2004 on the implications of the survey findings for the PR industry.

Diversity initiatives in South Africa

The South African Government's Black Economic Empowerment policy requires companies to ensure the black population is adequately represented in their workforce and to establish a level of black ownership. WPP companies operating in South Africa are on track to achieve the 30% level of black ownership required for advertising and communications companies.

They are also investing in training to help establish a more diverse workforce. For example, Grey Worldwide SA has launched the Grey Action Program, which provides internships for 10 young black graduates each year. After they complete the training, three will be offered a full-time position at the company. In 2004, Ogilvy South Africa was awarded a triple B plus rating for its black empowerment work – the highest given to any advertising agency – by the rating agency Empowerdex.

Helping clients with diversity

A number of WPP companies help their clients to implement diversity strategies or reach a multicultural audience. For example, JWT London launched a specialist unit, Diversify, in 2004 to produce communications that engage with ethnic minorities. Diversify will develop work that appeals to and reflects the interests of minority communities, who now make up a significant proportion of the UK population. Its goal is to make cultural considerations a key part of the communications and marketing planning agenda.

The Grass Roots Group, a WPP associate company, provides an employee diversity training programme for clients to increase awareness of diversity issues and anti-discrimination legislation.

Employment infringements

We aim to create a workplace where all employees get the support they need. On rare occasions mistakes are made. In February 2005, a discrimination-related case was judged against JWT London for constructive dismissal of a blind employee in 2001. JWT recognises that this person's employment could have been handled differently and has implemented policies to ensure that nothing similar can occur again.

Development and training

People achieve more when they are supported and motivated to develop their careers and acquire new skills. Our approach includes performance assessment, succession planning and training.

Our goal is for our people to receive regular performance appraisals. CEOs from our operating companies lead annual development-focused reviews of their executive talent with the key objectives of cultivating the exceptional capabilities of our leaders while assuring responsible succession planning. Coaching, mentoring, and deliberate job moves are essential by-products of these talent reviews.

In 2004, WPP invested £25.1 million in training and well-being initiatives across the Group. We have introduced courses aimed at developing creative leadership, client leadership and personal leadership. This year we extended our client leadership course to all our largest companies.

Staff training and welfare £000



WPP, the parent company, runs the SparkLab programme of innovative behavioural workshops. Devised, developed and tailored by WPP for its own people, SparkLabs aim to refuel daily working habits and inject creative sparks into all participants. These workshops are lead by professionals from the performing arts.

Our operating companies also run a range of training courses covering all aspects of agency business and creative skills. Hill & Knowlton, for example, has adopted a multi-tiered training model that emphasises learning at every stage of an employee's career. Their Virtual Academy offers e-learning opportunities for entry- and mid-level employees. Courses are designed to guide employees through the basics of the business media relations, account planning, client service as well as H&K proprietary products and processes. A wide range of instructor-led training plans are also implemented at the local office level. For senior managers, Hill & Knowlton specialty groups – such as technology, corporate communications, health and pharmaceuticals, media communications and crisis management - meet annually to share industry and trend information, to hear from guest lecturers, and to attend training events.

Employment

Remuneration and employee ownership

Competitive, performance-related salaries help us to attract and retain the most talented and effective people.

We aim to pay basic salaries at the median for the sector and position, and regularly benchmark compensation against others in our sector. Performance-related pay is provided on top of basic salaries to award exceptional performance. Many of our employees are eligible to receive performancerelated bonuses through spot bonus plans designed to reward specific outstanding performance. Some of the more senior employees are eligible for incentives based on their performance against annual or multi-year goals for the operations they lead.

WPP is committed to aligning management and share owner interests by encouraging a culture of employee share ownership through equity-based incentive arrangements. WPP's Worldwide Ownership Plan, introduced in 1997, has granted share options to 49,000 of our people.

People working in the Group (including directors) own or have interests in around 113 million shares, 8.9% of the issued share capital.

Communication

We keep our people informed and up to date with what is happening across the Group. With 91,000 people in 106 countries this can be a challenge, so we place great emphasis on good internal communications. Some examples are:

■ Group-wide distribution of the Annual Report, the *Navigator* Group handbook, the *Atticus* Journal, *The WIRE* (WPP's global newspaper), and regular FactFiles to all companies worldwide.

- \blacksquare A monthly online news bulletin *e.wire*.
- Regular communication on Group initiatives such as the Worldwide Partnership Program, *BrandZ*, the Atticus Awards, the WPP Marketing Fellowship Program and professional development workshops.
- Periodic reports from Sir Martin Sorrell on topics of importance to all people participating in shortand long-term incentive plans.
- WPP's website, Group intranet site (currently in the process of being refreshed) and professional Knowledge Communities.
- Formal and informal meetings at operating company level.

Employee surveys

Our agencies seek feedback through regular employee surveys. These help us to better understand the views of our people and identify areas for improvement.

Below are examples of recent survey results from three of our agencies in 2004.

Burson-Marsteller

Burson-Marsteller's 2005 employee survey was completed by 54% of employees worldwide. Two-thirds of the respondents said they feel proud to work at Burson-Marsteller. Good trends were also reported on career advancement opportunities, professional development and training. Ratings around compensation issues continue to receive relatively low scores compared to other aspects of agency life.

OgilvyOne and OgilvyInteractive

Ogilvy's *Acid Test* survey was completed by 73% of employees at OgilvyOne and OgilvyInteractive worldwide. Good trends were reported on pride in the organisation, trust in leadership and opportunities for learning. Career development and feedback were identified as areas for improvement.

MindShare

MindShare's employee survey in 2004 generated a 46% response rate. The results showed that 90% of participants agreed that MindShare is a great place to work (compared to 70% in 2003). The company also scored well on the number of employees that feel they receive a lot of support in their work. Areas that received fewer positive responses included training opportunities and recognition for good performance.

MindShare UK was ranked 79th in the *Sunday Times* Best Companies to Work For survey. Key findings included 81% of employees agree they can make a difference within the organisation, 79% understand the principles of the organisation and 75% agree with the statement "my managers talk openly and honestly with me."

Health and well-being

The main health and safety risks for our business are associated with work-related stress and workstation ergonomics. Stress is a risk factor because our industry is highly competitive and client focused. Employees often work long hours to meet tight deadlines. This can be stressful and make it difficult for people to balance the demands of their work and personal life. We aim to identify and reduce these risks and provide a safe workplace. By reducing stress we can minimise absence from work and improve productivity and employee retention.

Combating workplace stress

In 2004, we surveyed six of our largest companies on their approach to reducing workplace stress. The companies were Burson-Marsteller, JWT, Mediaedge:cia, MindShare, Ogilvy & Mather and Y&R.

The most important factor identified by the survey is creating an environment where people feel able to discuss any issues, including stress, with their manager or human resources department.

The survey found that the effectiveness of managers in identifying stress-related issues is a key component. This takes place in day-to-day interaction with team members as well as during annual appraisals.

Our companies also assess the risk of work-related stress through regular staff surveys and by monitoring issues raised via our Right to Speak helplines, Employee Assistance Programmes and during exit interviews. Other indicators of potential problems are staff turnover and absenteeism rates, stress-related compensation or grievance claims and feedback from ex-employees approached as potential 'win-backs'.

Initiatives to combat workplace stress vary between companies and include:

- Employee Assistance Programmes a source of confidential advice, support and counselling.
- Flexible benefit programmes, including subsidised childcare.
- Flexible work arrangements enabling people to work part-time or from home.
- Medical checks and health screening.
- Training on stress and time management.

Starting six years ago, JWT's offices in the US focused on stress avoidance and management. *Balance@JWT* incorporates an employee assistance programme, comprehensive benefits and innovative health and wellness initiatives. These include massage, gym membership, sports teams, health and wellness seminars and screenings, a de-stress room and volunteer days. JWT has also published a series of educational health pamphlets covering healthy living, posture and stress. *Balance@JWT* will be launched in JWT offices worldwide over the next 18 months.

Environment

n our CR policy we state that we will minimise our environmental impacts. These are energy use, transport, and consumption of paper and other resources. Since WPP has more than 2,000 offices, we are focusing on our largest locations in order to have the greatest positive impact.

We have prioritised three environmental issues – energy consumption, paper use and recycling – and are working on these initially with 10 of our largest offices. These are:

			employees
O&M	New York	8th Avenue and 49th Street	2,073
Y&R	New York	Madison Avenue	1,400
JWT	New York	Lexington Avenue	1,000
O&M	London	Cabot Square	800
Y&R	New York	Park Avenue South	713
JWT	Detroit	Woodward Avenue	670
MindShare	New York	Seventh Avenue	665
O&M	Frankfurt	Damstadter Landstrasse	650

7th Avenue

Greater London House

These offices accommodate 8,963 employees: about 10% of WPP's total. Our annual environmental survey tracks energy use and recycling in these offices.

London

New York

Mediaedge:cia

Energy use

In 2004, these offices consumed approximately 43.7 GWh of energy, resulting in around 18,442 tonnes of carbon dioxide (CO₂) being emitted during electricity generation.

If the data is extrapolated to cover WPP's global work force it suggests that around 180,000 tonnes of CO₂ are emitted due to energy consumed by WPP in a year.*

Recycling

All 10 of the above offices have recycling facilities, but so far only one office, Y&R London, purchases new paper with recycled content. The main materials recycled are paper, toner and printer cartridges, cans and bottles.

During 2004, we started to work on recycling with our largest offices in the UK. We are identifying preferred recycling partners, to make it easier for companies to set up recycling programmes. A similar process is happening in the US where we have selected a preferred recycling partner for WPP companies to recycle old mobile phones. We plan to investigate why paper with recycled content is not more widely used and to explore ways to increase its use.

Case study

Number of

500

492

Reusing and recycling at red cell, London

Many WPP companies donate old equipment to charity. This reduces waste and benefits a good cause. In 2004, red cell London donated old desks, computers and stationery to the Green Standards Trust *School in a Box* programme. Some of the equipment has been shipped to Morocco where it is benefiting 17 schools in Marrakech and the High Atlas Mountains. Equipment that can't be reused is dismantled for recycling. red cell pays for all collection and transport costs.

 $^{^{*}}$ In our 2003 CR Report we estimated our global CO $_{2}$ emissions by extrapolating our data using office floor area. This gave a lower estimate of around 100,000 tonnes of CO $_{2}$. We will continue to extrapolate using headcount since this gives a higher estimate.

Supply chain

PP companies spend over \$4 billion each year on goods and services from suppliers. Of this, approximately \$2.5 billion is spent on goods and services which we use in the work that we do for

clients, such as film and print production and postproduction services, and market research services.

Major procurement contracts are negotiated for WPP by our network of regional and country-based procurement teams in the UK, the US, EMEA, Asia Pacific and Latin America. This includes high spend categories such as IT, travel, telecommunications, professional services (such as recruitment) and facilities management, which accounts for \$1.5 billion of our total third-party spend. For the products and services which are purchased for client-related work, the purchase decision and contracting responsibility rests with our individual businesses.

Across all of our spend, we want to do business with suppliers that meet high standards on the environment and employment practices and we are committed to managing CR risks in our supply chain. This is important to our clients too.

We have started a pilot project with our UK procurement team to scrutinise the ethical and environmental credentials of major suppliers. We began by adding ethical and environmental criteria to WPP's Global Procurement Policy and use a simple five-point questionnaire to help us assess the extent of management of CR in supplier companies.

The five questions we ask suppliers

1. Policy

Does your company have a CR policy? If yes, please attach it. (Note: environmental, health and safety, social and ethical policies are relevant if the company does not have an integrated CR policy.)

2. Responsibility

Is a senior executive (or executives) responsible for CR performance? If yes, please specify. Does your company have a CR manager or equivalent? If yes, please provide contact details.

3. Key issues

Please identify the environmental issues most relevant to your company.

Please identify the social issues most relevant to your company (social issues include employment, health and safety and community).

4. Reporting

Does your company publish a CR report? If yes, please attach it.

5. Supply chain

Does your company have a process for implementing CR standards in its supply chain? If yes, please describe it.

Progress in 2004

During 2004, all our existing UK group suppliers were asked to complete our CR questionnaire. We have so far received responses from 29 out of 56 supplier companies. We are following up with those who have not yet responded. The questionnaire was also incorporated into the tender process for all potential new suppliers.

From the information received to date, it appears that suppliers fall into two categories: those with highly developed CR programmes and full CR performance reports (mainly multinationals), and those with rudimentary information on policy and performance.

During 2005, we will be engaging more closely with suppliers in the second category, to encourage good practice in CR management and reporting. We aim to create an assessment and engagement process that can be replicated in other regions and to focus our effort where WPP can make most difference.

We held a briefing on CR for our Procurement Leadership Team in October 2004 which was attended by all the WPP regional heads of procurement. CR has been added to the 2005 personal objectives for each regional head of procurement and cascaded to the purchasing managers in each of our major markets. We plan to add corporate responsibility key performance indicators to our routine procurement progress measurement.

An article on CR was published in our internal procurement newsletter *Buy-in*, during 2004, to raise awareness about CR across WPP's entire buying community.

Social investment

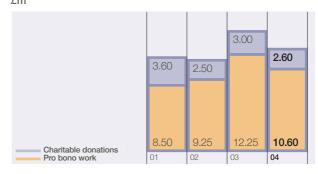
PP companies undertake advertising, marketing, PR and research projects for charities at no or minimal cost. This pro bono work helps charities publicise their campaigns, raise money and recruit

new members, and provides creative opportunities for our people. We also donate money and equipment in support of a wide range of good causes around the world.

In 2004, our total social investment was worth £13.2 million, equivalent to 0.33% of revenue (2.9% of pre-tax profits). This includes £10.6 million in pro bono work (based on the fees the benefiting organisations would have paid for our work) and £2.6 million in donations. WPP came sixth in the UK *Guardian* newspaper's Giving List 2004 (based on 2003 data) that ranks FTSE 100 companies by the value of their social investment.

WPP's social investment reduced in 2004 primarily due to a smaller amount of pro bono work being undertaken. During this period of high commercial activity, the time and resources that our people were able to donate to pro bono work reduced, meaning that the value donated did not keep pace with revenue.

Social investment 2001-2004 $\mathfrak{L}m$



Pro bono work

WPP companies gave money and undertook pro bono work to support charities working on a wide range of social issues.

Pro bono work

1	Health	28.0%
2	Local community	22.6%
3	Other	21.5%
4	Education	12.1%
5	Arts	9.6%
6	Environment	4.3%
7	Illegal drugs	1.2%
8	Alcohol abuse	0.7%



Some of the many charities supported this year include:

Arts and education

■ Tribeca Film Festival 2004, New York established in 2002 showcases work from new and established film makers and contributes to community regeneration in lower Manhattan. Ogilvy developed a new positioning platform for the festival and developed new branding and award-winning advertising for lamp post banners, TV commercials and posters. The Festival attracted 400,000 film goers.

Development and disaster relief

- Ashoka, Brazil is a global organisation that identifies and invests in leading social entrepreneurs individuals with innovative and practical ideas for solving problems in their communities.

 Hill & Knowlton Brazil has been promoting the Ashoka Social Entrepreneurs Award, helping to increase entries by 96% in 2004/05.
- Oxfam, Spain. Mediapro has worked with Oxfam to produce a series of short television documentaries. Each episode focuses on a different social issue that affects the developing world from free trade to the effect of gun culture in shanty towns. The aim is to raise awareness and highlight the work Oxfam is doing to tackle these issues.

■ Red Cross, Australia. PRISM Australia continued its four-year pro bono relationship with the Australian Red Cross, managing the media relations campaign for its annual fundraising appeal. This helped the campaign to reach its goal of AUD\$2 million.

Children

- National Deaf Children's Society (NDCS), UK.

 Overseas Challenges (sponsored treks abroad)
 are an important part of fundraising at NDCS,
 the only UK charity dedicated to supporting deaf
 children and their families. With many similar
 events now taking place the charity was concerned
 its income from this source might start to fall.

 PRISM UK conducted a market analysis and
 made recommendations on how NDCS could
 develop a marketing strategy to differentiate the
 Overseas Challenges from similar events and help
 ensure they continue to bring in much needed funds.
- IT Fund for Kids, Sydney. Howorth
 Communications has provided pro bono public relations advice and campaign execution to the IT Fund for Kids since 2000. The IT Fund raises money from IT companies and their employees to benefit seriously ill and autistic children in Australia. Howorth employees also get involved by donating a day's pay or other amount to the Fund which is matched by the company.

Women

■ Women's Venture Fund, US. MJM provided event production support for the second year to WVF's Highest Leaf Awards, honouring outstanding female entrepreneurs from low-income and minority backgrounds.

Wildlife

■ World Society for the Protection of Animals (WSPA). Several WPP companies combined forces to put together a powerful commercial, showing the horrors of bear-baiting, an illegal and cruel sport. The companies – The Farm, Bulletin, Burson-Marsteller, Rainey Campbell Kelly Roalfe/Y&R, made the commercial for the WSPA's Libearty campaign, and it was aired on the leading US TV channel E! Entertainment. They also gave WSPA public relations advice to help it in its efforts to save bears and stop bear-baiting events from taking place.

Social investment

Health

- Red Cross, Czech Republic. MindShare Prague worked with their client Volvo and another agency to develop a pro bono campaign for the Red Cross, encouraging people to donate blood.
- Pink Ribbon Association, Netherlands.
 Hill & Knowlton Amsterdam was part of a probono collaboration to produce a one-off glossy Pink Ribbon woman's magazine with articles, shopping tips and celebrity interviews alongside information on breast cancer. Hill & Knowlton launched the magazine through a national PR campaign. The editors, publisher and advertising agencies also gave their time for free and 100% of the money raised went to support the Pink Ribbon's work against breast cancer.
- Nelson Mandela Legacy Trust, South Africa. WPP has given pro bono consultancy to the Nelson Mandela Legacy Trust, which supports a range of charities in Africa.
- Action Medeor, Germany. Grey Worldwide Duesseldorf produced a haunting pro bono commercial to generate donations for Action Medeor, a charity delivering medicines to Africa. The commercial featured newborn babies and highlighted the fact that every sixth HIV infection in Africa is a baby, infected during childbirth.

Helping the homeless

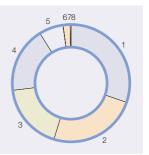
■ Business Action on Homelessness (BAOH), London helps equip homeless people with the skills they need to gain employment. Research International is conducting pro bono research to help BOAH raise awareness of its work among business leaders. Several WPP companies including Research International, Bulletin and Premiere, are also supporting BAOH by providing work experience placements for homeless people and by encouraging employees to give their time as volunteers and job coaches.

Charitable donations

Our companies give donations to support a wide range of good causes.

Donations by category

1	Health	30.4%
2	Local community	24.3%
3	Education	18.5%
4	Other	17.9%
5	Arts	6.7%
6	Environment	1.9%
7	Alcohol abuse	0.2%
8	Illegal drugs	0.1%



These are just a few of the many organisations that received donations from WPP companies in 2004:

Great Ormond Street Hospital, London;
Handelshögskolan, the Swedish School of
Economics and Business Administration;
Hong Kong Cancer Fund; Indian Red Cross Society;
National Advertising Benevolent Society London;
Right to Play Toronto, giving the world's most
disadvantaged children the chance to play;
Shanghai Children's Welfare Community, China;
Steppenwolf Theatre, Chicago; Teach for America;
The Metropolitan Museum of Art and the
New York Public Library, New York;
The Washington DC Rape Crisis Center;
Wizo, a Jewish women's organisation in Tel Aviv.

WPP the parent company

The parent company focuses its support on education and the arts. Some initiatives supported include:

- India: Indian Business School.
- UK: Charles Edward Brooke Girls' School, which specialises in media arts, sponsoring work placements and other pro bono assignments.
- UK: Royal College of Art annual illustration competition and support of Hardship Fund.
- UK: provision of two bursary awards for D&AD, the professional association for design and advertising.
- UK: the Company is a corporate patron of the National Portrait Gallery and Natural History Museum in London.
- UK: the London Business School.
- US: Harvard Business School.

Sir Martin Sorrell is an active participant in programmes at the following international business schools: London Business School; IESE, Spain; Indian Business School; Harvard Business School and Boston University.

A donation from WPP has paid for a library to be built at the Lower Basic School in Sanyang village, Gambia (see case study on page 24). WPP is also providing funds to help the village build a healthcare clinic.

Support for communities affected by the tsunami

After the tsunami disaster in the Indian Ocean, WPP countries from across the world gave money and time and created pro bono work to help the affected communities. A few examples include:

- Burson-Marsteller staff from Asia and Europe provided pro bono support to the Red Cross/Red Crescent Tsunami Response Forum. Employees at Burson-Marsteller Singapore were given seven days' paid leave to help with re-building and relief work.
- XM, our internet solutions company, worked with Yahoo Asia to drive traffic to the Red Cross website.
- MindShare UK worked with its pro bono client the Disaster Emergency Committee to gain support and free airtime from the media industry. Every UK television company and several newspapers donated airtime and space to the appeal.
- Hill & Knowlton's Washington office offered free public relations advice to the Centre for International Disaster Information.
- Ogilvy & Mather offices and employees world wide donated to the Ogilvy Tsunami Fund. This has helped support five projects in affected communities so far. These are:
 - Providing 15 fishing boats to coastal communities in Tamil Nadu, India, who depend on fishing for their livelihood.
 - A community centre for the village of Baan
 Talay Nok which lost 47 people in the tsunami.
 - Funding for the Helping Hands charity, helping orphaned Sri Lankan children.
 - Equipping and furnishing 15 schools in West Aceh province, Indonesia.

Each project is personally vetted and visited by a senior Ogilvy executive.

■ Grey Global Group donated money through local offices in the affected regions to ensure funds were distributed where most needed. A team at Grey Asia Pacific worked pro bono to produce a TV commercial for the UNICEF Tsunami Fund (see page 66). Grey India TV created two pro bono commercials to raise funds for the Prime Minister's Relief fund for tsunami victims.

Social investment

Case study

Building a school library in the Gambia



At home we take books for granted. In the Gambia, where a day's pay is often no more than £1, the cost of books is totally prohibitive. At the Sanyang Lower Basic School, the 1,500 students still use slates to write on and pens and paper are cherished.

When I met the head teacher of Sanyang, Lamin Balajoh (pictured above), just over a year ago, he told me that his greatest dream for the school was to give his children access to books.

This led to a WPP-funded project to create a children's library at the school. In less than a year we have built a 1,500sq ft library with a fully-furnished reading room and a spectacular selection of books – with 10,000 delivered so far.

Donations of children's books have come from across WPP companies. The number collected is staggering – and is giving these children access to a world of learning and imagination.

David Williams

Business Development Director Addison Corporate Marketing

Employee volunteering

Many of our people give their time and expertise as volunteers to support good causes in their local community. We encourage this because it benefits the charity and our people. Our data collection system is not sufficiently reliable to enable us to confirm that we achieved our goal of one day per person per year.

■ Ogilvy & Mather New York held their annual Corporate Service Day on 14 September 2004, in memory of September 11. 215 employees from the agency took part and were given a day off work to help projects around New York City. Teams from the agency got involved helping to prepare and serve lunch to homeless people at the Midtown-West Soup Kitchen, decorating cookies and chatting to seniors at the Dyckman Senior Center, and helping at the Hartley House community centre and in the class room at the Cassidy's Place school for children with special needs, among a range of other projects.

"We really cannot thank you enough for providing such wonderful opportunities for our kids. The support from our friends at Ogilvy & Mather is heartwarming for the children and parents here at Hartley House; and the enthusiasm of your volunteers inspires us to continue to help our neighbours achieve better lives for themselves and their families."

Kristin Dionne Director of Development Hartley House

■ Landor US gives employees paid time off for school-related activities. The aim is to encourage parents and non-parents alike, to get involved in helping children be successful in school. Employees can take time off for a range of activities from attending parent/teacher conferences or orientation sessions to helping out in the class room or speaking at school careers days.

Many WPP executives hold voluntary positions as board members, trustees and advisers to charities. For example:

- James Millner, Senior Vice President at Cohn & Wolfe New York, is an adviser to the Whitman-Walker Clinic, the largest US HIV service organisation. He is also a founding Director and Board President at PreventionWorks, an HIV Prevention Organisation.
- Rosalina Machado, Chairman of Ogilvy Public Relations Portugal, is Vice President at the Rebuild Angola Association and the Infante D. Henrique Awards (which encourage young people to take part in challenging activities and good causes). She is also President of ANEM, the Portuguese National Association for Senile People.
- Juan C. Cappello, CEO and Managing Partner of H&K Latin America, is a board member of Fundacion Chile; Friends of Universidad Catolica de Chile; Repertorio Espanol of New York City; Museo del Barrio in New York; and serves as chairman of the Cappello/Kent School Educational Scholarship Program.
- Necmiye Isgoren, from Y&R Turkey, is Communication and Fund-Raising Adviser to the Istanbul Foundation of Culture and Art and the Turkish Association in Support of Contemporary Living.
- Carol Schuster, Executive Director of Ogilvy
 New York is a member of the Contemporary Arts
 Council Museum of Modern Art; a member of the
 Whitney Contemporaries for the Whitney Museum,
 New York; Board member and Marketing Adviser
 to the Meredith Monk House Foundation for the
 Arts Committee, and adviser to Art:21, a TV
 programme produced by the non-profit media
 enterprise, PBS.
- Ian McCabe, Managing Director of Burson-Marsteller Hong Kong, is an Executive Committee member of the Asian Cultural Council.
- David MacKenzie, at red cell Singapore, is a Council Member of the Singapore National Council Against Drug Abuse.

CR management

CR management

oward Paster is the WPP Board director responsible for assessing CR risks. He chairs WPP's CR Committee and provides a twice-yearly assessment of CR risks and performance to the Audit Committee of the Board (chaired by Paul Spencer).

Our CR Committee was established in 2003 to advise on policy, monitor emerging issues, determine CR strategy and co-ordinate communication among Group companies. The Committee is made up of senior representatives from WPP's major business categories. Its current members are: Dave Allen, Enterprise IG; Jed Beitler, Sudler & Hennessey; Elaine Cruikshanks, Hill & Knowlton; Vanessa Edwards, WPP; Steve Goldstein, Ogilvy & Mather; Julie Halpin, Geppetto Group; Mark Linaugh, WPP; Fiona McAnena, Kantar Group; Howard Paster, WPP (Chair); Dominic Proctor, MindShare; Paul Stanley, WPP. The Committee meets twice a year.

Each WPP operating company has nominated a CR representative responsible for compiling and reporting data to the parent company and co-ordinating CR activity.

During 2004, the Company's internal audit function, headed by Paul Stanley, included CR risks in its reviews of Group companies. The audit function is also responsible for collating our annual CR survey of operating companies and validating the data.

Tracking performance

We have established an initial set of key performance indicators (KPIs) to track our progress.

Our CR goals are:

- Contribution to society Undertake pro bono work and make donations to charity to a value of 0.4% of revenue.
- Marketing ethics Comply with all laws and industry codes governing marketing material (and to track our performance globally to establish how we are doing).
- Environment Calculate climate impact, purchase recycled paper and install recycling facilities in 10 of our largest offices.

While we have not yet achieved these goals, we will continue to work towards their realisation. We are looking at what can be done to bring us closer to our objectives in a manner that best serves the interest of our shareholders. Each of our goals requires co-ordinated effort across five continents. This is made more complicated by WPP's management structure that devolves a great deal of management responsibility and discretion to our operating companies.

During 2004, our contribution to society was approximately 0.33% of revenue, slightly below the aspiration of 0.4% but a sum of cash contributions and donated services totalling £13.2 million. Improved market conditions meant less time available to perform pro bono work. The decline in the US dollar also reduced the value of US corporate giving.

We do not yet have systems for capturing compliance with marketing codes in all countries but will continue to strive to achieve full reporting on this issue and to approach our goal of full compliance.

We are close to achieving our environmental goals though the purchasing of recycled paper is not yet common practice in our major offices.

In our 2003 CR Report we stated a goal to achieve an average rate of employee volunteering equivalent to one day per person each year. While we continue to support volunteering we do not have systems for tracking the amount of time donated and have therefore discontinued this goal.

Stakeholder engagement

We engage with a range of stakeholders on CR issues. This includes clients who increasingly want to know about our approach to CR, employees and mainstream and socially responsible investors (SRI).

We want WPP people to know about our CR policy and performance. Last year our CR Report was widely distributed across WPP, with a copy sent to 4,000 senior managers, all WPP CR Representatives as well as communications departments, key account executives and new business people. It is also available on the home page of our intranet and website. Articles on CR were included in *The WIRE* (WPP's global newspaper) and our *Buy-in* magazine for procurement professionals.

We met with several SRI investors in 2004 to discuss our CR policy and performance. WPP has been listed in the Dow Jones Sustainability World Index, the Dow Jones STOXX Sustainability Index and the FTSE4Good Sustainability Index since their inception. Many SRI investors hold WPP stock, including Stichting, the Dutch pension fund, which invests according to strict social responsibility criteria.

Several SRI and corporate governance research agencies assessed how well we manage CR and corporate governance risks.

CoreRatings, a ratings agency providing investment analysis of corporate responsibility risks, has improved its rating of WPP's CR management from B to B+. Their report in February 2005 found that over the past year, WPP has significantly improved disclosure and management of CR impacts.

Governance Metrics International (GMI), the governance research and ratings agency, gave WPP a global corporate governance rating of 9 out of 10 in January 2005. A GMI rating of 9.0 or higher is considered to be well above average, and WPP's score has increased from 8.5 in September 2004. GMI also provided more detailed ratings, including a score of 7.5 for Board accountability and 8 for corporate behaviour.

Institutional Shareholder Services, the proxy voting and corporate governance services provider, also increased their Corporate Governance Quotient rating for WPP. This showed that WPP outperformed 91.1% of companies in the MSCI EAFE Index on corporate governance, 51.6% of UK companies and 86.7% of companies in the media group.

WPP is a founder member of the UK's Media Sector CR Forum, a group of leading media companies committed to furthering CR in the sector. The Forum has completed a review of key issues for the sector, including a stakeholder survey. This identified five key issues for the sector as a whole: transparent and responsible editorial policy; corporate governance; integrity of information; impartial and balanced output; and investing in and supporting staff. Company-specific priorities were also identified. Those specific to marketing services included regulatory compliance and self-regulation; and responsible advertising.

WPP companies are regular participants in the Westminster Media Forum, an influential organisation in the UK that fosters policy debate between politicians, senior officials and leaders of the media industry.

Corporate governance

he Board of directors as a whole is collectively accountable to the Company's share owners for good corporate governance and is committed to achieving compliance with the principles of corporate governance set out in the Combined Code.

Our goal is to comply with relevant laws, regulations, and guidelines such as the Combined Code, the US Sarbanes-Oxley Act of 2002 and their related regulations and, as far as is practicable, policies such as the Hermes Principles and those issued by the Association of British Insurers (ABI), the National Association of Pension Funds (NAPF), the Pensions Investment Research Consultants (PIRC) and NASDAQ.

WPP operates a system of internal control, which is maintained and reviewed in accordance with the Combined Code and the guidance in the Turnbull Report as well as the relevant provisions of the Securities Exchange Act 1934 as they currently apply to the Company. In the opinion of the Board, the Company has complied throughout the year with the Turnbull Report and has also complied with the relevant provisions of the Securities Exchange Act 1934.

Business ethics

Business ethics

PP's Code of Business Conduct and CR Policy set out the standards we expect employees to meet in their work. They provide guidance for our people in dealing with a wide range of ethical, social

and environmental subjects. Both documents are included in this report and are publicly available on our website www.wpp.com.

The CEO of each WPP company is required to sign a statement each year confirming that they comply with the Code of Conduct.

Employees can report any concerns or suspected cases of misconduct in confidence through our Right to Speak facility, run by our internal audit department. A Right to Speak phone number is available to all employees worldwide and is publicised through induction packs, the WPP Policy Book and on our intranet sites.

Two former employees of Ogilvy & Mather US were found guilty of fraud relating to falsification of time sheets. Ogilvy has taken this matter very seriously and upgraded its accounting system to create a rigorous accounting compliance programme. This includes expanded ethics training for employees, a dedicated ethics officer and an ethics hotline for employees.

When Ogilvy realised in 2000 that errors in reporting labour time had occurred, the company promptly and voluntarily reported them to all relevant federal authorities including the Justice Department. A civil settlement was reached in 2002.

Code of Business Conduct

The Group and its companies operate in many different markets and countries throughout the world. In all instances, we respect national laws and industry codes of conduct.

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

- We will not use, possess or distribute illegal drugs. We will not report for work under the influence of drugs or alcohol.
- We will treat all information relating to the Group's business, or to its clients, as confidential. In particular, 'insider trading' is expressly prohibited and confidential information must not be used for personal gain.
- We will not knowingly create work which contains statements, suggestions or images offensive to general public decency and will give appropriate consideration to the impact of our work on minority segments of the population, whether that minority be by race, religion, national origin, colour, sex, sexual orientation, age or disability.
- We will not for personal or family gain directly or indirectly engage in any activity which competes with companies within the Group or with our obligations to any such company.
- We will not offer any items of personal inducement to secure business. This is not intended to prohibit appropriate entertainment or the making of occasional gifts of minor value unless the client has a policy which restricts this.
- We will not accept for our personal benefit goods or services of more than nominal value from suppliers, potential suppliers or other third parties.
- We will not have any personal or family conflicts of interest within our businesses or with our suppliers or other third parties with whom we do business.
- No corporate contributions of any kind, including the provision of services or materials for less than the market value, may be made to politicians, political parties or action committees, without the prior written approval of the Board of WPP and the prior agreement of its share owners.
- We will comply with all applicable local laws and regulations, and any other laws with an international reach, such as the US Foreign Corrupt Practices Act, where relevant.

Business ethics

CR Policy

We believe our business can make a positive contribution to society and the environment by managing our activities with care and by working with responsible organisations that promote social and environmental causes.

Our operating companies are required to comply with this CR Policy and report performance to the parent company annually.

Social investment

WPP companies are encouraged to:

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

Managing relationships

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

Employee development

WPP companies:

• Will select and promote our people on the basis of qualifications and merit, without discrimination or concern for race, religion, national origin, colour, sex, sexual orientation, age or disability.

- Will support training and career development for our people.
- Will provide a safe and civilised workplace free from sexual harassment or offensive behaviour.

Marketing ethics

WPP companies:

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

Environment

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

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

Human rights

- WPP companies will uphold the principles contained in the United Nations Universal Declaration on Human Rights and the International Labour Organisation's fundamental conventions on core labour standards.
- We support the right of our people and their families to basic human rights including the right to organise, the right to fair conditions of work, freedom of opinion and expression and freedom from forced labour and child labour.

How we think

WPP businesses encounter CR issues in many different markets and countries. They use their expertise to understand the pressures for change and advise clients on the likely impact on their business. In this section we discuss just two of the CR subjects relevant to the marketing services sector.

The first essay assesses the impact of rising levels of obesity on the marketing of food products. The second essay draws on consumer research to gauge the potential impact of CR on corporate reputation.

The conclusions reached in each case initially appear contradictory. On the one hand obesity is already changing food markets, but on the other hand CR appears to have little impact on corporate reputation. This illustrates the complexity of how social and environmental issues play with consumers. One explanation is that people are more likely to act when their own health or welfare is affected than when confronted with social or environmental concerns that do not impact on them personally.



How we think

Fat is a strategic issue

Fat is a strategic issue

at was a feminist issue, in the famous slogan coined by the author and activist Susie Orbach. But now obesity is strategic. Any business in the food and drink industry, including those of us involved in marketing the products, needs to take it seriously. It touches on public policy areas from media to health. And it has a special relevance to the youth market, because obesity in children is such an emotive subject – and youth marketing is such important territory.

Responsibility for obesity is now seen to be corporate as well as personal. We are implicated along with clients in food manufacturing, retailing, media and other sectors such as health. It is a complex issue which demonstrates how corporate responsibility (CR) reaches into the heart of business and needs to be integrated into strategy. For example, strategic marketing and futures consultancy, Henley Centre produced a strategy paper in October 2004 which argues that corporate responsibility for obesity challenges the food industry's existing business models, and consequently the way we service the industry.

Cultural concerns about eating trends had been rumbling at a fairly low level for several years. More recently, there has been an acceleration as several cultural and social trends collided. Children are a special concern. Britain's Chief Medical Officer has suggested that children growing up today will have a shorter life expectancy than their parents because of the spread of obesity among young people. Governments concerned about the potential health costs have become eager to promote increased exercise and have begun to confront public policy issues such as food labelling and advertising.



The result is that fast food, confectionery and soft drinks companies find themselves in the firing line over the classic kids' diet of cola, fries and burgers. On the positive side, there has been a growing interest in authenticity and provenance, and companies have been adding healthier alternatives to product ranges giving customers more choice. That means new market opportunities.

The combination of these concerns has changed the rules for food companies. The parallels with tobacco and alcohol are obvious, although not absolute. Long-standing assumptions have been questioned, for example about the legitimacy of advertising and sponsorship. And the focus has already extended from obesity to broader health issues, such as food additives.

Henley Centre work explored these and other drivers of the obesity issue, and developed several scenarios to explore future obesity levels and attitudes to it between now and 2014.

The Henley Centre initially identified over 50 drivers which could influence obesity levels, and grouped these into nine clusters, such as 'public health versus private health', 'drugs and medication', and 'advertising, celebrity culture and endorsement'. From these clusters, a set of axes was developed; personal versus collective responsibility, and approach to change on the other (quick fix versus slow fix). Four distinctive scenarios emerge, and are outlined in the diagram above.

Most significant across all the scenarios is the message that the food and drink sectors face a growing level of controversy, scrutiny, activist confrontation and political intervention. The consensus of the past few affluent decades is fading; companies can no longer automatically expect to be trusted to produce the right products, and can no longer rely on the defence that consumers are solely responsible for what they eat and drink.

Analysis of the trends indicates that these issues are unlikely to go away. On the contrary, businesses are likely to face tightening formal rules and informal expectations. Especially in Europe, the focus is likely to widen, from obesity to other health-related issues such as additives, chemicals and food technology, and wider still to environmental issues such as waste and climate change.

The analysis suggests that mass markets for food and drink will decline and margins will come under pressure. There is an analogy here with the car industry, which is having to rethink its traditional mass production mentality, embrace shorter production runs and face the technical challenge of tightening regulations on fuel economy and emissions.

We see several messages for WPP in these trends. First, they emphasise the centrality of corporate responsibility to our business. The media industry has tended to see itself as neutral in many corporate responsibility debates, arguing that we merely serve our clients and the responsibility is theirs. It seems clear that this is no longer the case. Just as supermarkets accept that they have a responsibility for the products on their shelves and how they got there, and banks are now accepting responsibility for the projects they finance, we have a responsibility for how our clients' products affect the target audience. We cannot escape the kind of scrutiny which our clients have to deal with.

But there is an opportunity here, both for us and for our clients. The upsurge of corporate responsibility is destabilising. It upsets long-standing assumptions, business models and approaches. The result is that markets are likely to become more volatile. That could be an attractive market development – if we and our clients can gain competitive advantage from understanding the changing conditions and being ahead of the game.

If we respond effectively to these upheavals we can help clients identify the market opportunities which will emerge. Because concerns about obesity and other aspects of health don't just threaten existing products and channels, they create openings for new products and new approaches.

When markets are changing it is even more important than usual that marketers understand what is happening. And that is an opportunity for us. For example, The Geppetto Group, WPP's specialist agency dedicated to the youth market, has identified several myths and misconceptions – by talking to kids about their views on food and health.

Geppetto's research helps marketers see the food and health dilemma through children's eyes, and therefore helps them tackle the challenge better. The main message that comes through is that most young people do want to eat healthily but they don't know enough about nutrition and there aren't enough healthy products that are tasty and fun – they don't want tofu and beansprouts.

We can help our clients address these gaps, first by helping them to understand how markets are changing, and second by helping them develop products and messages which respond effectively to those changes.

More broadly, we will succeed by developing sensitive antennae which quickly pick up emerging signals from consumers, campaigners and politicians, so that we can understand the changes which CR issues will force on consumer markets.

For example, mass-market food and drink products may decline in importance as markets fragment – many niches instead of a few categories. Promoting such products may also be constrained in several areas because of concerns about specific types of food and drink (such as high-fat, high-sugar items) and specific outlets (such as children's TV). But there will be opportunities in promoting new products and new channels.

Business as usual may no longer be an option, but business as unusual could be more rewarding, in every way.

By Rachel Geller
Geppetto Group
Andrew Curry and Rachel Kelnar
Henley Centre HeadlightVision

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Geppetto Group: Heather Thompson
hthompson@geppettogroup.com

How we think

Corporate responsibility is still on the sidelines

R remains on the periphery of global consumer and business priorities. WPP businesses are continually researching social and business trends. This research gives an insight into the extent that consumers in different countries are motivated by social and environmental concerns and the weight placed on them by global company executives. The findings make depressing reading for CR champions.

Many companies are struggling to gauge the consumer reaction to corporate responsibility. While around a third of consumers typically tell researchers that they will factor responsibility issues into their buying decisions, sales figures often tell a different story.

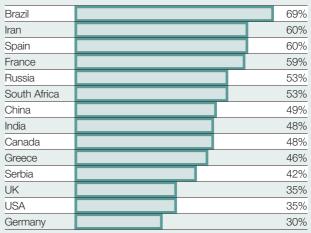
Perhaps because the impact on buying behaviour is inconclusive, executives are playing down the potential significance of CR for their companies. Research for Hill & Knowlton by the Economist Intelligence Unit asked 175 executives in 40 countries about the factors driving their companies' reputations with customers. Less than 1 in 10 cited their track record on corporate responsibility as the most important factor.

CR came well down the list of non-financial elements which executives said were integral to their reputation – behind factors such as corporate governance and strategy execution.

A separate piece of research from TGI (Target Group Index), the TGI Global Barometer, charted consumer attitudes in 15 different countries. The research highlights big differences between countries. For example, 69% of Brazilians said they would pay more for environmentally-friendly products, compared with just 30% of Germans at the other end of the scale. The figures can also change rapidly – Spanish consumers have jumped by 37% over the past five years.

There is hidden depth to the numbers. Are German consumers really the least green? We know they set an environmental example to the rest of Europe, with, for example, very high recycling rates. German consumers are in fact very green but do not expect to have to pay extra for green choices – they are used to the government and German companies incorporating environmental care into their products and services. It's built in not bolted on.

Target Group Index



TGI Global Barometer – % of consumers saying they are willing to pay a premium for environmentally-sound products.

Demographic factors also vary from country to country. In most countries, older consumers are most likely to say they are green. But that's not the case in Russia and China, where the most positive responses came from the 25 to 34 age group.

Interpreting the significance of such figures requires an understanding of what makes corporate reputation and how that relates to brand performance. The *ReputationZ* study carried out by Millward Brown probes these issues, identifying the key components of reputation and where CR fits in. The research establishes for the first time the link between consumer behaviour and corporate reputation. More than 23,000 people were interviewed in the UK and US and over 100 key corporations were researched.

The big message of this research is that corporate reputation may have little impact on consumer action, simply because consumers don't always make the connection between a parent company and a brand. Across all corporations measured, 80% of brand sales are not influenced by corporate reputation. This is obvious but often overlooked, and must explain some of the gap between how consumers say they will act and what actually happens when they are confronted with brand choices.

Where consumers do make the connection between the brand and its owner, reputation is a significant factor in purchasing decisions. Interestingly it appears to function more powerfully as a negative factor than a positive one. Distrust of a company is much more likely to harm its sales than affection for a company is likely to enhance its sales.

Millward Brown describe three broad aspects of reputation: 'public responsibility', 'leadership and success' and 'consumer fairness'. Of these 'public responsibility' has least impact on purchase decisions. This explains why people will continue to buy branded trainers (because they are good products) even if they have concerns about the conditions in suppliers' factories.

The impact of CR needs to be understood market by market, segment by segment. Industries where consumers can easily understand social and environmental impacts, like oil, are more susceptible than those where the impacts are obscure, like computers.

ReputationZ

% of consumers rejecting the average corporation because of corporate responsibility concerns

Sector	Average CR rejection	HIGHER
Public Services	11%	
Oil & Gas	9%	
Financial	7%	
Retail	7%	
Telecoms	5%	
FMCG	5%	
Automotive	4%	
Computing, Electronics & IT	3%	
Food & Drink	3%	
Pharmaceuticals	2%	

LOWER

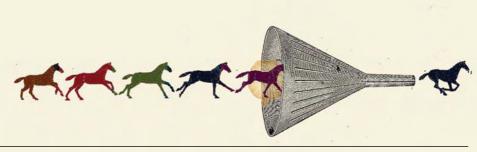
The implications of all these results are important for corporate responsibility. First, they reinforce the familiar message about reputation – losing it is much easier than restoring it; a negative perception is more likely to hit sales than a positive one is to boost them. Second, no amount of reputation enhancement will translate into sales unless your products are attractive.

Peter Walshe Millward Brown

Sources

Millward Brown's ReputationZ
Contact Peter Walshe, peter.walshe@uk.millwardbrown.com
TGI Global Barometer
Contact Sandy Livingstone, +44 (0)208 433 4090
or sandy.livingstone@bmrb.co.uk
Hill & Knowlton's survey by Economist Intelligence Unit
Contact Kim Avdek, kavdek@hillandknowlton.com

WPP companies produce hundreds of pro bono campaigns for good causes every year. This work is worth more than a cash donation. It helps charities recruit new members, raise awareness and further their campaigns. Many of our pro bono relationships are long-standing partnerships, helping a chosen charity over several years. On the following pages we highlight just a few recent examples.



Kids in Distressed Situations (K.I.D.S.), US. K.I.D.S. is a charity foundation that encourages manufacturers and retailers to donate new clothes, shoes and toys. These are distributed locally and globally to children living in poverty, who are ill, or who are the victims of natural disasters. Ogilvy Healthworld created a print campaign with a strong emotional appeal to inspire donations. The ads ran at trade shows and in journals for the apparel, juvenile products and shoe industries and were successful in encouraging more companies to support K.I.D.S.' work.

This campaign is part of a long-standing relationship with K.I.D.S. Executives at Ogilvy Healthworld have supported the charity for the last six years, acting as board members and in helping to secure donations from clients.

"The message and design content had a strong appeal. At trade shows (where the ads ran in the show directories) donors made reference to the impact of the ad on their interest in providing donated product."

Janice Weinman
President
K.I.D.S.

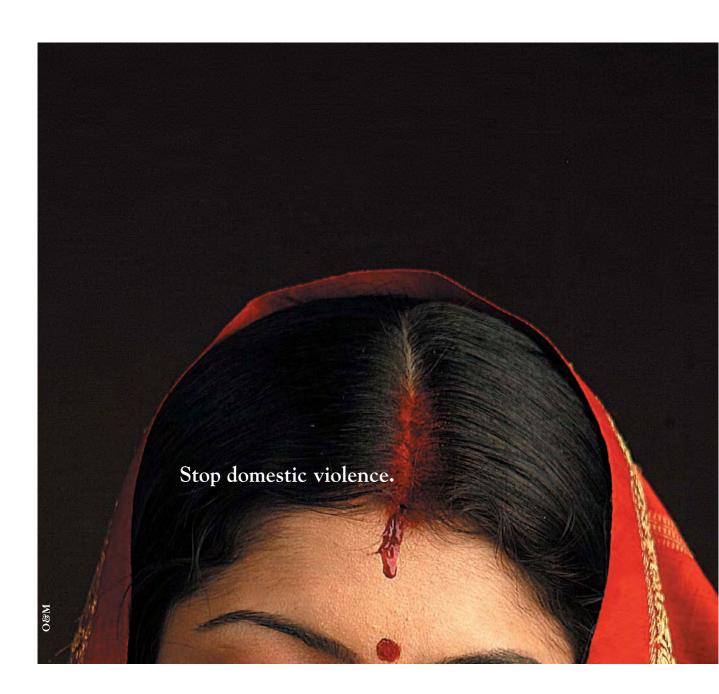
To you, these shoes are excess inventory.

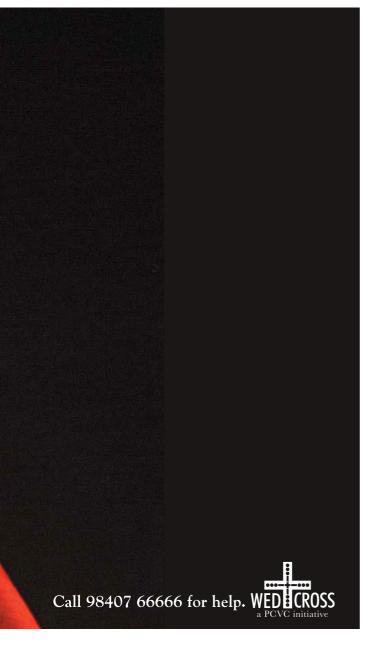


To him, they're much more.

They're homeless. In foster care. Victims of natural disasters. And they're in need of clothes, toys, hooks, and other children's products. Your excess inventory can replace despair with dignity, helplesmess with hope. All white clearing out your warehouse and receiving generous tax exemptions at the same time. Through your generously. K.I.D.S. helps distribute products from manufacturers and retailers to 3 million children a year. So give us a cill, and find out why there's nothing excessive about doasting excess inventory.







Wed Cross, India. Domestic violence is a problem for many women in India but all too often it is a taboo subject. Social pressures and the stigma of divorce make it hard for women to speak out and get help.

Wed Cross is an initiative by the International Foundation for Crime Prevention & Victim Care (PCVC). It runs a 24-hour crisis line and emergency shelters for victims of domestic violence. Ogilvy & Mather India developed a dramatic press campaign for the Wed Cross to raise awareness of its work. The ad tackled the issue of domestic violence in a culturally relevant but sensitive way.

"As a society we need to accept that we all have a responsibility in tackling domestic violence. PCVC and women all over are thankful to O&M for your donation in terms of team and creativity for this cause. Your work has made a great difference to many lives."

Prasanna Pooranchandra

Director International Foundation for Crime Prevention & Victim Care

UNICEF. Y&R Copenhagen has been working with UNICEF for several years supporting its campaigns on street children and child soldiers. The agency has developed unique 'events' to support UNICEF volunteers collecting donations on the street.

In the 2003 campaign, teddy bears were placed in public spaces around Copenhagen carrying messages about the dangers faced by street children.

In 2004, the campaign used mobiles hung in public places, highlighting that many street children are the victims of violence or drug abuse. The labels carry a number for UNICEF, enabling passers by to make a donation by text message.

The campaigns have been successful in helping to increase donations and UNICEF hopes to extend them to other cities in Denmark and abroad.



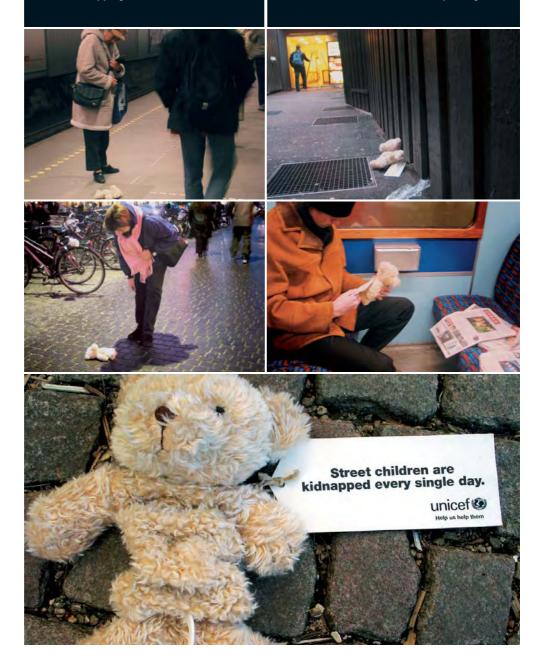


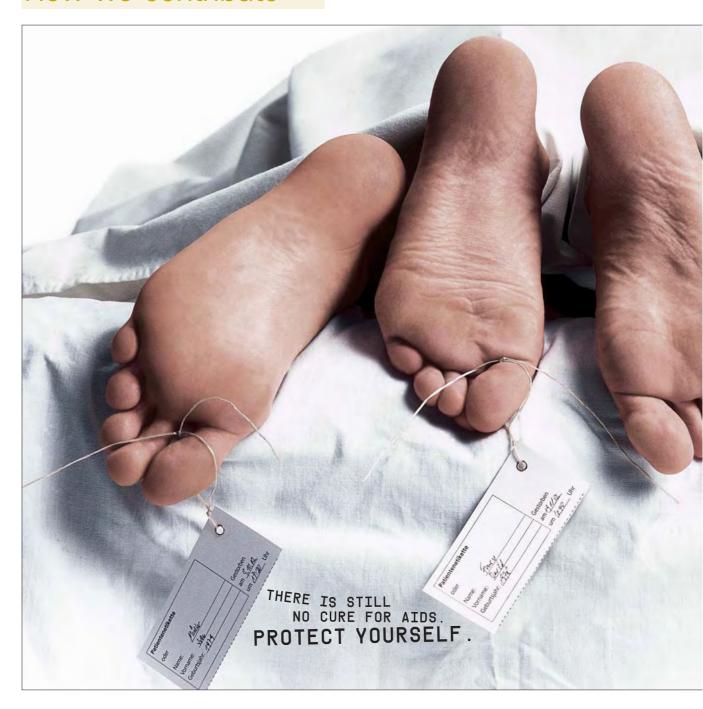
STREET CHILDREN

The child organisation UNICEF want to attend a growing global problem.

- Kidnapping of street children.

Teddybears with the message were placed in public spaces such as sidewalks, trains and trainstations of Copenhagen.



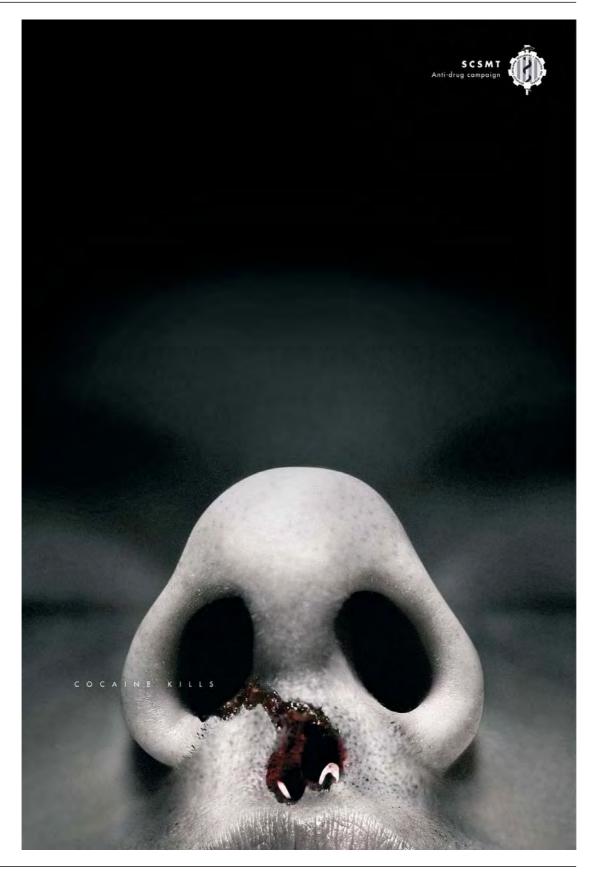




Act against Aids, Switzerland. In 2002, the rate of HIV infections increased by 20% in Switzerland. This was due to less media coverage of the disease and a belief among many young people that with new AIDS medicines the disease is no longer fatal. JWT Zurich developed a press and cinema campaign reminding people that there is still no cure for AIDS and they must continue to protect themselves.

Catalan Society for Safety and Medicine at Work (SCSMT), Spain. Bassat Ogilvy Barcelona developed this campaign to publicise a seminar for medical research officers, on drugs and alcohol in the workplace. The seminar was run by SCSMT, a Spanish organisation working to improve health and safety in the workplace through research and practical action.

The striking campaign, Cocaine Kills, plays with perspective to turn what initially appears to a nose into a skull. It was used on inserts in specialised medical publications, the SCSMT website and on posters to identify and signpost the event.



WildAid, USA is a global organisation that lobbies against the illegal trade in wildlife – estimated to be worth \$6 billion a year. During the Athens Olympics JWT New York developed the 'World Champions for Wildlife' campaign, telling consumers in the US, China, Europe, India and Australia what they can do to stop the illegal trade in endangered species. JWT New York created print and television ads starring Olympic athletes, such as Maurice Greene, Cathy Freeman and Haile Gabrselassie, asking people to come together to protect wildlife. The ads were seen by more than a billion people.

JWT New York also provides WildAid with support on several other projects including annual report design and production and below-the-line marketing activities.







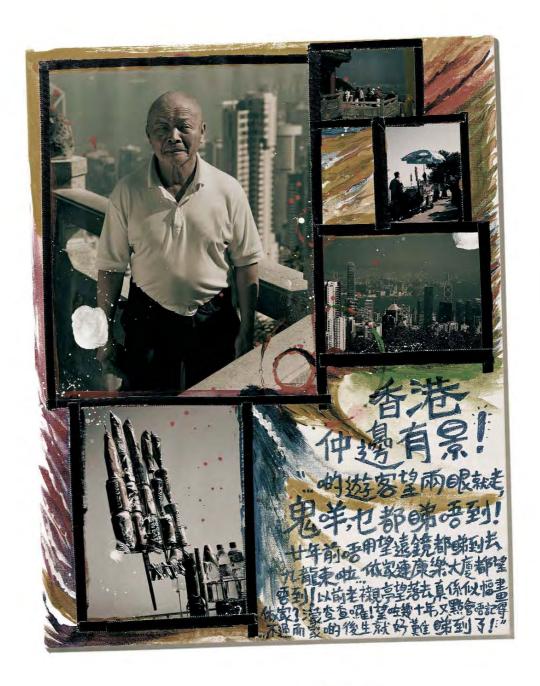


Greenpeace, Hong Kong. Air pollution is a problem in many parts of Hong Kong with smog often shrouding views of the city. Y&R Hong Kong developed an ad campaign for Greenpeace, highlighting the problem and urging the government to take action.

The ads featured ordinary people who work outdoors – a photographer, news-stand owner and ice-cream seller – talking about the affect of air pollution on their health. The ads not only highlighted the problem they also showed the public that they can help rectify it – by conveying their concerns to local politicians.







看不見的景色, 看得見的空氣污染問題。

正視空氣污染問題,支持綠色和平爭取國際標準的「空氣質素指標」。 加入行動www.greenpeace.org.cn 捐助熱線2854 8300



Make-A-Wish Foundation, USA. Fitch Seattle donated their design, writing and production services to their local Make-A-Wish Foundation, designing the charity's annual report, promotional posters and brochure. Make-A-Wish grants the wishes of children with life-threatening medical conditions. The report and posters profiled three of the kids whose wishes were granted in 2004, highlighting the hope, strength, and joy that these wishes bring. Fitch was also able to secure donations from printers and paper manufacturers.

In total, the value of the work was over \$90,000 – of that, Fitch's contribution was valued over \$50,000. Fitch will continue to support the charity in 2005.

"Creative, compassionate design of our collateral marketing materials by Fitch provided a compelling storyline around our mission. Donors and volunteers alike have noticed the difference and expressed appreciation for the clarity of our purpose."

> Barry McConnell, President & CEO Make-A-Wish Foundation of Alaska, Montana, Northern Idaho & Washington



















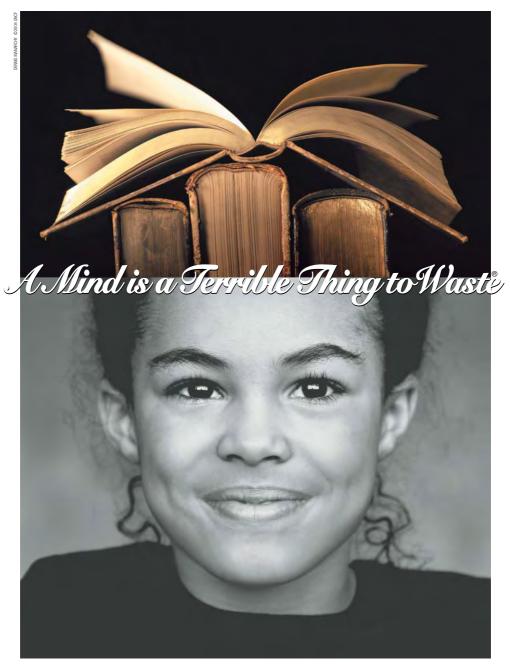
Eastern Washington 800, 207, 8476 Western Washington 800, 304, 9474 Alaska 877, 510, 9474





United Negro College Fund, USA. This advertisement by Y&R New York is the latest result of a partnership with the United Negro College Fund (UNCF) stretching back to 1971. Funds from the UNCF make it possible for 43 UNCF member colleges and universities to keep tuition fees low, enabling many minority students to get a higher education.

Y&R first partnered with UNCF in 1971, with an advertising campaign encouraging Americans to support the fund. The campaign slogan, "A Mind is a Terrible Thing To Waste", has remained unchanged since then and has become part of the American vernacular. To date, the campaign has helped to raise more than \$2 billion and has helped to graduate more than 300,000 minority students from UNCF member colleges and universities.





We are born with limitless potential. Help us make sure that we all have the chance to achieve. We are born with infillness potential. Help us many user and the united Negro College Fund.

Please visit uncf.org or call 1-800-332-8623. Give to the United Negro College Fund.



For 32 years, a single powerful line has helped many thousands of young minds get every opportunity to succeed. The people of Y&R would like to thank the United Negro College Fund and the Ad Council for their partnership and their passion.



The Royal Marsden Hospital, UK – The Royal Marsden Hospital is a special place. It is a world leader in cancer research and treatment, caring for more than 30,000 patients every year. Harrison Troughton Wunderman (HTW), has worked with the Royal Marsden on a pro bono basis since 2002 to produce all marketing material for the Royal Marsden Cancer Campaign. This campaign aims to raise £30 million by the end of 2005. It will enable the hospital to significantly expand its services through a new Drug Development and Medical Day Unit, to test and evaluate new drug therapies; a PET/CT Scanner to revolutionise cancer detection and research; and five new operating theatres including a critical care unit and Rapid Diagnostic centre for the swift and accurate diagnosis of breast, prostate and lymph cancer.

HTW has produced a range of material on the theme of "An ordinary day in an extraordinary place". This has included new stationery, outdoor advertising, press ads, a celebrity-endorsed radio campaign, and direct marketing material. All account management, creative and production time is provided free of charge and HTW also negotiates discounts for artwork and data costs.

To date, HTW has helped the Royal Marsden raise approximately £21.5 million and is committed to helping them raise their target of £30 million by the end of 2005.









Longest Night of the Year Appeal, Australia. 21 June is the longest night of the year. It's also the middle of winter in Australia, a time when life on the streets can, quite literally, become a matter of life and death. Open Family is a charity giving support and hope to young homeless people, helping them to get off the street and back into education. *Grey Melbourne* developed a campaign for the charity's Longest Night of the Year Appeal. The aim was to raise money for Open Family's Street programmes to distribute emergency clothing, food and blankets to children in crisis, to fund outreach workers and to buy textbooks for the Back to School Programme, which has helped 7,000 homeless children get back to school.

The campaign used a range of media to target city commuters including posters at bus shelters and train stations, two radio spots, posters and stickers placed on footpaths and gutters around key retail and transport locations in the centre of Melbourne.







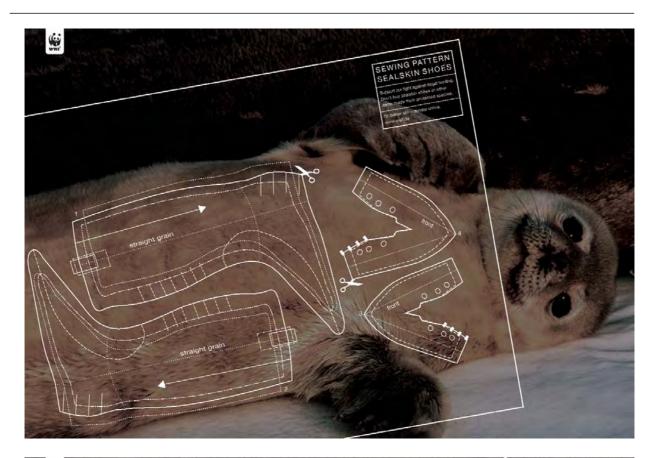


WWF, Germany. Ogilvy & Mather has a long-standing pro bono relationship with WWF, initiated by David Ogilvy, one of WWF's founders. Today, the company is a conservation partner to the charity, providing pro bono creative work. MindShare, WPP's media investment management company, helps to secure pro bono media space for the ads.

This advertisement by Ogilvy & Mather Frankfurt, is part of a recent print campaign calling for public support in the fight against the poaching of endangered species. There is still a huge illegal trade in endangered species, boosted by people who buy products made from these animals.

The ads show endangered species with a sewing pattern for making a leopard skin jacket or seal skin shoes. The objective is to deter people from buying products made from endangered animals and to raise money for WWF's anti-smuggling and anti-poaching activities.

The campaign was carried by several magazines who printed the ads pro bono, and generated a lot of donations. It also won a Cannes Lions Silver, and One Show Silver award.





National Corporation Against Child Abuse, Chile – The National Corporation Against Child Abuse has been a pro bono client of Ogilvy & Mather Santiago for over five years. In that time the agency has developed several television, print and radio campaigns to help this important cause.

The latest campaign, BOX, was created to grab people's attention and remind them how important it is to report any suspected cases of child abuse.

The main goal was to increase the amount of calls that denounce any aggression to minors.

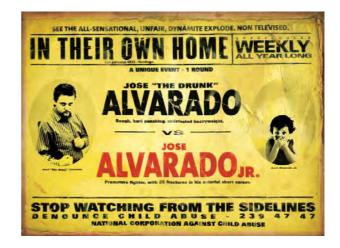
The campaign won a Bronze Lion in the Outdoor category at the 2005 Cannes International Advertising Festival.

"After several years of working with Ogilvy Chile, I can say that we have reached a relationship that goes beyond that of client and agency.

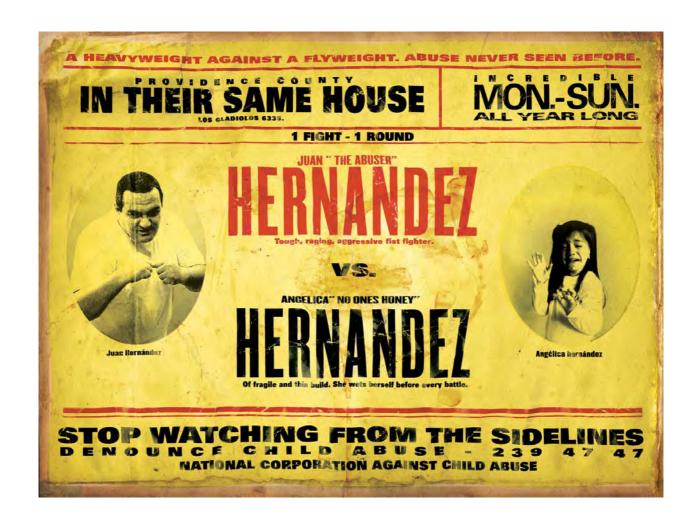
We have managed to capture the real meaning behind our mission statement – that people cannot continue to be spectators to such cruel abuse. When the agency presented us with the campaign, the approval of the Board Of Directors was immediate. It was just what we needed – strong and direct communication, without double meanings. We are very satisfied with this work, from the brief's conception to the great results of the campaign."

Augusto Stamna

Corporación Nacional Niño Agredido (National Corporation Against Child Abuse)



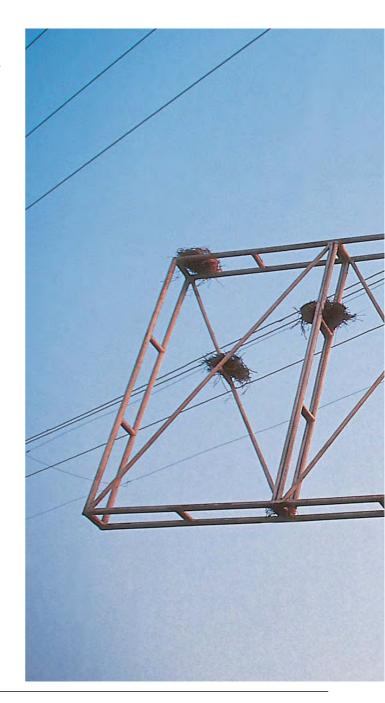




WWF, India. Deforestation has a serious impact on the environment, particularly on the wildlife that relies on the forest habitat for shelter and food. The areas around New Delhi have experienced severe deforestation in the last two decades, as the city has expanded to accommodate its fast-growing population.

RMG David developed a striking advertisement for WWF, the conservation organisation, highlighting the harmful effects of deforestation on birds and urging people to plant more trees. The ad used the skeletal frame of the billboard to support several bird nests.

The billboard was placed on the New Delhi-Gurgaon road, a prominent location passed by thousands of commuters each day and surrounded by outdoor restaurants. It won more awards than any other Indian creative in 2004.





StreetShine, London UK is a social enterprise which employs homeless people in a shoe care and dry-cleaning service for offices and hotels across London. Uniforms, equipment and mentoring are provided for new recruits. Employees receive counselling and advice on the transition from living on benefits in temporary accommodation to earning a full-time wage and having a permanent home.

WPP's brand design agency Coley Porter Bell has given StreetShine a new brand identity, developed pro bono, to help raise its profile and credibility.

The new design incorporates the tools of the StreetShine trade, while emphasising the professional grooming nature of the business. The aim was to make the enterprise stand out in its own right while complementing the stylish surroundings of the city firms and hotels that make use of the service.

"StreetShine is very grateful to Coley Porter Bell for creating such an arresting brand identity. Their work has enabled us to produce professional literature to promote and expand the organisation helping more homeless people to benefit from learning new skills and moving into employment."

Joni HillmanBusiness Development Manager
StreetShine







UNICEF Tsunami Fund. A team at Grey Asia Pacific worked pro bono to produce a TV commercial for the UNICEF Tsunami Fund, to raise relief funds for tsunami orphans. The commercial ran on the MTV Asia Music Awards programme, which was dedicated to the tsunami victims.

The project was urgent – there was very little time and no budget. The approach taken by the team at Grey was to look beyond immediate disaster relief to the long-term needs of children who lost their families, homes, and schools in the disaster. Many of these children are also at risk from paedophiles and sex-slave traders operating in the disaster areas seeking to smuggle children away. The message "the waves have passed but the ripples will continue" asked the audience to consider the long-term effects of the disaster on children.

Jeff Orr, Executive Regional Creative Director at Grey Asia Pacific said, "We were so pleased that we were able to contribute something meaningful at such a horrific time, when everybody in Asia was looking for some way to express their horror and their compassion."



















Contact points

Feedback

We welcome your views on any of the information in this Report or CR at WPP. Send us an e-mail at: cr@wpp.com

Further information

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