

ENVIRONMENT

We recognise the major threat that climate change and environmental degradation pose to global social and economic development. We support urgent action to tackle climate change through the Paris Climate Agreement. We're cutting our own carbon footprint as well as working with many clients on campaigns aimed at promoting action on climate change.

We have environmental management programmes in place to reduce our carbon emissions and environmental impact, and to identify and mitigate climate-related risk.

By taking action on climate change we can reduce costs and risks to the business, and meet the expectations of our clients and colleagues.

OUR FOCUS AREAS

- Achieving a 50% cut in our carbon emissions intensity (scope 1 and 2) by 2030 by reducing energy use and purchasing renewable electricity
- Reducing waste and improving resource efficiency
- Working with clients to stimulate action on climate change and the environment

WHO'S IN CHARGE?

Paul Richardson, WPP's Group Finance Director, was the Board Director responsible for sustainability in 2018. This includes overall responsibility for our climate change strategy and risk management. He gave an annual assessment of sustainability risks and opportunities (including climate change) and performance to the Board. At Board level, the Nomination and Governance Committee has responsibility for sustainability and climate change. Andrea Harris, Group Chief Counsel and Head of Sustainability, has operational responsibility for managing our response to climate change.

HOW ARE WE DOING?



tonnes CO₂e emissions per person, a 9% reduction since 2017



of floor space certified to advanced green building standards (2017: 20%)



of electricity from renewable sources (2017: 26%)



reduction in energy use versus 2017



tonnes CO₂e emissions per head from air travel (2017: 0.67)

OUR CLIMATE STRATEGY

KEY TARGETS AND COMMITMENTS

0.41

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

50%

of electricity from renewable sources by 2030

100%

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

25%

of global floor space certified to advanced green building standards by 2020

Our new reduction target commits us to a 50% reduction in carbon emissions intensity by 2030, on a 2017 baseline. Our target has been developed to align with climate science using the methodology provided by the Science Based Target Initiative. It covers our scope 1 and 2 emissions.

We use a carbon intensity target per person, as headcount is closely linked to levels of business activity and this allows us to reflect the impact of acquisitions and disposals without needing to adjust our baseline.

To achieve our target we will be focusing on reductions in two areas:

- **Emissions from our buildings and IT:** our goal is for 25% of our floor space to be certified to recognised green building standards by 2020. We will also be achieving reductions through our programme of office consolidation and our IT transformation project.
- **Renewable electricity purchasing:** our goal is for 50% of the electricity we buy to be from renewable sources by 2030.

We participate in the CDP Climate Change programme, a collaboration of institutional investors, and scored A- in 2018 for our climate strategy and reporting (2017: B).

Our target builds on our progress to date. We have cut carbon emissions intensity (scope 1 and 2) by 61% since 2006 and achieved our previous target three years ahead of schedule.

We aim to reduce business air travel and we offset unavoidable emissions, see page 36. During 2019, we will be doing further work to improve our data for other categories of scope 3 emissions. This will enable us to work with suppliers to achieve reductions and to report progress.

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

We support the Taskforce on Climate-related Financial Disclosures and aim to develop our disclosures in line with its recommendations. This voluntary framework seeks to encourage businesses to disclose climate-related risks and opportunities and is structured around four themes: governance, strategy, risk management, and metrics and targets.



To read our TCFD disclosure and full carbon emissions statement, see our Annual Report & Accounts, pages 173-174.

61%

reduction in carbon emissions intensity (scope 1 and 2) since 2006

A-

CDP rating for climate change strategy and reporting

HOW GOOD MARKETING MAKES FOR BETTER DEMOCRACY

AGENCY

MULTI-AGENCY TEAM LED BY GREY LONDON

CLIENT

UNITED NATIONS DPI AND UNFCCC

In an age of growing grassroots activism, many people feel that action happens on the street, not behind the closed doors of the United Nations. We brought together a multi-agency team, led by Grey London, to help the UN reconnect with the world's people and put them back at the centre of their work.

The team put a new People's Seat in the UN plenary, right among world leaders. It was the first seat in UN history not representing a nation or specific interest. Instead it was there to give the world a voice on climate change. The campaign asked people around the world to express their thoughts, fears and experiences of climate change. These testimonials were crafted into a UN address delivered by Sir David Attenborough to key leaders poised to negotiate one of the most important decisions in the history of our planet.

The speech dominated the global news agenda, reaching some 1.3 billion people and ensuring the climate talks made headlines in countries including the UK, US and China.

RESULT

1.3bn+

people reached within
the first month of
The People's Seat launch
December 2018



To learn more see
wpp.com/peopeseat

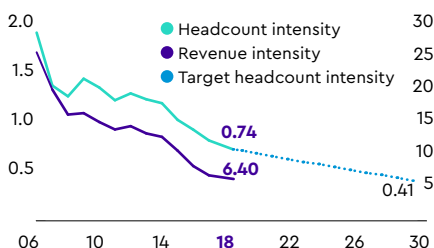
THE
PEOPLE'S
SEAT



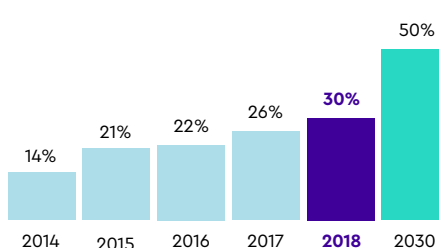
PERFORMANCE IN 2018

We have cut our carbon intensity by 61% since we started measuring it in 2006, and aim to make a further 50% reduction by 2030 (from a 2017 baseline).

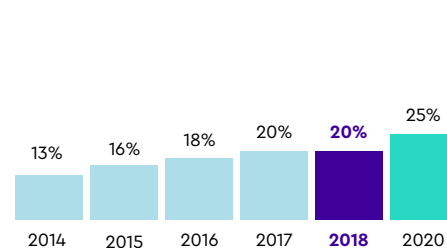
SCOPE 1 AND 2 (MARKET BASED)
TONNES CO₂e EMISSIONS PER PERSON



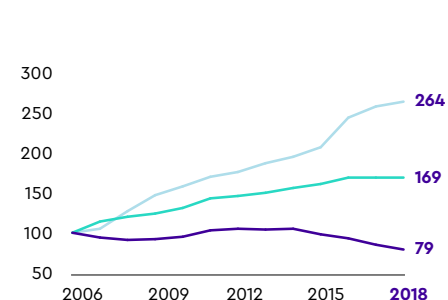
ELECTRICITY FROM RENEWABLE SOURCES
%



FLOOR SPACE CERTIFIED TO ADVANCED GREEN BUILDING STANDARDS YEAR-ON-YEAR
%

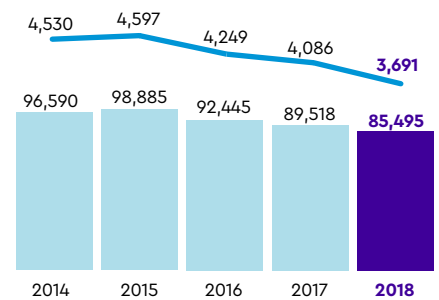


DECOUPLING EMISSIONS FROM BUSINESS GROWTH



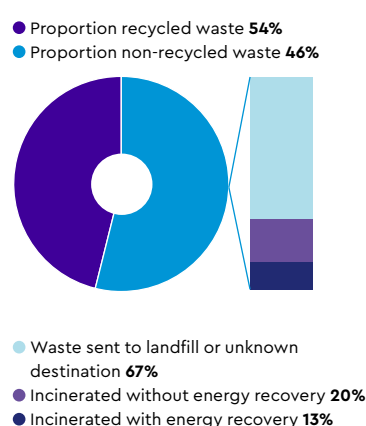
● Revenue
● Headcount
● Emissions

CARBON EMISSIONS FROM AIR TRAVEL/AIR TRAVEL EMISSIONS PER HEAD

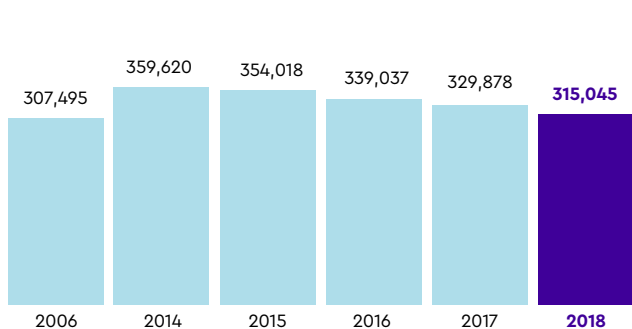


Scope 3 emissions from business air travel CO₂e
● Total emissions from air travel
● Miles travelled per head

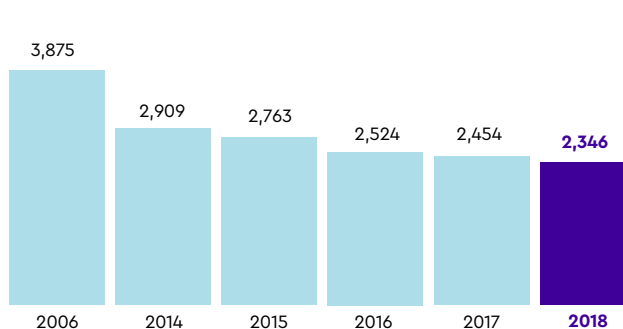
WASTE RECYCLED
%



TOTAL ENERGY CONSUMPTION
MWH



ENERGY USE PER HEAD
KWH/FTE



REDUCING ENERGY USE FROM OUR BUILDINGS AND IT

We are making reductions in our energy use and carbon footprint by moving our offices to low-carbon, energy-efficient buildings. Our work to simplify our structure and consolidate our office space is also having an impact. We are reducing the overall number of offices we occupy, moving to locations that use space more efficiently and encourage collaboration between our companies. Around 64,000 of our people are expected to be working in co-located offices by the end of 2021.

We use green building standards to help us reduce our impact. When we lease, purchase, fit out or renovate a building larger than 50,000 square feet, we require it to be certified to an internationally-recognised standard such as the US standard LEED and the UK standard BREEAM. We estimate this reduces energy use by around 21% per location. Today, over 5.0 million square feet, 21% of our total floor space, is certified to recognised standards (2017: 20%) against our target of 25% by 2020. We have made steady progress since 2007 when 1% of our floor space was certified.

Offices below 50,000 square feet must either be certified or assessed against our own scorecard covering energy and carbon; water; materials and waste; travel; and health and safety.

We aim to design and run our offices in a way that promotes our people's wellbeing, looking at factors such as indoor air quality (especially in large cities), thermal comfort, lighting levels, noise and acoustics. This is good for our people and can contribute to increased productivity.

We are working to consolidate the number of servers used to achieve energy reduction. Between May and December 2018 we decommissioned over 3,600 servers and moved around 1,800 older servers to best-in-class data centres. Our managed print programme is in place at 56 locations and reduces printer energy use by 61% at these locations.

64,000

of our people are expected to be working in co-located offices by the end of 2021

21%

of our total floor space is certified to recognised standards

61%

reduction in printer energy used where our new managed print programme is in place



A GREEN REFURBISHMENT FOR ROSE COURT, LONDON

Rose Court, a new London office space for WPP companies, is being redeveloped and refurbished with sustainability in mind. The building will be certified to BREEAM, the green building standard, and is expected to achieve an excellent rating. The refurbishment design has been developed by BDG architecture + design, a WPP company.

First constructed in 1989, the building is now being given a new, more energy-efficient façade made from high performing window wall systems. All roofs will be replaced and 400m² of photovoltaic cells will be fitted to generate renewable energy. Low water use fittings will help to reduce water consumption by 40%.

Inside, the building has been redesigned to offer a variety of comfortable modern office spaces including co-working areas, a café, a rooftop events space, restaurant and terrace. Floors will be connected by staircases to encourage people to walk around. Cycle parking with changing and shower facilities will be provided to enable colleagues to cycle to work.

Rose Court is situated just south of the river Thames and close to the Rose Playhouse, the site of one of London's first Tudor theatres. Improvements to the front of the building and surrounding area will benefit the local community and visitors to the theatre.

RENEWABLE ENERGY

We increased the percentage of electricity purchased from renewable sources to 30% (2017: 26%), making progress towards our 50% target. 95% of our green electricity is purchased in five countries. We are exploring opportunities to expand this to other markets including China, where we have committed to the Paulson Institute's Race to Zero programme.

Green-tariff contracts are not available in all locations, so as an alternative, we purchase renewable energy certificates (RECs) in the US, our largest market. Each REC purchased is equivalent to purchasing 1MWh of renewable energy and promotes investment in renewable energy generation. We purchased 38,900 Green-e Energy certified RECs for 2018, enough to offset 62% of the electricity used by WPP companies in the US. We expect to reach 100% in 2020.

30%
 electricity purchased
 from renewable sources
 (2017: 26%)

38,900
 Green-e Energy certified
 RECs purchased for 2018

AIR TRAVEL AND OFFSETTING

Air travel accounts for around 46% of our carbon footprint. We aim to reduce unnecessary business travel and to use audio and videoconferencing to replace some face-to-face meetings.

Our videoconferencing network now incorporates over 670 units in 140 cities worldwide. We are integrating the system into our online collaboration platforms. For example, our teams now have the ability to run web broadcasts with up to 500 participants.

We cannot eliminate air travel since face-to-face meetings are often essential to our work with clients. Therefore, since 2007 we have

purchased high-quality carbon credits to offset 100% of our air travel emissions. In that time, we have purchased and permanently retired almost 1.5 million carbon credits.

We work with South Pole Group, a company that develops emission-reduction projects. In 2018, we invested over £120,000 to support four renewable energy-generation projects in Brazil, China, India and Indonesia. Together, these projects generate over 2.9 million MWh of renewable electricity a year and support 11 of the UN Sustainable Development Goals. Our operating companies cover the cost of the carbon credits, based on their air travel mileage, which encourages initiatives to reduce air travel.

46%
 of our carbon footprint is
 made up of air travel

1.5m
 carbon credits purchased and
 permanently retired since 2007



OFFSET PROJECT: INVESTING IN RENEWABLE ENERGY GENERATION IN CHINA

Small run-of-river hydropower plants generate renewable electricity without the environmental drawbacks of conventional large-scale hydropower.

We're supporting a small hydropower project in southern China, that is helping to meet the area's growing energy demand. It generates 700,000 MWh of renewable electricity annually and is a VCS and Social Carbon certified offset. As well as providing clean electricity, it employs 240 women, around 30% of the workforce. The project has involved 192 students in its environmental protection education programme and 179 people in sustainable agriculture training programmes



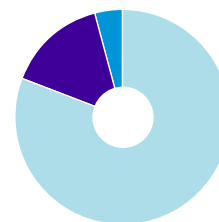
VALUE CHAIN EMISSIONS

Carbon emissions from our value chain are many times greater than those from our own operations. We aim to work with suppliers to reduce these and are exploring how we can set a reduction target in line with climate science.

The pie chart on the right shows the approximate significance of these three categories of emissions. This is based on analysis of our UK emissions.

- Our three main categories of emissions are:
- **Day-to-day activities (direct emissions):** emissions associated with running our business including office energy use, business air travel, commuting and waste. With the exception of commuting, these emissions are covered by our current carbon target.
 - **Goods and services we buy:** emissions associated with the goods and services we buy from supplier partners to create marketing campaigns for clients and to run our business.
 - **Advertising we place for clients:** emissions from the physical dissemination of advertising.

CARBON EMISSIONS IN OUR VALUE CHAIN
%



- Advertising we place for clients **81%**
- Goods and services we buy **15%**
- Day-to-day activities **4%**

WASTE AND RESOURCES

We aim to use resources carefully, to reduce waste and to recycle as much as possible. Our main waste types are electronic waste and office consumables (such as paper, card, cans, plastic bottles and toner cartridges).

In 2018, we estimate the Company generated 11,135 tonnes of waste (2017: 10,696) of which 54% was recycled. Of our non-recycled waste,

13% was incinerated with energy recovery, and the remaining 87% was disposed of via landfill, incineration without energy recovery, or an undetermined method. We have identified preferred supplier partners for our operating companies to use to procure recycling services in all major markets. We work with landlords on waste management in our leased properties.

54%
of our waste recycled
(2017: 54%)

13%
of non-recycled waste
incinerated with
energy recovery



ADVERTISING WITH PURPOSE

Lively Productions specialises in out-of-home (OOH) advertising print production, and is integrating sustainability into its offer. The company prints their advertising material on durable and non-toxic eco-vinyl which is made of 100% recyclable polyethylene substrate. The entire mass can be melted down and recycled with the resulting plastic material available for use in a wide range of products. The billboard can also be repurposed into new products giving a second life to their advertising material.

Through a partnership with an award-winning nano-technology firm, clients can opt to coat their OOH material with Lumactiv, a patented ISO-certified substance which decomposes organic compounds,

odours and most airborne noxious substances. One large billboard coated in Lumactiv has the air purifying capabilities of just over three fully-grown broad leaf trees. This data has been used to create a bespoke eco-index which is being integrated into their media planning software, enabling clients to measure the environmental impact of their campaigns.

Lively Production has also joined forces with vendors to coat not just the vinyls, but also the structures that the billboards reside on, further amplifying the environmental benefits.



To learn more, see livelyproductions.com

OCEAN OF THE FUTURE

AGENCY
OGILVY UK

CLIENT
GREENPEACE

This video follows children visiting an aquarium, where they see some of the 800,000 tonnes of plastic packaging generated by UK supermarkets every year, and encourages people to sign a petition calling on retailers to reduce plastic waste.

RESULT

>970,000

people signed the petition
since April 2018





THE INSECT CONCERTO

AGENCY
SCHOLZ & FRIENDS BERLIN

CLIENT
WWF & THE KARAJAN ACADEMY OF THE BERLINER PHILHARMONIKER

Insect populations are collapsing worldwide with serious consequences for life on earth. This video by Scholz & Friends Berlin, featured the 'Insect Concerto' composed by conductor Gregor A. Mayrhofer and inspired by the sounds of grasshoppers, cicadas and crickets. The concert and video helped raise awareness and funds for WWF insect and sustainable agriculture projects.

RESULT
€12,000
donations on the first day of release
May 2018

GOING, GOING, GONE

AGENCY
WUNDERMAN THOMPSON LONDON

CLIENT
STOP IVORY

In 2018, the UK Government announced plans for a new UK ivory ban. This campaign by Wunderman Thompson for the NGO Stop Ivory highlighted the devastating impact of the ivory trade. It urged the UK Government to quickly pass their proposal into law and other nations to follow the UK's lead.

RESULT
30,500
people reached
March 2018

