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This Sustainability Report, together with our Annual Report, trading statements, news releases presentations, and previous CR Reports, are available online at **wpp.com** Throughout this report this icon denotes that case study campaign footage can be viewed in the Sustainability Report online at wpp.com/sustainability

This report is also available as an iPad app, which can be downloaded at wpp.com/sustainability

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Introduction

PP's 10th sustainability report showcases our approach to social, ethical and environmental issues and reports progress made across the Group during 2011. It is available in print, online and as an iPad app.

Throughout the report we include thoughts and insights on sustainability from our companies.

We have provided information on the Global Reporting Initiative (GRI) indicators covered in our reporting. A detailed GRI index is also available online*.

We'd like to know what you think, and welcome your feedback – positive or negative. You can contact us at sustainability@wpp.com.



*wpp.com/sustainability

Highlights from 2011

\$1bn

Clients who engaged with WPP on our approach to sustainability were worth at least \$1 billion to the Group in 2011.

£58.3m

Our investment in training and wellbeing in 2011, a 9% increase per person (2010: £48.9).



WPP Sustainability Navigator published to encourage collaboration on sustainability in marketing around our business.

2.44 tonnes

Our carbon footprint in 2011, down 26% on our 2006 baseline. Our target is 1.2 tonnes of CO₂ per person by 2020.

£15.3m

The total value of our social investment (2010: £14.3). This is equivalent to 1.5% of reported profit before tax.

of our senior managers are women

of the WPP board of directors are women

120%

The increase in videoconferencing usage compared with 2010.

The number of employees who have completed our Ethics and Anti-bribery and corruption training.

Our position in Newsweek magazine's Green Rankings of the 500 largest global companies in 2011, which is based on environmental management, reporting and performance.







GRI indicators covered in this section: 2.10, 4.12



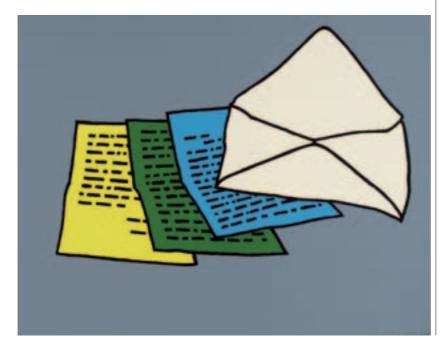
ocial, environmental and ethical issues matter to our business – from the work we do for our clients to the way we run our offices and treat our employees. This report explains our approach to creating a sustainable business and how we performed in 2011. It includes insights and thinking from our operating companies, as well as performance data and case studies.

We focus on five areas that are particularly important for WPP companies:

- Impact of our work. Our goal is for WPP to be a centre of excellence for sustainability communication, giving our clients the best advice and enhancing consumers' understanding of sustainability issues.
- Marketing ethics. The work we do has the power to influence people's attitudes and behaviour. It's important that we meet high ethical standards to protect the interests of consumers and the reputation of WPP and clients.
- **Employment.** We invest in leading employment practices to help us recruit the best and brightest people.
- Environment. We aim for WPP to be a lowcarbon Group, which uses resources efficiently and minimises waste.
- Social investment. WPP companies make a major contribution to charities and good causes through pro bono work – providing creative services for little or no fee – and by negotiating free media space.

From our CEO

ore than a decade ago we were alerted to the need to account for our social and environmental impact by a group of 'responsible investors'. They were the first people to question us in detail on these issues and they did us a favour.



Their demands signalled a societal trend that has grown inexorably until today where we find it quite normal to discuss sustainability with investors, clients, potential clients, recruits and influential people in governments and non-governmental organisations. In 2011 at least \$1 billion of our revenue came from clients who had checked on our sustainability performance. Being the early mover in our sector has benefited our business.

Since we first reported in 2002, there has been a significant shift in the minds of corporate leaders who now overwhelmingly view sustainability as a business imperative. Yet the global economic system still consumes the resources provided by one and a half planets each year. The economic miracle lifting hundreds of millions of people out of poverty in Asia, Latin America and starting in Africa is in danger of being derailed by a lack of resources. Land, water, biodiversity, minerals and, most acutely, space in the atmosphere to deposit carbon dioxide, are all in short supply.

But there is cause for optimism. We are in an era of remarkable human innovation. Biotechnology, nanotechnology, renewable energy and information technology are

making it possible to achieve things we never thought possible in energy, health, nutrition and education. Companies hold the vast majority of research and development budgets and they are being deployed to develop greener and more socially-beneficial products in every category.

Today around two billion people have access to the internet. By 2020 that will be five billion. That's an unprecedented increase in the intellectual resource available, and it will open new doors to education and social mobility. Previously a person's geographical and financial circumstances determined the education they received. By 2020, five billion people will have access via the internet to an educational resource that dwarfs any university. We're seeing social entrepreneurs such as Salman Khan, founder of khanacademy.org, launching online educational resources so that anyone anywhere can learn anything – for free, Already 130 million lessons have been delivered. The impact on individual lives can hardly be overstated and the net benefit to human creativity and innovation is difficult to grasp.

So what is WPP's role? We are advisors to an unparalleled group of companies and organisations. We have trained our own people

in sustainability and recruited experts so that WPP now has a broad sustainability offering. This year we launched our *Sustainability Navigator* making it easier for our sustainability experts to find each other and direct our clients to the most appropriate WPP company. We increasingly work with leading companies on sustainability strategy and we aim to influence all our clients to view their operations in the light of sustainability issues.

As our clients work to reduce the environmental footprint of their products we will step in to ensure they win in the marketplace. Research by our companies (see pages 13 to 15) points to a new way forward for marketing sustainable products that will bring them out of a 'green niche' and into the mainstream. Our sustainability teams appreciate that transparency and technical accuracy are the route to building credibility for themselves and for our clients' brands.

Finally, we believe that the way we run our own company gives us credibility and strength in this changing world. We have an ambitious goal to cut our carbon footprint per head by 63% by 2020 which is challenging us to think differently about how we work and run our companies.

We continue to invest in our people through high-quality training and through our efforts to increase diversity and, as ever, our companies made an invaluable contribution to charities this year through creative and inspirational pro bono work.

I am genuinely interested in your comments and suggestions.

Mark Some

Sir Martin Sorrell Group chief executive msorrell@wpp.com

GRI indicators covered in this section: 2.10



Who we are





Our companies & associates

Advertising

ADK1

www.adk.jp

www.batesasia.com

CHI & Partners

www.chiandpartners.com

Dentsu Y&R^{1,2,}

www.yr.com

Grey

www.grey.com

HS Ad

www.hsad.co.kr

www.jwt.com

Ogilvy & Mather Advertising

www.ogilvy.com

www.santo.net Scangroup¹

www.scangroup.biz

Scholz & Friends

www.s-f.com

Soho Square www.sohosa.com

TAXI*

www.taxi.ca

Team Detroit

www.teamdetroit.com

The Jupiter Drawing Room

& Partners1

www.jupiter.co.za

United Network

www.group-united.com

Y&R

www.yr.com

Media Investment Management

GroupM:

www.groupm.com

www.maxusalobal.com

MediaCom

www.mediacom.com

MEC

www.mecglobal.com

Mindshare

www.mindshareworld.com

www.outrider.com

Catalyst

www.catalystsearchmarketing

Xaxis

www xaxis com

KR Media

www.krmedia-france.com

www.msixagency.com

tenthavenue:

www.tenthavenue.com

Joule

www.jouleww.com

Kinetic Worldwide

www.kineticww.com

Quisma

www.quisma.com

Spafax

www.spafax.com

Consumer Insight

Kantar:

www.kantar.com

www.added-value.com

www.centerpartners.com

IMRB International

www.imrbint.com

Kantar Health

www.kantarhealth.com

www.jp.kantargroup.com

Kantar Media

www.kantarmedia.com

Kantar Operations

www.kantaroperations.com

Kantar Retail

www.kantarretail.com

Kantar Worldpanel

www.kantarworldpanel.com Lightspeed Research

www.lightspeedresearch.com

Millward Brown

www.millwardbrown.com

The Futures Company

www.thefuturescompany.com

www.tnsglobal.com

Other marketing consultancies

www.ohal-group.com

Public Relations

& Public Affairs

www.blancandotus.com

www.buchanan.uk.com

Clarion Communications

www.clarioncomms.co.uk

Burson-Marsteller

www.chime.plc.uk

www.cohnwolfe.com

Dewey Sauare Group

Glover Park Group

Hering Schuppener

www.ogilvygr.com

www.ogilvypr.com

www.pbnco.com Penn Schoen Berland

Prime Policy Group

Quinn Gillespie

www.deweysquare.com

www.gloverparkgroup.com

www.heringschuppener.com

Ogilvy Government Relations

PBN Hill+Knowlton Strategies

Hill+Knowlton Strategies

www.hkstrateaies.com

Ogilvy Public Relations

www.psbresearch.com

www.prime-policy.com

www.quinngillespie.com

www.bm.com

Cohn & Wolfe

Buchanan Communications

Chime Communications PLC1

Blanc & Otus

www.wexlergroup.com

Wexler & Walker Public Policy

Branding & Identity

Addison[•]

Associates[♦]

www.addison.co.uk

BDG architecture + design

www.bdg-mccoll.com

Coley Porter Bell www.cpb.co.uk

Dovetail

www.dovetailfurniture.com

FITCH*

www.fitchww.com

Lambie-Nairn®

www.lambie-nairn.com

Landor Associates

www.landor.com

PeclersParis®

www.peclersparis.com

The Brand Union®

www.thebrandunion.com

The Partners®

www.the-partners.com

VBAT•

www.vbat.nl

Healthcare Communications

Feinstein Kean Healthcare[†] www.fkhealth.com

GCI Health

www.gcihealth.com

www.ghgroup.com

Oailyy CommonHealth

Worldwide

www.ogilvychww.com

Sudler & Hennessey www.sudler.com

Joint venture

A Hill+Knowlton Strategies company

An Ogilvy company
 A Young & Rubicam Group company
 A member of B to D Group

Part of the Wunderman network

Added Value

Center Partners

Kantar Japan

RLM Finsbury www.rlmfinsbury.com

Direct, Digital, Promotion & Relationship Marketing

A Ficoff & Co. www.eicoff.com

Actis Systems⁺ www.actis.ru

AGENDA+

www.agenda-asia.com

www.aquaonline.com

Barrows1

www.barrowsonline.com

Blast Radius

www.blastradius.com

Brierley & Partners www.brierley.com

Designkitchen^a

www.designkitchen.com

Dialogue

www.dialoguelondon.com

www.digitlondon.com

FWA

www.ewa.ltd.uk

FullSIX3

www.group.fullsix.com

Grass Roots1

www.grg.com

G2

www.g2.com

- G2 Branding & Design

- G2 Interactive

- G2 Direct & Digital

- G2 Promotional Marketing

Headcount Worldwide Field Marketina

www.headcount.co.uk

High Co1

www.highco.fr

iconmobile" www.iconmobile.com

Kassius⁺

www.kassius.fr

KBM Group

www.kbmg.com

Mando

www.mando.co.uk

Maxx Marketina

www.maxx-marketing.com

OgilvyAction

www.ogilvyaction.com

OgilvyOne Worldwide

www.ogilvy.com

 OOT^2

www.oot.it RTCRM

www.rtcrm.com

Smollan Group

www.smollan.co.za

Studiocom[®] www.studiocom.com

These Days+

www.thesedays.com

VML.

www.vml.com

Wunderman*

www.wunderman.com

Specialist Communications

Corporate/B2B

Ogilvy Primary Contact www.primary.co.uk

Custom media

Forward

www.theforwardgroup.com

Demographic marketing

Bravo

www.bebravo.com

Kang & Lee

www.kanglee.com

MosaicaMD

www.mosaicamd.com

UniWorld1

www.uniworldgroup.com

Wing*

www.insidewing.com

Employer branding/recruitment .IWT Inside

www.jwtinside.com

Event/face-to-face marketing

www.mjmcreative.com

Metro

www.metrobroadcast.com

Foodservice marketing The Food Group

www.thefoodgroup.com

Sports marketing

9ine Sports & Entertainment www.9ine.com.br

www.justmarketing.com

PRISM Group

www.prismteam.com

Entertainment marketing

Alliance www.alliance-agency.com

Youth marketina

The Geppetto Group www.geppettogroup.com

Real estate marketing

www.paceadv.com

Technology marketing

Banner Corporation www.bl.com

Media & production services

The Farm Group

www.farmgroup.tv

Hogarth Worldwide www.hogarthww.com

Imagina³

www.mediapro.es

MRC3

www.mrcstudios.com

United Visions

www.united-visions.de

The Weinstein Company³ www.weinsteinco.com

WPP Digital

24/7 Media

www.247media.com

Blue State Digital

www.bluestatedigital.com

www.deliveroffshoring.com

Fabric Worldwide

www.fabricww.com

www.fbiz.com.br/ Johannes Leonardo¹

www.johannesleonardo.com

Possible Worldwide

www.possibleworldwide.com

Rockfish Interactive

www.rockfishinteractive.com

Syzygy¹

www.syzygy.net

The Media Innovation Group www.themig.com

www.zaaz.com

WPP Digital partner companies

Ace Metrix³

www.acemetrix.com

Buddy Media³

www.buddymedia.com

eCommera³

www.ecommera.com

HDT Holdings Technology³

www.hdtmedia.com In Game Ad Interactive³

www.ingamead.cn

www.invidi.com

Jumptap³

www.jumptap.com

Moment Systems

www.miaozhen.com

www.npario.com

Proclivity Systems³ www.proclivitysystems.com

Sav Media³ www.saymedia.com

Vice Media³

www.viceland.com

Visible¹

www.visibletechnologies.com

Visible World³ www.visibleworld.com

WildTangent3 www.wildtangent.com

WPP knowledge community

www.wpp.com/store

GRI indicators covered in this section:

2.2, 2.3, 2.5, 2.7



Why we exist

Our mission

To develop and manage talent; to apply that talent, throughout the world, for the benefit of clients; to do so in partnership; to do so with profit.

etween them, WPP companies have tens of thousands of individual clients. They range from Fortune 500 global giants through single-nation start-ups to the smallest of specialist charities. Diverse as they are, they have one thing in common: in pursuing their objectives, they face formidable competition. Growing affluence in many parts of the world – combined with overcapacity and over-supply in almost every significant consumer market – has put more and more power into the hands of consumers, accelerated by technology.

As always, if they are to succeed – or even to survive with profit – every competitive company needs an intrinsically appealing product or service. Increasingly, part of that appeal must lie in a company's evident sense of a wider responsibility; one that extends beyond share owners, employees and consumers and recognises a duty to the environment and to society as a whole. Today's most successful companies are founded on strong values.

But even all that, though remaining the most fundamental of requirements, is seldom enough. Just as competitive costermongers arrange their apples in appealing displays and polish them lovingly to catch their customers' eyes, so all companies need to display their wares compellingly.

They need access to high-quality information, strategic advice and specialist communications skills. And it's in the nature of specialist and creative talent that it is unlikely to flourish within the confines of

a client company. People with specialist talents work best – and contribute more – when recruited, trained and inspired by specialist companies.

Within the WPP Group, our clients have access to companies with all the necessary marketing and communications skills; companies with strong and distinctive cultures of their own; famous names, many of them. WPP, the parent company, complements these companies in three distinct ways.

- First, it relieves them of much administrative work. Financial matters (such as planning, budgeting, reporting, control, treasury, tax, mergers, acquisitions, investor relations, legal affairs and internal audit) are co-ordinated centrally. For the operating companies, every administrative hour saved is an extra hour to be devoted to the pursuit of professional excellence.
- Second, the parent company encourages and enables operating companies of different disciplines to work together for the benefit of clients. Such collaborations have the additional benefit of enhancing the job satisfaction of our people. The parent company also plays an across-the-Group role in the following functions: the management of talent, including recruitment and training; in property management; in procurement and IT; in knowledge sharing and practice development with an increasing emphasis on corporate responsibility and sustainability.
- And finally, WPP itself can function as the 21st-century equivalent of the full-service agency. For some clients, predominantly those with a vast geographical spread and a need for marketing services ranging from advertising through design and website construction to research and internal communications, WPP can act as a portal to provide a single point of contact and accountability.

No two clients are structured in precisely the same way. Within WPP's operating companies, teams can be tailor-made to match any and all.

Why sustainability matters

PP's goal is to be the world's most successful provider of communications services, not just the largest: a Group that the best clients and the best people choose to work with.



To achieve this we need to focus not just on what we do but how we do it. That means behaving responsibly towards people and the environment, and anticipating the changing expectations of the Group's clients, share owners, our people and other stakeholders.

Strong performance on sustainability issues enables us to take advantage of new opportunities as well as to manage social and environmental risks connected to our business strategy. To reflect this, we are now using the term sustainability rather than corporate responsibility to describe our approach.

Our commitment to responsible and sustainable business supports our business strategy (see page 12) in the following ways:

- Client relationships and revenue support. Sustainability issues are increasingly influencing our clients' business strategies and the way they design and market their products and services. Our ability to anticipate these changes and understand their implications is fundamental to long-term success. Our companies have developed skills and services to meet the needs of clients aiming to establish credentials for environmental, social and ethical excellence. WPP's status as the first mover in corporate sustainability in our sector is helping our companies compete in this market with confidence and credibility. In addition to sustainability-related marketing briefs, a growing number of clients are requesting information on our own sustainability policies and performance through their tender and supplier management processes. Clients who engaged with WPP on our approach to sustainability were worth at least \$1 billion to the Group in 2011, and we believe the total figure is likely to be higher.
- Attracting and retaining the best people. There is fierce competition for talent in our industry. Adopting leading employment practices helps us to attract and retain the best people. Creating a diverse company culture widens our potential talent pool, and enables people from all backgrounds to thrive within the Group. A diverse workforce also enhances our understanding of consumers in all markets.

Why sustainability matters

Our investment in high-quality bespoke training helps us to develop the skills needed to grow our business in key areas such as digital marketing and managing cross-company client teams. The younger generations replenishing our talent pool view sustainability issues as central to business. Questions relating to sustainability are frequently raised – demonstrating that our commitment to social and environmental issues supports recruitment and retention.

The Group's collective pro bono work and support for charities and community organisations reinforces our reputation for making a positive contribution to society.

- managing social, ethical and environmental risks helps to minimise the possibility of damage to our reputation. There is a potential risk that we undertake work or accept clients that could harm our reputation. We evaluate higher risk propositions with care and WPP companies undertake work in compliance with regulations and marketing standards. New commissions and work in regions with low marketing standards are given particular scrutiny. Similarly, risks associated with business acquisitions and affiliations are assessed as part of our due diligence procedure.
- Access to digital marketing business. The rapid growth of digital marketing and the convergence and connectivity of consumer electronic devices mean that the Group handles and holds increasing amounts of consumer data on behalf of our clients. Our clients require assurance that we meet best practice standards for privacy and data protection which are central to maintaining our reputation in this important sector. The Group and its companies are putting policies and procedures in place to ensure we meet best practice in this area.
- Meeting investor expectations. WPP share owners continue to show interest in how we manage sustainability risks and opportunities and we aim to respond constructively to their requests for information, see page 80. Europe has the largest market for responsible investment, with

approximately €5 trillion assets under management. The US has \$3 trillion, and Asia is predicted to have \$4 trillion by 2015.

Improving efficiency. Our climate change strategy is tangible evidence of our environmental commitment and supports our good reputation. The strategy also reduces costs associated with business travel and energy use in offices. In 2011, energy use across the Group decreased by 1.5% which represents an approximate cost saving of \$500,000. Investing in initiatives to improve the health and wellbeing of our people can also help to improve productivity and reduce costs related to time off work due to illness.

Corporate sustainability supports the Group strategic priorities, which are:

Our strategic priorities

Our immediate goal is to deliver annual earnings per share growth through organic revenue growth, margin improvement and use of our cash flow.

Our medium term goal is to build upon the successful base we have established whilst integrating our most recent acquisitions effectively.

- In the long term, or over the next five to 10 years, our goal is to:
- Increase the combined geographic share of revenues from the faster-growing markets of Asia Pacific, Latin America, Africa and the Middle East, and Central and Eastern Europe, from over 29% to 35-40%.
- Increase the share of revenues of new media from 30% to 35-40%.
- Increase the share of more measurable marketing services such as Consumer Insight and direct, digital and interactive to be more than 50% of revenues.

What we're thinking

ver the past decade, research studies have shown a growing appetite among consumers to buy products that are 'greener' or more 'ethical'. This trend applies globally, not just in Western markets. It is potentially a positive sign for brands that are investing in sustainability.

But there's a challenge. Consumers' stated intentions aren't always matched by behaviour at the till. Not everyone who claims they'll buy green, actually does so. In fact, many do not. For many mainstream companies, sustainability has so far been a disappointment: worthwhile thinking and action to embed sustainability into products and services has not directly translated into increased sales.

New research by WPP companies is shedding light on this issue and its causes. It is pointing to a new way forward for marketing sustainability based on a deeper understanding of what motivates consumers and how to use this to drive market share for more sustainable products.

Research by WPP companies includes:

■ Dispatch from a New Business Horizon by Grey, Hill+Knowlton Strategies, Landor Associates and Millward Brown.

A report examining seven principles for using sustainability for business advantage based on interviews with 11 global leaders.

Contact Scott Osman, scott.osman@landor.com or Katrina Kelly, kkelly@wppteampg.com.

- Waste less, share more by Added Value. Research exploring how companies can benefit from the trend towards sharing products and services. Contact Leslie Pascaud, l.pascaud@added-value.fr.
- Trends in social good by JWT. Insights into the macro trends influencing companies and non-profits and how these two sectors can learn from another to achieve success while improving society. Available on JWTIntelligence.com.



■ *The Future Quotient* by Volans/JWT.

This report celebrates companies that have demonstrated 'future readiness' and introduces the Future Quotient, a tool which companies can use to test and enhance their long-term strategies. Available on volans.com.



■ Global Corporate Reputation Index by Burson-Marsteller, Landor Associates, Penn Schoen Berland and BrandAsset Consulting.

Identifies the 25 consumer companies with the best reputations, based on 40,000 consumer interviews on nearly 6,000 companies in six countries, and shows company performance and commitment to citizenship as the two driving forces.

Available on www.bursonmarsteller.com.

GLOBAL CORPORATE



What we're thinking

Mainstream Green

Research by OgilvyEarth

When it comes to motivating the American mainstream, marketers, governments and NGOs have been approaching messaging and marketing around sustainability in the wrong light. In fact much of what we've been doing has actually been making green behaviour seem too difficult and costly from a practical, financial and social standpoint. Our recent research study, *Mainstream Green*, found that:

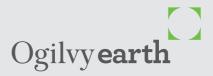
- We've Been Missing the Middle: 82% of Americans have good green intentions but only 16% are dedicated to fulfilling these intentions, putting 66% in the Middle Green. Most dialogue and marketing to date has focused on Super Greens and Green Rejecters. There has been limited success in motivating the masses or the Middle Green.
- Green Feels Niche: Half of study respondents think the environmentally-friendly product category is for 'Crunchy Granola Hippies' or 'Rich Elitist Snobs' rather than 'Everyday Americans'. By trying to motivate the Green Middle with the tactics used for the Super Green niche, marketing has been sending the signal that green is "not for them".
- High Costs of Green: The No.1 barrier holding Americans back from more sustainable behaviours is money. The price premium on many eco-friendly products also says to the regular consumer, "this is for someone sophisticated, someone rich... not you". The mainstream also said they fear attracting the negative judgement of their peers if they go out on a limb to purchase green products. Until green products and services feel normal, the Middle is unlikely to embrace them.
- Green Guilt: Nearly half of Americans claim to feel guiltier "the more they know" about how to live a sustainable lifestyle. Flooded with guilt, they want to retreat to the comfort of ignorance. People don't need to know about the state of polar bears in the Arctic to turn off the lights paradoxically, it may be stopping them from doing so.

- Green is the New Pink: 82% of our respondents said going green is "more feminine than masculine". This feminisation holds men back from visible green behaviour like driving an electric car.
- There's a Big Opportunity for Mainstream Brands: 73% of Americans would rather purchase the environmentally-responsible product line from a mainstream brand that they're familiar with than purchase a product from a company who specializes in being green and environmentally responsible.
- Higher Stakes than Whiter Whites: While consumers are loath to sacrifice convenience for sustainability, our research showed they aren't just being lazy; they may be weighing higher-stakes consequences. If I let my kid ride his bike, will he get hit by a car? If I use the less-efficient green cleaning product, will my baby get E. coli? When it comes to a choice between saving a little gas and your kid's life, it's easy to see which choice wins out.
- The Complexity of Carbon Calculus: 82% of Americans from our survey don't know how to calculate their carbon footprint. Maybe that's why 80% of Americans would rather cure cancer than fix the environment; they need topics to be personal, positive, and plausible which the environment, as of now, is not.

OgilvyEarth's report outlines 12 steps to mainstreaming green that are grounded in the populist and popular thinking that is relevant to the mass consumer. It calls for a shift from an over-emphasis on changing attitudes to working on normalising green behaviours.



Read Making Green Mainstream: Moving
Sustainability from Niche to Normal at ogilvyearth.com



How to Sustain Sustainability

Research by The Futures Company

Sustainability has power in the marketplace today if used appropriately. Brands which choose to position themselves only around sustainability are unlikely to gain widespread appeal, but sustainability factors within brand positioning can create differentiation, underpinning the reason to believe in a brand's primary benefits, and act as a choice editor when all else is equal between two brands.

What's more, brands can get better at unleashing the potential of sustainability today and even greater rewards are likely to materialise in the short- to medium-term future.

Our model to help brand owners consider the role of sustainability in their categories is based on how big an impact the category is perceived to have and how much sustainability issues matter in terms of product choice.

- Feel good: Categories where sustainability impacts are perceived to be low or where issues are yet to surface. Sustainability initiatives are not expected but can create a more positive feeling around choice.
- Better choices: Categories where impacts are perceived to be high but there is a lack of alternative choice. Products and brands that show they are responding to the issues can do well here.
- Differentiated choices: Impacts are perceived to be low but sustainability initiatives can reinforce the core positioning of a brand.
- Critical to choice: Categories where the impacts are perceived to be high and addressing sustainability issues is essential to choice or participation in the category.

Categories can and do shift between quadrants over time and leading brands can rewrite the category rules.

Take chocolate. Brands such as Green & Black's are reshaping what consumers expect from the category, with facets such as fair trade and organic underlining the quality of the cocoa used. This enables the brand to command a premium price and category rules appear to be changing as a result:

all major chocolate producers have now announced either Fair Trade or Rainforest Alliance certification. For chocolate, sustainability is moving from Feel good to Critical to choice.

Over the next 10 years, macro forces of change are set to disrupt consumers' lives from population growth and urbanization, to rising scarcity of oil, raw materials and water. This will create new needs, or radical new solutions for existing needs.

Too many brands seem comfortable resting in the context of today's marketplace, unwilling to shake the foundations on which current success is built. This route is unlikely to lead to a sustainable future for the brand or the planet. Brands can, and arguably should, lead change – not out of altruistic motivation but to build competitive advantage. But doing so requires being honest about the issues and bringing them to the fore, and it requires finding genuinely better solutions for the planet while improving outcomes for consumers.

Brand owners need to ask themselves:

- **1.** Do you understand the potential emerging issues in your category?
- 2. Do you have sustainability equities that you can use to start rewriting the category rules?
- 3. As the world changes, will your brands have the ability to adapt?



How to Sustain Sustainability is available at the futures company.com.





The impact of our work

The issue



A growing number of clients are investing in sustainability, seeking to improve the social and environmental performance of their organisation and their products and services. They need advice and communications support to help them gain the maximum benefit from their investment. There is a growing opportunity for WPP companies to use their sustainability expertise for the benefit of our clients, our business and society.

Our response



We believe that the marketing industry can play an important role in helping to create a more sustainable society. For example, by developing the communications that will make sustainable products, services and lifestyles more desirable, and by helping brand owners to deepen their understanding of sustainability issues and changing consumer and societal attitudes.

Our goal is for WPP to be a centre of excellence for sustainability communication, giving our clients the best advice and enhancing consumers' understanding of sustainability issues. Our approach encompasses research and insight, branding and strategy advice, and consumer and stakeholder communications. We are seeing growing demand for these services, with sustainability becoming embedded into an increasing number of marketing briefs.

To support development of our services in this area and encourage collaboration, the parent company provides opportunities for our companies to share information and ideas on sustainability.

GRI indicators covered in this section: 2.10

What we're doing



Sustainability in marketing

Many of our companies have developed bespoke sustainability services for clients. These include Burson-Marsteller's Global Corporate Responsibility Practice, Hill+Knowlton Strategies CR & Sustainability Communications offering, JWT Ethos, OgilvyEarth, P&G's S-Team (including Added Value, Bridge, FITCH, G2, The Futures Company, Hill+Knowlton Strategies, Landor and Penn Schoen Berland); and PSB Green.

To help our clients access our sustainability expertise more easily and to enhance collaboration on sustainability between Group companies, we published a Sustainability Navigator in early 2012. This handbook and online resource summarises our companies' sustainability offerings, together with contact details for sustainability experts around the Group. The Navigator has been distributed throughout the Group to CEOs, regional leaders, global client leaders, communication teams and key sustainability contacts. Our people can also search an online version available on the Group intranet. We held a meeting for sustainability experts within our companies to meet and share ideas during 2011 and we are planning a series of webinars on sustainability topics for our companies during 2012.

WPP companies in all disciplines are involved in sustainability marketing. See the diagram opposite.

Social marketing

Our companies create social marketing campaigns, usually for government or non-governmental organisation (NGO) clients, tackling issues related to public health, safety or the environment. They are designed to raise awareness or encourage people to change their behaviour.

Several of our companies operate specialist social marketing units, including Ogilvy Outreach, Ogilvy PR's social marketing practice, JWT Ethos, Thompson Social and TNS Political and Social.

Cause-related marketing

We help clients to support charities while raising their brand profile through cause-related marketing campaigns. Often these involve a company making a donation to charity for every product purchased.

Executed sensitively, these campaigns can successfully raise awareness and funds for charity, while increasing sales and customer loyalty. Consumers are able to buy something they want and benefit a good cause. We help our clients create brand-charity partnerships that are meaningful and appropriate.

Applying our expertise



In our companies



Campaign: Live Positively – Every Bottle Has a Story

Client: The Coca-Cola Company WPP company: Ogilvy, Rio

Live Positively is The Coca-Cola Company's sustainability framework, a commitment to making a positive difference to the world. Initiatives cover seven areas: Active Lifestyle, Community, Workplace, Energy and Climate Protection, Sustainable Packaging, Global Water Stewardship and Beverage Benefits.

As part of Live Positively, Ogilvy Rio created the 'Every Bottle Has a Story' project. Five individuals were captured in documentary style in four different Latin American countries, showcasing some of more than 3,000 sustainability projects supported worldwide. The campaign brings light to stories of real people who have had their lives transformed.

One of the stories features Tião from Brazil, who as a child worked picking rubbish on a landfill site with his mother, and was often taunted at school. He now runs a project that looks for waste to recycle and employs over 100 people. He has great pride in what he does and sees that his job has value and commands respect. The project, in partnership with Coca-Cola, recycles over 240 tonnes of waste a month.

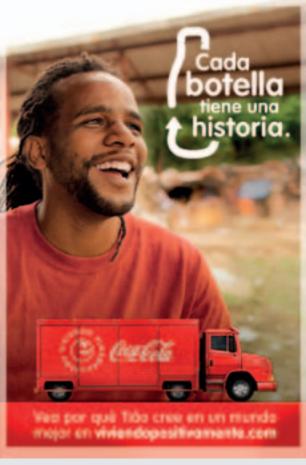
These powerful stories came to life as a fully integrated campaign: TV ads, print, digital and even a short documentary film. They were printed on Coca-Cola's packaging, inviting people to engage with the people featured through SMS. Within three months the Live Positively's Brazilian website received over 100,000 visits and awareness among opinion Leaders went from 14% to 62%.

















Campaign: EarthChoice

Client: Domtar

WPP company: OgilvyEarth and The Brand

Union, New York

As the largest manufacturer of pulp and paper in North America, sustainability is a priority at Domtar. Its EarthChoice range was the first paper line in North America to be certified by both Forest Stewardship CouncilTM (FSC®) and the Rainforest Alliance.

In 2011, OgilvyEarth and The Brand Union worked with Domtar to reposition EarthChoice as not just a sustainable product range, but a brand with a vision of responsible business at the core of its strategy. OgilvyEarth helped steer the strategy and positioning of the brand and The Brand Union developed a new visual identity. EarthChoice was re-launched in November 2011 at the Opportunity Green conference in Los Angeles.

As part of the re-launch, Domtar created a series of tools to help customers make educated choices about the paper they purchase and use. The Paper Trail is an online transparency tool that measures the social and environmental impact of customers' paper choices. Pixel and Print Logic is a fun decision tree helping people decide whether to print a document or read it on screen. Domtar also launched the EarthChoice Advisory Services to assist their customers with paper procurement policies and environmental education.

To reach a broader audience Domtar also partnered with Recyclebank, a company rewarding people for taking everyday green actions. By watching a video on responsible paper sourcing and usage, visitors to the site could earn points to redeem for discounts and gift cards.

In addition, OgilvyEarth helped Domtar articulate the company's new sustainability vision, mission and values to its employees. The work developed included a film entitled 'The Fiber of Domtar'.

"OgilvyEarth has been indispensable in helping us navigate today's cultural and business complexities to develop an EarthChoice proposition that positions us for growth through sustainability leadership." Lewis Fix, vice president, Sustainable Business and Brand Management, Domtar.





Compaign: Soles with Souls

Client: JK Tyre

WPP company: Contract Advertising, Gurgaon

With more and more cars hitting the roads in India every day, the number of discarded scrap tyres has shot up to 88 million. An alarming 80% of these tyres are not disposed of properly, potentially damaging the environment.

Leading Indian tyre manufacturer JK Tyre wanted to make a difference and raise its profile as a responsible business. Rather than appealing to people's conscience to encourage recycling, they wanted to engage people by showing the creative and commercial potential of recycled materials.

Contract Advertising Gurgaon came up with the concept of 'Soles with Souls', an initiative to reuse scrap tyres as couture footwear and accessories. It helped JK Tyre partner with the Footwear Design & Development Institute (FDDI), Asia's leading footwear college. One hundred promising students were selected to participate in a week-long workshop and the best designs were chosen and showcased in a unique fashion show on 19 April, Earth Day.

The event was widely covered in national daily newspapers, radio stations and news channels, achieving media coverage worth approximately \$600,000. Within a few days of launch, the campaign's Facebook page had over 60,000 views and there were hundreds of posts on YouTube, Twitter and blogs. The campaign won a Bronze award at the London International Awards 2011, a Gold award at Spikes Asia 2011, two shortlists at the Cannes Lions 2011 and two Silvers at the IAA Olive Crown Award.







Campaign: SmartConnect

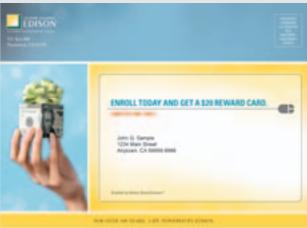
Client: Southern California Edison WPP company: Wunderman, Irvine

In 2011, Southern California Edison (SCE), the US electric utilities company, launched an initiative to install wireless smart meters across its entire customer base. The SmartConnect initiative allows customers to view and manage their consumption online. As part of the initiative SCE also created the Budget Assistant, a tool allowing customers to set energy use targets and be alerted when their energy consumption is running higher than the desired amount.

To encourage enrolment in the Budget Assistant program and educate SCE customers about the new Edison SmartConnect technology, Wunderman created an integrated promotional campaign delivered in multiple channels. Branded materials were distributed to customers illustrating how SmartConnect technology and the Budget Assistant program helped put customers in control of their monthly bill. A combination of direct mail, brochures, posters and online media helped to highlight the tools available to SmartConnect customers wishing to reduce their energy consumption. Customers were also offered a one-off \$20 rewards card incentive to build enrolment.

The campaign exceeded the programs aim to enroll 6% of customers onto the Budget Assistant program, with over 11% of customers enrolled so far.







Campaign: Mending Broken Hearts

Client: British Heart Foundation **WPP company:** Grey, London

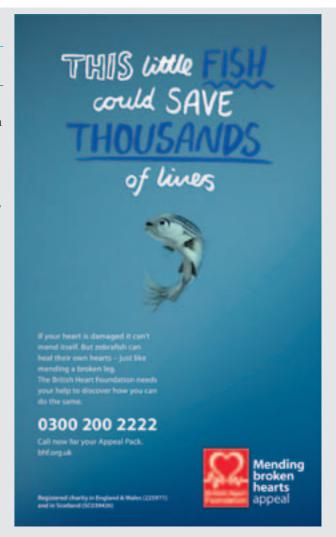
Once a heart's muscles are damaged by a heart attack, it can never fully recover. The British Heart Foundation (BHF) is at the beginning of a major new research program looking into the astonishing healing abilities of zebra fish in a hope to find a cure for heart failure, a condition affecting 750,000 people in the UK.

In 2011, Grey launched 'Mending Broken Hearts', an awareness campaign to raise support for the £50 million research program and educate the public on heart failure.

The campaign featured two characters, a sufferer and a talking zebra fish, illustrating both the devastating consequences of heart disease and how research into zebra fish offers hope for the future.

In the first week alone the BHF had more than 500 donor package requests. The campaign reached six in 10 people in the UK, generated more than 1,000 new donors and increased average donor donations from £8 to £14.





Campaign: END7

Client: Sabin Vaccine Institute
WPP company: Wunderman, London

In 2012, Wunderman and the Global Network for Neglected Tropical Diseases launched the END7 campaign to help deliver medicine to over a billion people suffering from seven neglected tropical diseases. These diseases infect one in six people worldwide, including 500 million children. They blind, disable and disfigure their victims, trapping them in a cycle of poverty and disease. Medicines are being donated by pharmaceutical companies, but money is needed to help get them to people. Just 50p will help treat and protect someone for a year.

Wunderman created the campaign to raise public awareness of the diseases and generate funding to cover the costs of distributing medicine to impoverished communities and setting up community-run treatment programs. The campaign engaged the public on an emotional level, helping to overcome aversions to the diseases and aid the realisation that by 2020 these diseases could be controlled. Positioned around the promise 'Together we can see the end', the campaign is managed through a comprehensive Facebook hub. Custombuilt functionalities include a real-time donation ticker, an interactive map of success stories and an animated launch video, 'Our Mission in a Minute'.

Within two months the END7 launch film had been viewed over 78,000 times and received enough public donations to treat nearly 40,000 children for a whole year.





Campaign: Add Hope - Wall of Hope

Client: KFC

WPP company: Ogilvy, Johannesburg

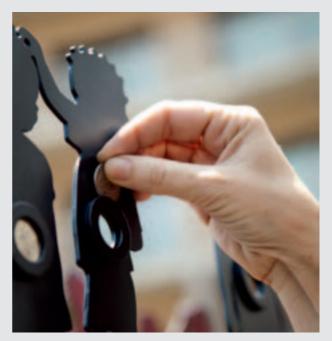
Hunger kills more people than AIDS, TB and malaria combined. It is the world's leading health risk. In response to this, KFC South Africa has made the hunger relief a key social responsibility initiative. They started their 'Add Hope' initiative in 2009, allowing customers to purchase fictitious meal items for just R2 (approximately \$0.26) to help provide a meal for a hungry child.

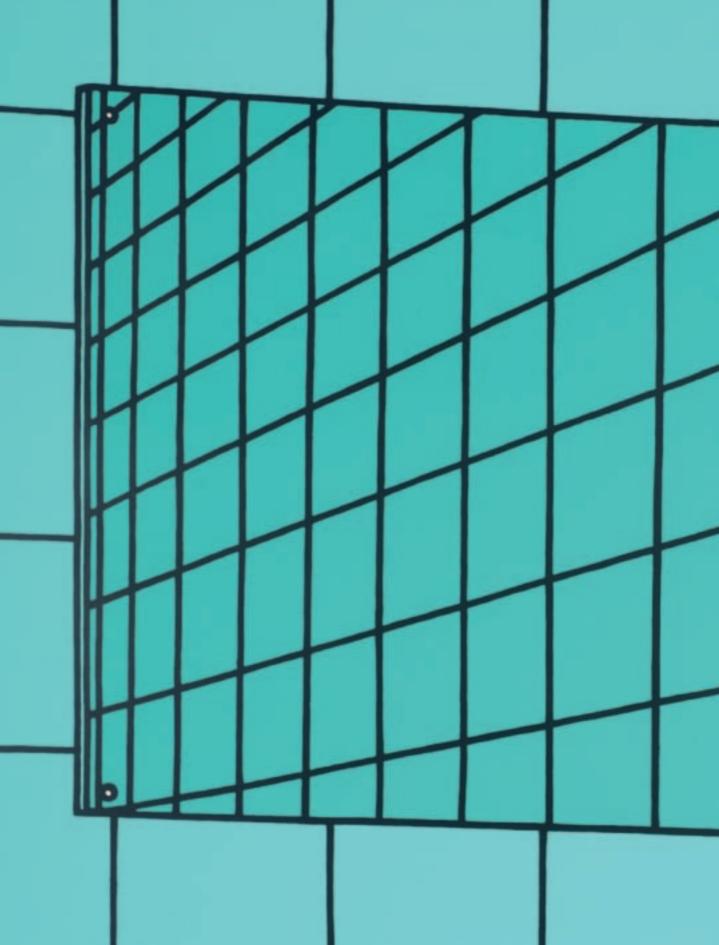
During World Hunger Relief Month in 2011, Ogilvy Johannesburg helped KFC raise funds and awareness through an interactive art installation called the Wall of Hope. Standing 1.8m high and 115m long, the wall snaked around the open-air court of a popular Johannesburg shopping mall. The steel structure consisted of 5,500 empty-bellied childlike figures. Donors simply put their R2 into one of the 5,500 coin slots, emphasising how each donation went to providing food for a child. On ground level, the installation appeared to be a simple maze of laser-cut panels, but when viewed from above it spelled out a single word, Hope.

The campaign ran for four weeks, raising over \$250,000 in donations and generating \$150,000 worth of PR coverage.









Marketing ethics

The issue



Marketing has the potential to influence beliefs and behaviours. Meeting high ethical standards is important to protect the interests of consumers and the public, and the reputation of our clients and WPP. We need to take a consistent approach across our 2,500 offices, and to keep up with changes in regulation and technology and evolving public attitudes to questions of taste and decency.

Our response



All marketing communications produced by WPP companies should be fair and accurate, comply with the relevant laws and marketing codes, and reflect changing public attitudes to questions of taste and decency. Our companies are expected to take particular care when marketing sensitive products or when marketing to children. We will not produce work for our clients that 'greenwashes' the environmental performance of their company or brands.

Our Code of Conduct and Sustainability Policy contain guidance for our companies and employees on the standards we expect (see panel, next page). Issues relating to marketing ethics and topics such as ethical decision-making and privacy are covered in our ethics training, compulsory for all Group people. See page 81.

We expect all our companies to comply with marketing regulations and industry codes of practice. However, out of the many thousands of campaigns our companies produce each year, a small number do give rise to complaints, some of which are upheld by authorities. We aim to track and report all upheld complaints against work by WPP companies. See page 33.

Our companies are involved in the debate on marketing standards. Many professionals from our companies participate in industry groups and help to develop and evolve codes of practice. For example, Julie Halpin, CEO of The Geppetto Group, is on the Board of the Children's Advertising Review Unit; Matt Giegerich, chairman and CEO of Ogilvy CommonHealth Worldwide, is on the Board of the Medical Advertising Agency Committee (MAAC – 4As); Daniel Morel, chairman and CEO of Wunderman, is a member of the Media, Entertainment and Information Council of the World Economic Forum; and Hayes Roth, chief marketing officer at Landor Associates, is on the Board of Trustees of the Advertising Educational Foundation.

GRI indicators covered in this section: 4.8, 4.11, 4.12, 4.13, HR3, SO5, PR6, PR7, PR8

Guidance from the Group

Our Sustainability Policy and Code of Conduct provide guiding principles for our companies and people. Key extracts are as follows:

We will not knowingly create work which contains statements, suggestions or images offensive to general public decency and will give appropriate consideration to the impact of our work on minority segments of the population, whether that minority be by race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability.

We will not undertake work which is intended or designed to mislead, including in relation to social, environmental and human rights issues.

We will consider the potential for clients or work to damage the Group's reputation prior to taking them on. This includes reputational damage due to participating in business activities that abuse human rights.

WPP companies will comply with applicable regulations and self-regulatory codes of practice in the countries in which they operate.

What we're doing



Ethical decision-making

Who we work for and the type of work we undertake can give rise to ethical issues. Examples include work undertaken for governments or clients in sensitive sectors and marketing for sensitive or controversial products. Our companies have established a review and referral process to help identify ethical issues associated with client commissions, to manage risks to WPP or our clients and to make sure our decisions

reflect the standards in our WPP Code of Conduct and the Group's Sustainability Policy.

Before accepting work that may pose an ethical risk, employees are required to elevate the decision to the most senior person in the relevant office and then to the most senior executive of the WPP operating company in the country concerned, who will decide if further referral to a WPP executive is required.

We need to make sure that all our companies in all locations understand and use the correct referral process. Our ethics training includes a module to help employees identify ethical risks associated with client work, and to make sure they understand the correct referral procedures. Depending on scope, the internal audit program of work may incorporate a review of the considerations given by management to possible impacts on the Group's reputation prior to accepting new clients.

WPP has a committee which meets, at least quarterly, to discuss cases of concern and identify new risk areas. Breaches are discussed if and when they arise. Committee members are senior managers at Group level. They include the Group chief counsel, compliance officer, finance director and the head of sustainability.

Privacy

Privacy and data security are important issues for WPP. Our companies collect consumer data through new media and digital channels as well as consumer research, direct marketing and PR and use it to gather opinions, study attitudes (including purchasing habits) and to create targeted digital and direct marketing campaigns.

Awareness of privacy issues continues to grow across all markets and this is being further cemented by increased regulation. Some consumers and interest groups are concerned about the collection and use of personal data for marketing purposes, including practices such as behavioural targeting. We must balance requirements to protect consumer privacy with our need to produce intelligent marketing in line with the natural progression of the marketing industry.

Principles and guidance:

Our approach to privacy is guided by four priorities: maintaining consumer trust; reducing legal and financial risks to WPP; educating our people and the people we work with and improving our own knowledge base; and enabling our clients to use consumer data appropriately to enhance their marketing.

The parent company provides guidance and advice to our operating companies on privacy and data security issues. To ensure that all our people have an understanding of the basic issues, we have added privacy and data security to our revised ethics training which will be rolled out to all employees in 2012.

A briefing document is available on our Group intranet to help employees understand their legal responsibilities and the need to balance commercial objectives with privacy obligations. It defines basic privacy-related terms and includes guidance on privacy clauses in client contracts, data privacy expectations and what to do if a breach occurs. We presented the briefing to the finance directors of Group companies in 2011. Some of our companies have made it mandatory for employees to attend a briefing on the document. In 2012, we will be reviewing the data protection and privacy policies and procedures in place at WPP and its companies, and updating these where necessary. We will also be auditing compliance in a selection of offices worldwide.

Company approaches:

Our key digital marketing and research companies have nominated senior executives to provide leadership on privacy, and they work with other companies in the Group and clients to share best practice. For example, Kantar, our global market research group, has a chief privacy officer and has set up a Privacy Network of experts from across its businesses. It meets every two months to discuss external and internal developments and identify any action required at Group level on privacy and security issues.

Many of our companies have policies and procedures covering how data (including protected types of personal data) should be handled, and some

have developed their own technology and tools to improve transparency. These are regularly reviewed and updated. For example, Kantar has added specific modules to its privacy policies on issues relating to the use of social media and mobile devices. Wunderman Seattle has established a Privacy 101 training course that all new employees complete as part of the induction process.

Some of our companies have achieved accreditation for their market research and information security management systems. For example, Kantar Operations, which provides centralised market research and data services for the Kantar group, has been accredited with ISO 20252 in its UK and North American offices and ISO 27001 in its UK and India offices.

Working with others:

We continue to review the contractual arrangements we have in place with our suppliers and clients, to clarify our respective roles and responsibilities, to make sure these are appropriate and consistent and to ensure that they continue to meet the requirements of evolving laws and regulations. In 2011, we started to audit these contracts to make sure provisions relating to privacy are being met.

We work with partners on privacy issues. Our companies meet with regulators and participate in consultation exercises to give their views on proposed regulation. In 2011, this included an initiative with the Digital Innovation and Privacy Forum on the new EU Cookie Directive.

We collaborate with others in our industry on privacy issues. For example, during 2011 Kantar engaged on a potential self-regulatory framework for the use of tracking technologies in market research.

Many of our people are active participants in organisations working on privacy issues. For example, John Montgomery, COO at GroupM Interaction, is currently chair of the American Association of Advertising Agencies Privacy Committee which works to address internet privacy issues, particularly related to interest-based advertising. George Pappachan, Kantar's chief

privacy officer, is a member of the privacy and legal affairs committees of the industry associations ESOMAR and CASRO.

Public affairs

We undertake public policy work for clients, including direct lobbying of public officials and influencing public opinion. The majority of our public affairs work is undertaken for clients in the US, although many of our clients are multinational companies. Our public affairs companies include:

- Burson-Marsteller, and its affiliates:
 - Prime Policy Group
 - Direct Impact
 - Penn Schoen Berland
- Dewey Square Group
- Glover Park Group (acquired in 2011)
- Hill+Knowlton Strategies, and its affiliate:
 - Wexler & Walker Public Policy Associates
- Ogilvy Government Relations
- Quinn Gillespie & Associates

WPP companies comply with all applicable laws and regulations governing the disclosure of public affairs activities. In the US, this includes the Lobby Disclosure Act and the Foreign Agent Registration Act, which are designed to achieve maximum transparency on client representation and require lobby firms to register the names of clients on whose behalf they contact legislators or executive branch personnel. It is WPP's practice that those of its US companies whose sole or primary business is lobbying have representatives of both major political parties among senior management.

We will not undertake work which is intended or designed to mislead. We do not knowingly represent 'front groups' (organisations which purport to be independent NGOs but are controlled by another organisation for the purpose of misleading) and seek to ensure we are aware of who the underlying client is before taking on work.

In our companies



Embedding ethical marketing in our companies

Many of our companies have established their own policies and procedures to deal with the range of ethical issues discussed in this section. Examples from 2011 include:

- Ogilvy & Mather North America has established a Business Ethics Reporting and Compliance Program to underscore its commitment to the highest standards of ethical conduct in all business activities. Joe Panetta, chief ethics officer, oversees Ogilvy's efforts to promote an ethical work environment for all employees and to ensure that business practices foster confidence among its clients, suppliers, shareholders and members of the communities in which it does business. The CEO of Ogilvy & Mather North America and chief ethics officer send out an annual update to all employees to reaffirm the commitment and reinforce the business ethics policies and reporting guidelines.
- Hill+Knowlton Strategies has developed a Code of Professional Conduct which defines the standards and behaviour that is expected from every employee. It was developed through employee consultation and draws inspiration from similar codes adopted and promoted by industry associations.
- O&M France has launched a one-day training course to help employees understand the concept of sustainable development, what it means for clients and how to communicate responsibly on social and environmental issues. The training covers issues such as climate change, biodiversity, fair trade, responsible consumption and workplace equality, and explores how companies are approaching these issues. It helps employees to comply with the recommendations on responsible communication published by the Association of French Advertising Agencies (AACC), and to identify and avoid greenwash. So far, 55% of employees have been trained and the agency aims for 100% by the end of 2012.

Key numbers



The table below shows the infringements publicly reported by regulatory authorities or identified through our internal data collection system during 2011. Tracking this data is complex as regulatory and review systems vary significantly from country to country, and official processes do not exist in every market. This means the actual number of infringements may be higher.

Agency	Country	Regulatory Organisation	Туре	Ruling
JWT	UK	ASA	TV, poster and national press ads	Claims about product quality in comparison to competitors could not be substantiated.
Ogilvy Cape Town	South Africa	ASA	Radio	An anti-illicit-tobacco ad was deemed inappropriate as it could indirectly encourage consumers to purchase legitimate cigarettes.
Ogilvy JHB	South Africa	ASA	TV, print, out of home	Ad was found to be misleading as it implied that the product possessed technology capabilities that it did not.
Ogilvy JHB	South Africa	ASA	Press, radio	Ad was deemed misleading as it imitated the slogan of a competitor.
Ogilvy JHB	South Africa	ASA	Press	Car ad was found to mislead on speed claims.
Ogilvy JHB	South Africa	ASA	TV	Speed claims of a mobile internet ad could not be substantiated.
Ogilvy & Mather Advertising	Romania	CAN, RAC & ANPC	TV	Ad for a car was deemed misleading.
Ogilvy & Mather Ltd	UK	ASA	TV	Ad was deemed misleading as it exaggerated the product performance.
Ogilvy & Mather Morava	Czech Republic	Czech Counsel for TV and Radio broadcasting	TV	Ad was deemed misleading as small print was not legible.
Ogilvy & Mather Philippines	Philippines	ASC	Radio/TV	Claims in a cosmetic ad could not be substantiated.
Ogilvy & Mather Philippines	Philippines	ASC	Radio	An ad was ruled to be misleading as it implied that all stomach pains could be treated by the product, when this was not the case.
Sudler Spain	Spain	Farmaindustria	Video	An ad inviting oncologists to a scientific meeting was deemed inappropriate as it used a well-known public figure.
Wunderman Czech Republic	Czech Republic	Unknown	Online	Ad was modified as it had the potential to encourage animal cruelty.
Y&R UK	UK	ASA	TV	Ad for an alcoholic beverage was found to appeal to people under the legal drinking age.
Y&R UK	UK	ASA	TV	Ad was deemed misleading because the product was not available at the time the commercial appeared.



Employment

The issue



Our business relies on the expertise, creativity and insight our people bring to their work. There is fierce competition for talent in many of our markets, particularly in the fast-growing economies where our business is expanding rapidly. To remain competitive we need to constantly update our knowledge and skills in key areas such as digital marketing.

Our response



Leading employment practices help us to attract and retain a global workforce with the skills and experience to deliver the marketing services our clients need.

We invest in high-quality training, competitive remuneration and employee development and wellbeing. Our commitment to diversity and inclusion helps us to recruit and retain talented people from all backgrounds. Being an inclusive employer enhances creativity by bringing together different experiences and perspectives and enables us to better understand the interests and expectations of consumers in the many different countries where we operate.

We support education and skills development beyond WPP, to help prevent future skills shortages and contribute to long-term economic prosperity in the countries where we operate.

WPP's chief talent officer, Mark Linaugh, and our talent team assist our companies to attract and develop our talent. Our Code of Conduct and Sustainability Policy provide guidance to our companies on the principles which should underpin employment policies at WPP companies. Human resources policies are agreed and implemented at operating company level.

WPP employs over 158,000 people (including employees in our associate companies) in almost 2,500 offices in 107 countries. Our organic business growth since 2009 has resulted in the creation of 9,000 jobs.

GRI indicators covered in this section: 2.10, 4.8, 4.13, 4.16, LA1, LA2, LA10, LA11, LA13 **158,000**WPP employees (including associates) (2010: 146,000)

2,500 offices in 107 countries worldwide

What we're doing



Training and development

Group training programs are designed to support our business strategy and to encourage collaboration between our companies. Our companies also have their own training covering all aspects of company business and creative skills, see page 43.

Several thousand people take part in training and professional development opportunities each year at both the parent and operating company levels. In 2011, WPP companies invested £58.3 million in training and wellbeing, a 19% increase over the previous year and a 9% increase per person. We estimate that around 67% of employees participated in formal training during 2011.

Our goal is for our people at all levels to receive regular performance appraisals. We estimate that in 2011, 81% of employees were included in a regular appraisal process and 39% participated in 360 degree appraisals.

19%

increase in welfare expenditure in 2011

Group-wide training programs include:

WPP Spectrum, currently being piloted by Y&R
Group across nine countries, is a new program
designed to develop the next generation of
multidisciplinary global client leaders. Through 360
degree assessments, personal development planning,
networking, collaboration and knowledge sharing,
and interaction with senior leaders from WPP and
our operating companies, participants gain the 'Super
Skills' needed for roles of this size and complexity.
The program supports our strategy of developing
multi-company, multidisciplinary teams differentiated
by their ability to navigate changing market
conditions, translate insights into powerful ideas,

mobilise resources and deliver exceptional work. It has been developed in partnership with some of our major clients and will be available to interested companies in the Group in 2012.

- Maestro: Orchestrating Client Value is our flagship executive education program. This five-day course is aimed at strengthening the ability of our most senior client leaders to be valued and trusted advisers to their clients, colleagues and teams. Since the program's inception in 2003, it has been held in 22 countries, has reached more than 2,500 participants and involved 82 WPP companies.
- The WPP 'Mini MBA' is designed to build functional knowledge and abilities. It combines online tutorials and simulations with instructor-led classroom training. Business disciplines covered are marketing, strategy, people and organisational development, working across cultures, commercial acumen and growing and winning business. Some 1,300 people have participated in the program.
- The X Factor' is a senior mentoring and development program, led by the former global CEO of Ogilvy & Mather and chairman of JWT, Charlotte Beers, which prepares high-potential women in our operating companies for the next level of leadership. So far, 44 women have completed the program.
- In 2011, we resourced a training program in Shanghai in conjunction with the China Europe International Business School to promote global client and agency leadership. We will host a second program in Africa in 2012.

Diversity and inclusion

Our non-discrimination policy, introduced in 1992, commits all WPP companies to select, develop and promote people based on merit and regardless of factors such as race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability. Policies on harassment and non-discrimination are included in our Code of Conduct.

Diversity and inclusion is covered in WPP's online ethics training completed by all employees, see page 81.

Policies and programs aimed at increasing workforce diversity are designed and implemented by our operating companies and we review these as part of our annual talent review process. We provide opportunities for our companies to share ideas and best practices and to hear insights from experts and organisations working in this field. For example, during 2011, the FutureWork Institute led a workshop for our global HR directors in New York focused on developing skills to guard against gender inequality in the workplace. We held a workshop for HR directors in the UK, where our companies met with a number of expert organisations, including Business in the Community's Race for Opportunity and Opportunity Now, the Employer's Forum on Disability, and Stonewall, the lesbian, gay and bisexual charity.

All of our major companies have internal programs to promote diversity and inclusion in their workforce. These include:

Partnerships:

Our companies work with diversity organisations and participate in initiatives to encourage diversity. In the US, these include AAF Most Promising Minority Student; Asian Women in Business; The National Black Public Relations Society; National Association of Black Journalists; National Association of Hispanic Journalists; City University of New York; the LAGRANT Foundation and the 4As Diversity Programs. Other examples from 2011 include a partnership between Wunderman Italy and Itaca to help people with mental health issues into employment, and a partnership between The Futures Company and City Gateway, offering apprenticeships to disadvantaged young people from ethnic minorities in the Tower Hamlets area of London.

Internships:

In the US, several companies participate in the 4As Multicultural Advertising Internship Program (MAIP), NY City Capital Internship Program and other initiatives that allow minority students to gain experience in the marketing industry. In many

countries our companies have developed partnerships with local schools to encourage students from a wider range of backgrounds to consider a career in marketing services. For example, JWT Atlanta has established, in partnership with the Marcus Graham Project advertising leadership program, a new grant to support the development of African American students in their pursuit of a career in the advertising field. The grant is called The Bill Sharp Award, named after one of the first African American creatives who worked for JWT in the 1960s and taught a Basic Advertising Course. Grey Healthcare uses the Opportunity Network for intern placements, which seeks to level the playing field for highachieving, under-served high school and college students by creating access to career opportunities, professional networks and colleges.

Targeted recruitment:

To help diversify their recruitment pools, many of our companies use specialist recruitment agencies and publications and attend minority recruitment fairs. For example, in North America, Grey works with Morehouse Marketing Conclave and Students in Free Enterprise to recruit graduates from diverse backgrounds, and Millward Brown uses America's Job Exchange's (AJE) online job board which specializes in diverse recruitment.

Raising employee awareness:

Training and awareness campaigns help our people understand the importance and business benefits of diversity and inclusion. For example, JWT New York created and screened a series of documentary films and held events celebrating diversity during 2011. During Black History Month a documentary campaign followed six inspirational African Americans around New York City, while on Gay Pride Day a panel of LGBT trailblazers from Entertainment to Education gave JWT New York an opportunity to hear how far the community has come and where they are headed.

We measure gender and age diversity across our workforce and ethnic diversity in the US and UK, see 'Key numbers' on pages 40 and 41 for our performance in 2011.

Employment

In 2011, women accounted for 31% of Board members/executive leaders, 47% of senior managers and 54% of total employees. There are currently three women on WPP's Board and a female Company Secretary, Group communications director and Group chief counsel. Senior women in our operating companies include:

- Eileen Campbell, CEO, Millward Brown
- Janine Hawkins, CEO, Added Value
- Mary Ellen Howe, COO, WPP Specialist Communications, North America
- Donna Imperato, CEO, Cohn & Wolfe
- Tamara Ingram, president, Team P&G
- Lois Jacobs, global CEO, Fitch
- Shelly Lazarus, chairman emeritus, Ogilvy & Mather
- Bessie Lee, CEO, GroupM Greater China
- Ann Newman, executive vice president,
- WPP Latin America
- Lynn O'Connor Vos, CEO, ghg
- Sharon Potter, worldwide CEO,

Kantar Operations

- Stacey Singer, CEO, Team Chemistry
 Forty-three nationalities are represented among
 WPP Leaders and Partners, the senior echelon
 of our business.
- Disability: We provide support for disabled employees where appropriate and, where existing employees become disabled, our policy is to provide continuing employment and training wherever practicable.

Employee infringements

We strive to treat all our people fairly and with respect. Occasionally things do not go according to plan. We may get things wrong or the overall interests of a company or the Group may be incompatible with requirements of local employment legislation.

We monitor the number of employment cases involving WPP. In 2011 there were 177 newly-reported cases, compared to 101 cases in 2010. During the year, 118 cases were concluded. Of these 20 were withdrawn, 54 agreed between parties,

27 judged against WPP and 17 judged in favour. All cases are carefully evaluated to ensure that we have the right policies and procedures in place to reduce infringements wherever possible.

Communication

Our companies keep in touch with our people's views through regular opinion surveys. We are integrating questions on sustainability into these surveys to help us assess attitudes and awareness around the Group. These cover issues such as ethics, training, wellbeing and environment. In 2011, results relating to these issues from surveys covering around 47% of all employees, included:

	% employees who agreed
Attracting and retaining people with a diverse background is encouraged at my location	67
My performance in my job is evaluated fairly and regularly	65
I have the opportunity for personal development and growth at this company	60
My company takes an interest in my well-being	60
My work schedule allows me sufficient flexibility to meet my personal/family needs	62
I could discuss ethical concerns with my managers without worrying that my job would be affected	78
Generally we are encouraged to be 'green' in our office (e.g. recycling, switching off equipment when not in use, etc.)	69
My company is trying to cut its carbon footprint	28
The support my company gives to charities and good causes is appropriate	71

The relatively low number of our people who agree that their company is trying to cut its carbon footprint suggest that we need to do more to communicate our climate strategy to employees and involve them in our efforts.

Regular communication helps our people in all markets to keep up to date with Group news and changes in the business. Group-wide communications channels include:

- WPP's multi-award winning public website (www.wpp.com), Group intranet site, social media channels and professional knowledge communities.
- WPP's multi-award winning global newspaper and eBook, *The WIRE*.
- WPP's public monthly online news bulletin, *e.wire*, and fortnightly digital update, *Digital Loop*.
- WPP's annual journal of original thinking, the *Atticus Journal*.
- The WPP Reading Room, an extensive online library of think-pieces (both public and original) from WPP professionals worldwide.
- Our multi-award winning Annual Report & Accounts, financial statements and Sustainability Report, which are distributed across the Group and are available on our websites.
- Regular *FactFiles* profiling specialist services and resources within the Group.
- Regular communication on Group initiatives such as the Worldwide Partnership Program, BrandZTM, the Atticus Awards, the WPPED Cream awards, the WPP Marketing Fellowship Program and professional development workshops.
- Our series of *Navigator* handbooks, which provide a directory of specialist expertise and individual experts within Group companies, such as sustainability, healthcare, sports and retail.
- Periodic reports from the Group chief executive on topics of importance.
- Formal and informal meetings at operating company level.

Safety, health and wellbeing

As an office-based business, the main health and safety risks to our workforce are injuries connected to workstation ergonomics and work-related stress. Ensuring our workstations follow good practice design reduces problems such as repetitive strain injury or back problems. Our companies assess the risk of work-related stress through regular staff surveys and by monitoring issues raised via our Right to Speak helpline, Employee Assistance Programs and during exit interviews.

Initiatives to combat workplace stress vary by company but include:

- Employee Assistance Programs a source of confidential advice, support and counselling.
- Flexible benefit programs, 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.
 We collect health and safety data through our financial reporting system, see key numbers on page 41.

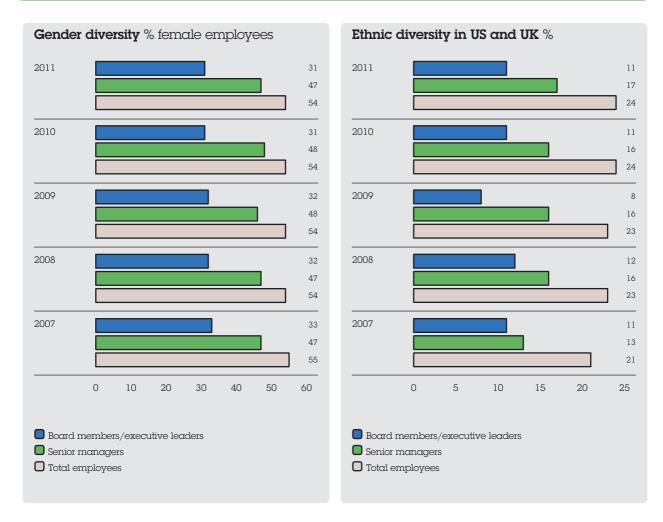
Remuneration and share ownership

We benchmark our reward packages against other companies in the sector to ensure our pay packages are set at the right level. In addition to base pay, many employees participate in performance-based incentive plans that reward achievement against annual or longer term goals relevant to their area of the business.

Participation in share-based incentive plans gives our people the opportunity to acquire a stake in the company and share in its success. Senior employees receive a significant part of their compensation through share-based incentive plans. In 1997, WPP introduced the Worldwide Ownership Plan that typically makes share awards to approximately 47,000 eligible employees per year in over 78 countries and, since inception, has made awards to over 110,402 of our people.

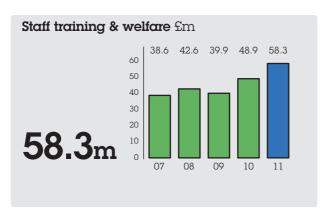
We also provide local benefits such as retirement and medical plans.

Key numbers

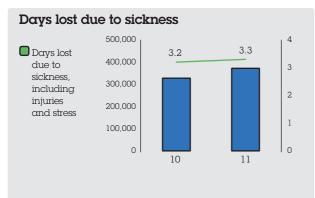


In 2011, women accounted for 31% of Board members/executive leaders, 47% of senior managers and 54% of total employees. There are currently three women on WPP's Board and a female Company Secretary, Group communications director and Group chief counsel. Several of our businesses are run by women. See pages 36 to 38.

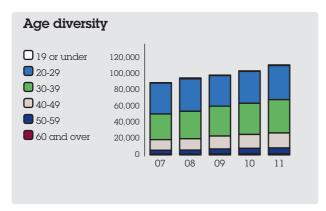
We measure ethnic diversity in our offices in the US and UK using national definitions of ethnic/racial minorities, such as the Commission for Racial Equality in the UK and the Equal Opportunity Commission in the US. In 2011, 24% of employees in these countries were from ethnic minorities, up from 21% in 2007. See pages 36 to 38.



Several thousand people take part in training and professional development opportunities each year at both the parent and operating company levels. In 2011, WPP companies invested £58.3 million in training and wellbeing, a 19% increase over the previous year and a 9% increase per person. See page 37.



In 2011, there were on average 3.3 days lost due to sickness (including injuries and stress) per employee, up from 3.2 in 2010. We believe the increase in our sickness rate may be due at least in part to improvements in the way we collect our data in this area. The increase in overall days lost also partly reflects a growth in headcount of 9% in 2011. We estimate that the cost to the business from absences due to sickness in 2011 was £51.4 million.



Over 75% of employees in the Group are under 40. The industry has traditionally employed a young workforce and this trend is reinforced by our growth in fast-growing economies where the communications sector is relatively new and has a higher proportion of entry-level employees.

In our companies



Case study

City Peaks Challenge at Digit London

The team at Digit are using gaming technology to motivate colleagues to keep fit by ditching the lift and using the stairs.

With City Peaks Challenge, each time a team member takes the stairs, they swipe in and out using their Oyster travel card. The game records the distance climbed and plots this against one of the buildings in the London skyline. Team members track their progress against colleagues on a specially-designed website and compete to be the first climber to place their flag on the summit.

To keep them motivated, each player is rewarded with medals and messages of encouragement as the game progresses. Players can also compare the distance they've climbed to real mountain peaks, such as Ben Nevis and even Everest.

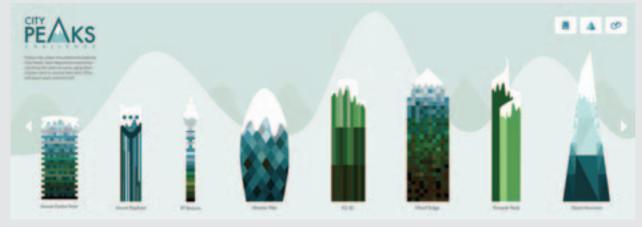
Digit is now exploring whether the concept can be used with clients and other partners.

See http://blog.digitlondon.com/2012/archiveposts/city-peaks and http://citypeaks.co.uk/.









Diversity at Ogilvy US

Ogilvy & Mather takes a broad approach to creating an inclusive workplace and increasing the diversity of its workforce. Its 20-person Employee Advisory Council (EAC), led by Ogilvy's chief diversity officer, is tasked with supporting its diversity and inclusion strategy, engaging employees on diversity, researching new ideas to shape Ogilvy, and recommending changes related to diversity and inclusion to senior management.

Nine professional networks now operate at Ogilvy to provide professional development and networking, assist in attracting and retaining talent, and support business growth through a diverse workforce. An annual budget enables them to offer educational and networking opportunities for their members and for all employees. Current networks are Women's Leadership, Ogilvy Doonya for Muslim employees, Black Professional Network, Young Professional Network, Working Parents Network, LatinRED, Ogilvy Pride (LGBT), RedLotus (Asia Pacific) and Administrative Professional Network. Ogilvy provides a range of internship opportunities for diverse students and partners with diversity organisations. It holds mandatory 'Diversity & Inclusion: Our Competitive Advantage' training in key North American locations and other more focused training as needed. For example, its courses on 'Effectively Managing Diverse Teams' and 'Uncommon Threads: Managing Generational Diversity Training'.

To make sure Ogilvy keeps abreast of changing practices and expectations, it has established an external Diversity Advisory Board (DAB), led by John Seifert, chairman, Ogilvy North America. The seven external members represent industry, academia and the community and share diversity and inclusion best practices and new ideas with Ogilvy.

Senior employees participate in cross-industry initiatives focused on diversity. For example Donna Pedro, chief diversity officer and Loren Monroe-Trice, partner, HR manager & diversity specialist, are members of the Diversity Advertising Executives Roundtable and AAAA's Diversity Steering Committee.

Increasing productivity at Y&R

Y&R uses Lean Six Sigma across all of its companies, to increase productivity and efficiency in its operations and client work. Lean Six Sigma is an approach to solving business problems by improving processes, using data and statistics to uncover the root causes of issues and measure performance.

Y&R provides Lean Six Sigma to help employees use this approach. There are two levels of training. Yellow Belt is a one-day basic training, completed by 1,400 employees so far. Green Belt is a two-week intensive course which enables employees to run and lead Six Sigma improvement projects. Y&R has trained 150 employees to Green Belt level so far.

The program has had a significant impact on many client projects. For example, by working with Y&R's client Colgate, Lean Six SIGMA trainees were able to improve efficiency in key processes, improve productivity and reduce the time spent on some tasks by 49%.

Awards

Many of our companies have received accreditation for their human resources programs. For example, in the UK, Hill+Knowlton Strategies London is accredited to the Investor in People standard, and MEC UK, MediaCom and JWT London have achieved Institute of Practitioners in Advertising (IPA) CPD Gold Accreditation for their people development programs – only 25 of the IPA's members have achieved this standard.

Our companies received a number of awards during the year, including:

- GroupM India winning the Employee Branding Award for Best Employer 2010-2011.
- MediaCom Germany's apprenticeship scheme winning the award for 'Excellent training' by IHK Düsseldorf.
- OgilvyAction in London winning the Best Development of Agency Talent category in the MAA Best Awards.
- Corporate Equality Index 2012 'Best places to work' for lesbian, gay, bisexual and transgender employees rated WPP Group USA 90/100 points.
- Hill+Knowlton Strategies Canada ranked on of the Best Workplaces in Canada by the Great Place to Work Institute Canada, for the sixth consecutive year.
- Ogilvy & Mather and Cohn & Wolfe both named one of the 'Best Places to Work in Marketing & Media' by Advertising Age.
- Five WPP companies have been included in *The Sunday Times* list of 100 Best UK Companies to Work For: MEC at No. 21, MediaCom at No. 52, Grass Roots at No. 56, Mindshare at No. 73 and Kantar Worldpanel at No. 80.

Education and social mobility

We invest time, money and expertise in education and social mobility programs to support our local communities and help to make sure that, in the future, we have people with the skills we require. We take a targeted approach, aiming to build long-term relationships in geographic regions that are strategically important to us.

For example, China is currently facing a shortage of talent, and this is a key market where our business is growing quickly. We are working with the Shanghai Art & Design Academy (SADA) to launch China's first marketing and communications program focused on applying skills in the commercial environment. The first 50 students enrolled in September 2011, chosen from a pool of 1,358. They will complete a three-year diploma program which brings together a strong academic and creative curriculum combined with practical application. It is anticipated that the annual class will eventually total 300.

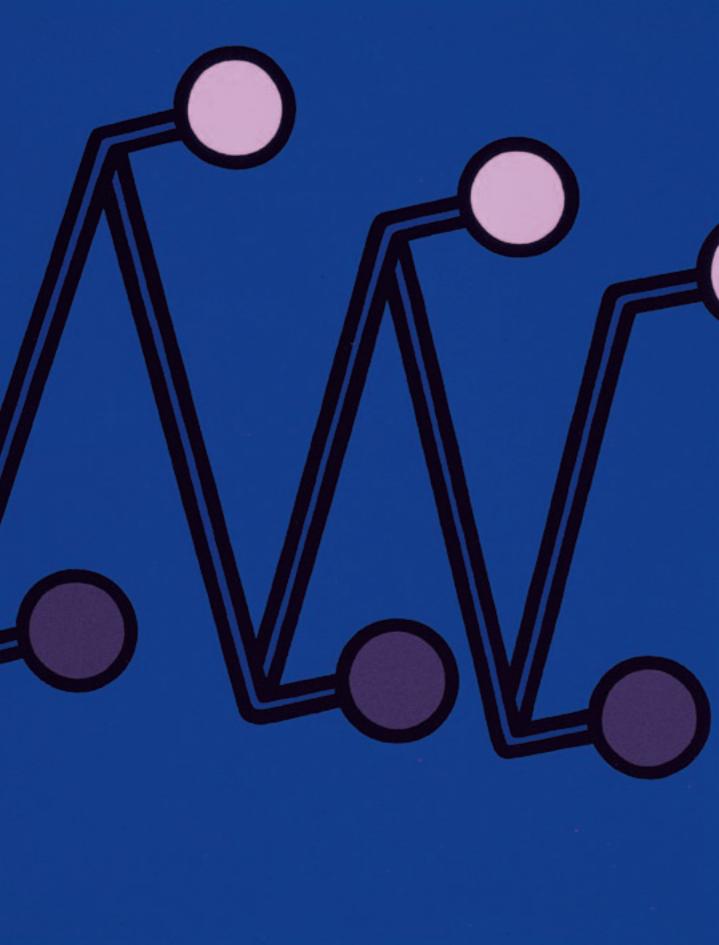
Some of our operating companies have their own programs to support young people into marketing careers. For example, in Germany, GroupM runs an apprenticeship program for high-school graduates to give them three years of professional experience and training and, O&M Germany runs CampDavid, a 10-month training program for juniors. JWT has partnered with TORCH, a program dedicated to transforming the lives of under-privileged high-school children in New York. In the first half of 2011, JWT provided 20 high school students with the resources and tools to produce their own commercials. They produced two pro bono videos for Huru International, a charity that provides sanitary products for young schoolgirls in Kenya. JWT London runs 'IWTeach', where employees visit schools to tell students about the world of advertising. They explain their disciplines, skill sets and what is interesting about their jobs, opening up a new range of career options to students who, otherwise, may never have considered the industry.

In the UK, we are one of around 100 companies that signed up to the Government's 'Business Compact', which supports social mobility among young people. Our approach to supporting local schools, raising young people's aspirations, improving skills and giving young people access to jobs, are very much in line with the commitments that the compact sets out. For example, we have built a successful partnership over many years with Charles Edward Brook School in Lambeth, London. In 2011, senior WPP executives visited the school and spoke to the students on several occasions, including a visit and talk from WPP CEO Martin Sorrell last December and a visit accompanied by Nick Clegg (Deputy Prime Minister) and Robert Peston (BBC News business editor) in November 2011. WPP design agency Addison led a pro bono re-brand of the school, which will be branded as St Gabriel's

Academy from September 2012. As well as donating its capabilities, Addison invited students into the agency to get involved in the project, giving them valuable work experience. Our work has inspired our clients to support the school, with Burberry donating materials and time to repaint it last year.

We want to get more of our people supporting schools in local communities. One of our senior executives is a trustee of the Education and Employers Taskforce, which aims to create connections between schools and businesses. We are involved in their Speakers for Schools initiative which invites prominent business leaders to speak at schools. In 2012, we will be participating in their 'Inspiring the Future' initiative, which enables pupils to meet with managers from large companies and find out what their job involves.





Environment

The issue



Clients, investors and employees are showing increased interest in our approach to environmental issues. Reducing our environmental impact enhances our credibility as communications advisors on climate change. It enables us to demonstrate to stakeholders that we have strong environmental principles. Using energy and other resources more efficiently also helps us to reduce costs and respond to new regulations. Cutting our impact on the environment as our business grows is important but challenging.

Our response



We aim for WPP to be a low-carbon and resource-efficient Group. We set strategy at a Group level, covering energy and climate change, resource efficiency and waste management.

To implement our strategy, we have established Environmental Action Teams in North America, Europe, Asia Pacific and Latin America. These include members of key Group functions, such as IT, real estate and procurement. They work closely with our companies, identifying environmental best practices through pilot projects and providing support and technical guidance. For example, we are developing a tool-kit to help our companies achieve carbon savings. Our network of Climate Champions, together with local IT, facilities and purchasing managers, help to implement the strategy in our companies.

Some of our companies operate accredited environmental management systems. For example, BDG architecture + design, EWA Bespoke Communications, Headcount's UK headquarters and Ogilvy London have achieved certification to international standard ISO 14001. Given WPP's diversified and decentralised structure we do not operate a certified Group-wide environmental management system.

We were ranked 41 out of 500 in *Newsweek* magazine's Green Rankings 2011, which ranks the world's largest companies according to their environmental impact, management and reporting practices.

GRI indicators covered in this section: 2.10, 3.9, 3.10, 3.11, 4.8, 4.12, EN2, EN3, EN4, EN5, EN7, EN16, EN18, EN29

What we're doing



Building a low-carbon Group

Climate change is the main environmental issue for WPP. Our strategy is to reduce our carbon emissions by:

- Improving the energy efficiency of our buildings and IT. See page 49.
- Reducing non-essential flights by promoting videoconferencing and other collaboration tools. See page 49.
- Purchasing renewable electricity where available. See page 50.
- Offsetting a portion of our unavoidable CO₂ emissions, equivalent to those from business air travel. See page 50.

Our target is to reduce our carbon emissions to 1.2 tonnes per person by 2020, a 63% reduction from our 2006 baseline.

1.2

tonnes of CO₂ target per person by 2020

We believe a carbon intensity target is most appropriate for WPP, as Group headcount is closely linked to levels of business activity. Our business evolves continually through acquisitions and disposals. The intensity measure allows us to reflect this without needing to adjust our baseline.

In 2011, our carbon footprint per person was 2.44 tonnes, down 3% on 2010 and 26% lower than 2006. Despite this progress, we are unlikely to meet our interim target of 1.8 tonnes per person in 2012.

2.44

tonnes of CO₂ generated per person in 2010

We are reviewing our strategy and will adjust our approach as necessary to work towards our 2015 and 2020 targets.

Our absolute carbon footprint in 2011 was 277,058 tonnes of CO₂ (rating renewable electricity as zero emissions), an increase of 6% over 2010 compared to a 9% growth in headcount. This increase is primarily due to growth in business air travel. Emissions from air travel increased by 15%, due to an upturn in business activity and despite our investment in videoconferencing. Although we used less energy in our offices (345,411 MWh in 2011 compared with 350,724 MWh in 2010) associated emissions rose by 1%. This is due to growth of our business in countries such as China and India where grid electricity is relatively more carbon-intensive. The reduction in energy use during 2011 represents an approximate cost saving of \$500,000.

If the renewable electricity we purchase globally is rated using the same emissions factors as standard grid electricity, our total carbon footprint in 2011 was 300,745 tonnes of CO₂.

277,058 tonnes of CO₂ emitted in 2010

(2009: 261.004)

We report our greenhouse gas emissions to the Carbon Disclosure Project (CDP), a collaboration of institutional investors, and participate in the CDP's Supply Chain Program. In the UK, WPP met its current obligations under the CRC Energy Efficiency Scheme.

In 2011, we focused on reducing our carbon footprint through the following activities:

Information:

We aim to empower our operating companies with better information and tools for managing their energy use and carbon emissions. We operate smart meters at 55 of our key locations, accounting for around 25% of our total floor space. These meters provide detailed monthly energy-use reports which allow our operating companies to spot inefficiencies and improve their performance. We also produce an individual carbon footprint for every company annually, which is distributed to the operating company CEO.

Buildings:

We are integrating energy efficiency and other environmental considerations into our property acquisition and capital expenditure processes so that, where possible, any property we lease, purchase, fit out or renovate meets advanced energy and environmental standards, such as Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Method (BREEAM). We estimate that 7% of our total floor space is currently certified to such standards. We have our own scorecard which is used to assess the environmental performance of new offices over 25,000 square feet which have not been certified to standards such as LEED or BREEAM. The scorecard covers five criteria: energy and carbon; water; materials and waste; travel; and health and safety. We aim to make efficient use of office space and encourage flexible working where appropriate, enabling us to reduce overall space requirements and improving the energy and environmental performance of our workspace.

7%

proportion of our total floor space certified to advanced areen building standards

IT equipment:

We have requirements in place to improve the energy efficiency of our IT equipment. This means that only approved devices can be purchased, they must comply with our energy consumption standards, and power management features must be enabled. We aim to reduce the energy consumption of key IT applications by up to 40%. To achieve this, we are looking at new ways of sourcing our IT needs and implementing server, storage and network virtualisation solutions to reduce the number of devices in use. Currently 50% of our servers are virtualised. Our managed print program, which includes reducing the number of printers in use, is helping us to reduce energy used for printing by up to 30% in each location. It covers approximately 10% of employees, but we are aiming to increase this substantially by 2015. In early 2012, we conducted a global survey of our IT infrastructure and plan to use the data and information we collected to identify new energy and carbon reduction opportunities.

400

VC units supported by WPP's videoconferencing program (2010: 250)

Videoconferencing:

We encourage our people to meet via videoconferencing (VC) and have installed 75 shared high-definition VC units in over 50 cities around the world which can be used by any WPP company. These are linked to an additional 325 VC units exclusive to individual operating companies. See map on page 54. Videoconferences can be booked between any of the rooms and external VC locations via the Group intranet. We introduced a 24-hour, five-day-a-week helpdesk to support the increased number of employees using the system, and to help organise complex calls involving multiple systems, users and content types. We also launched a web portal which enables desktop and laptop users to access our videoconferencing network from wherever they are. In 2011, usage

increased by 120%, with half of all calls involving external links to clients and suppliers.

Renewable electricity:

We purchase renewable electricity where we can and regularly review electricity sourcing across all markets to identify new opportunities. In 2011, we completed our goal of establishing preferred suppliers of renewable electricity contracts in all major markets, where this was appropriate. Around 16% of the total electricity we purchase is generated from renewable sources. See the table on page 54 for a country breakdown. Purchasing renewable electricity reduces our carbon footprint by 23,687 tonnes of CO₂. Renewable electricity contracts are usually for a fixed period and may not be available at competitive prices in the future. However, it is our intention to increase the percentage of electricity purchased from renewable sources to 20% by 2015.

16%

estimated total electricity purchased from renewable sources

Tellewable soulc

(2010: 16%)

Carbon offsetting:

In 2011, we offset 98,482 tonnes of carbon, equivalent to our total emissions from air travel, by supporting renewable energy projects. We reviewed our offset policy in 2011 and appointed a new provider, see case study right. From 2012 our operating companies will cover the cost of offset equivalent to their annual air travel emissions. This will further incentivise our companies to reduce air travel.

100%

of our carbon emissions from air travel were offset in 2011

Carbon offsetting at WPP

WPP is partnering with leading offset provider South Pole Carbon Asset Management Ltd to offset our emissions from air travel for the next three years. South Pole has projects in over 20 countries which work to reduce greenhouse gases while benefiting local communities and the environment. WPP is supporting four renewable energy projects in China, Taiwan, Turkey and New Caledonia.



China

One of these projects is a series of run-of-river hydropower plants spread across four provinces of rural South West China. Run-of-river hydropower plants typically have a significantly lower impact on the local environment than a conventional hydropower plant. The project generates renewable electricity which is fed into the national grid displacing electricity created from fossil fuel-based power plants.

The project is compliant with the Verified Carbon Standard (VCS), the leading quality standard for the voluntary carbon offset industry. It also complies with Social Carbon, a standard recognizing projects for their contribution to sustainable development due to the income and employment opportunities it generates in a remote and underdeveloped region of China. These include improvements to local roads and community infrastructure during construction and increased availability of electricity for local consumers and businesses which is supporting economic activity and enabling more people in remote communities to use electrical appliances, which may improve their quality of life.

Taiwan:

In Taiwan, two wind parks on the west coast of the island harness untapped sustainable wind energy. The project has been labelled with the Geneva-based Gold Standard, the strictest project standard in the carbon world. As well as enabling a less carbon intensive future for Taiwan, the project generates jobs and scholarships for the local community. High public interest in the project has turned the sites into a tourist destination and guided tours help promote sustainable development. At full capacity the 65 turbines aggregated output is expected to provide clean electricity to approximately 130,000 households.

New Caledonia:

In the Pacific islands of New Caledonia over 100 small wind turbines are helping to generate a more sustainable national grid and protect one of the world's most botanically important hotspots. Besides replacing fossil fuel-generated energy with sustainable power, the wind project supports local and regional initiatives addressing employment, youth and community activities. To preserve the surrounding nature and landscape, the infrastructure of the wind farms are based near to existing roads. The New Caledonia project is the first ever Gold Standard Verified Emission Reduction (VER) project in the Pacific and serves as an example for similar emission reduction projects in the region.

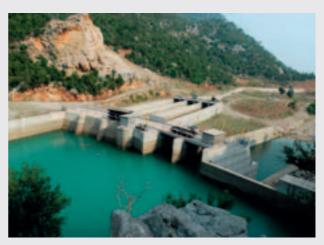
Turkey:

Located in Turkey's Kahramanmaras province, a run-of-river 24MW hydropower plant utilises the gross water head of the 150-mile Kesis River. The project generates power in an efficient, clean, reliable and sustainable way and aids the reduction of carbon emissions by partially substituting the electricity supply of fossil fuel-fired power plants in Turkey.

In 2011, South Pole was named Best Project Developer in Environmental Finance's Voluntary Carbon Market Survey.







Resource use and waste

We aim to use natural resources efficiently, to promote the use of sustainable and renewable resources and to reduce the waste we send to landfill. In 2011, we focused our efforts on the following areas:

Paper sourcing and use:

Our target is to source 50% of the paper we use for copying and printing from recycled sources by 2015. In 2011, 35% of the paper purchased by WPP companies contained at least 50% post-consumer recycled fibre. We have completed our goal of establishing preferred paper suppliers in all major markets, where appropriate. All of these suppliers provide paper and paper products with recycled content. Our managed print program (see page 49), helps us to reduce paper use by 20-30% per location. In 2011, our total paper usage was 9,327 tonnes.

50%

of paper used for copying and printing to come from recycled sources by 2015

Waste and recycling:

Our key waste streams are electronic waste and office consumables (e.g. paper, card, cans, plastic bottles and toner cartridges). We aim to reduce the amount of waste we send to landfill by encouraging local arrangements for computer and furniture re-use; and establishing recycling contracts for electronic waste and standard office consumables. In 2011, we completed our goal of establishing preferred suppliers of recycling services for waste paper and standard office consumables in all major markets, where appropriate. We were not able to complete the process of appointing a global IT vendor to manage our obsolete IT equipment, including laptops, desktops and servers in 2011 but aim to do so in 2012. Our goal is for obsolete IT equipment to be refurbished and sold for reuse or if this is not possible, to be broken down for recycling. Disposal is a last resort, and must be done in compliance with local environmental regulations and data security best practice (see pages 30 to 32 for information on our approach to privacy and data security). WPP companies use mobile technology extensively and handsets are frequently upgraded. In 2011, we completed our goal of establishing preferred suppliers of recycling services for mobile phones in all major markets, where appropriate. We have set up procurement contracts with furniture and carpet suppliers to ensure the products we purchase can be disposed of in a responsible manner. We have chosen carpet suppliers that focus on reducing the amount of carpet sent to landfill by recycling or refurbishing old carpet, and furniture suppliers that provide products containing high levels of recycled or recyclable content or timber sourced from certified sustainable forests. In 2011, we started working with workplace management company Go Green to increase the reuse and recycling of furniture among our UK companies. See page 55 for waste recycling data.

Water use:

As an office-based company, WPP is not a major water user. However, we recognise the importance of water conservation, particularly in water-scarce areas. We estimate that 20% of our operations are located in such areas, see page 55. Our water conservation strategy targets our 11 largest locations in areas of water scarcity to ensure that our investment produces the most environmental benefit. These locations account for 20% of our total floor space in waterscarce areas. Our target, at these locations, is to reduce water use per head by 20% by 2015. In 2011, water use per head was 13.4 cubic metres, down by 9% over 2010, our baseline year. Total water use was 76,026 cubic metres, up by 2% over 2010. We are on track to meet our 2012 interim target. At each location, facilities and purchasing managers have been charged with identifying and implementing water-saving measures, and raising awareness of water issues among employees. Our water conservation guidelines help our operating companies to reduce water use, for example by identifying and repairing leaks, upgrading fixtures and fittings during renovations as well as reusing rainwater and wastewater.

Key numbers



WPP's carbon accounts

Detailed emissions breakdown

					ton	nes of CO ₂
Emission source	2006	2007	2008	2009	2010	2011
Scope 1 – stationary combustion						
Natural gas combustion	_	6,178	4,537	4,889	7,193	6,891
Heating oil combustion	_	1,547	1,400	1,393	2,182	2,073
Total scope 1 emissions	2,479	7,725	5,938	6,282	9,375	8,964
Scope 2 – purchased electricity						
Total purchased electricity (gross)	141,875	121,648	135,658	160,414	156,749	157,161
Less purchases of: renewable electricity ¹	_	(5,038)	(20,024)	(23,542)	(25,011)	(23,687)
Scope 2 emissions (net)	141,875	116,611	115,634	136,872	131,738	133,474
Combined scope 1 & 2 emissions (net)	144,354	124,335	121,572	143,154	141,113	142,438
Scope 3 – other indirect emissions						
Air travel	81,733	92,269	89,500	76,073	85,848	98,482
Other indirect emissions ²	33,913	32,491	31,661	32,884	34,044	36,138
Total scope 3 emissions	115,646	124,760	121,161	108,957	119,892	134,620
Total CO ₂ emissions (net)	260,000	249,095	242,733	252,111	261,004	277,058

Carbon intensity

				tonnes of CO ₂ per person			
Emission source	2006	2007	2008	2009	2010	2011	
Scope 1	0.03	0.09	0.06	0.06	0.09	0.08	
Scope 2 (net)	1.79	1.29	1.21	1.39	1.27	1.17	
Scope 3	1.46	1.38	1.27	1.10	1.15	1.18	
Total (net)	3.28	2.76	2.54	2.55	2.51	2.44	
Percentage change from base year (net)	_	-16%	-22%	-22%	-23%	-26%	

Office energy use

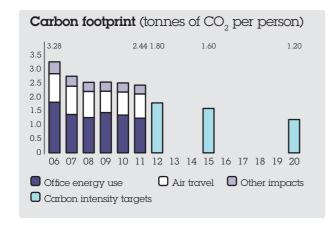
	-		megawatt hour			watt hours
Emission source	2006	2007	2008	2009	2010	2011
Direct energy use (natural gas and heating oil)	_	38,465	29,267	31,090	46,249	44,240
Indirect energy use (purchased electricity)	_	234,080	255,663	309,558	304,476	301,171
Total energy use	297,406	272,545	284,930	340,647	350,724	345,411
% of electricity from renewable sources	_	5%	16%	16%	16%	16%

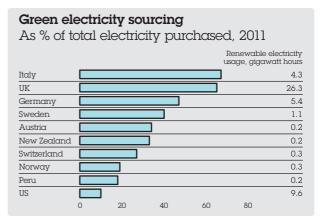
 $^{^{\}mbox{\tiny 1}}$ When calculating our carbon footprint we rate renewable electricity as zero emissions.

² We add an additional 15% to our carbon footprint to account for unmeasured impacts, such as couriers and taxis.

Key numbers

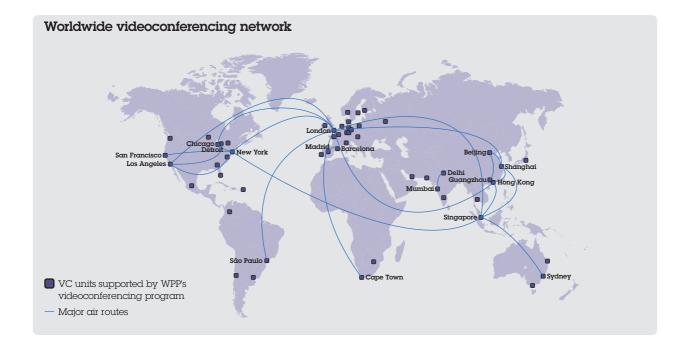


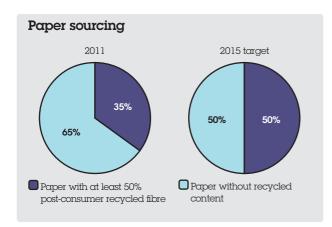


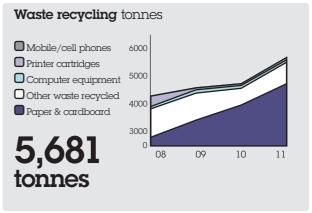


Our target is to reduce our carbon emissions to 1.2 tonnes per person by 2020, a 63% reduction from our 2006 baseline. In 2011, our carbon footprint per person was 2.44 tonnes, down 3% on 2010 and 26% lower than 2006. See page 48.

Approximately 16% of the total electricity we purchase is generated from renewable sources. It is our intention to increase the percentage of electricity purchased from renewable sources to 20% by 2015. See page 50.

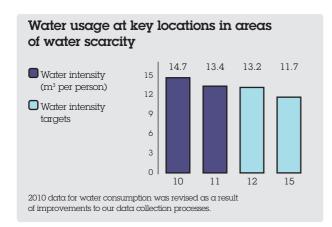


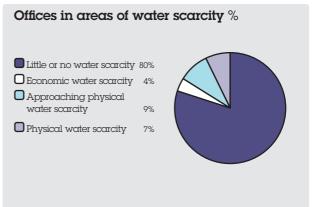




In 2011, our total paper usage was 9,327 tonnes. Of this 35% contained at least 50% post-consumer recycled fibre. Our target is to source 50% of the paper we use for copying and printing from recycled sources by 2015. See page 52.

In 2011, WPP companies recycled 5,681 tonnes of waste, up 20% on the previous year. Most of this (83%) was paper and cardboard. See page 52.





Our water conservation strategy targets our 11 largest locations in areas of water scarcity. We aim to reduce water use per head at these locations by 20% by 2015. See page 52.

We estimate that 20% of our operations (by floor space) are located in areas of water scarcity. Physical water scarcity is used to define areas where there is not enough water to meet all demands. Economic water scarcity is used to describe areas where it is difficult for populations to access water, for example due to lack of investment in infrastructure. See page 52.

In our companies



Greening Ogilvy

Ogilvy offices around the world are cutting the agency's carbon footprint. Examples from 2011 include:

Japan:

After the tsunami, the Japanese government asked every company to cut energy use by 15%. O&M Japan designed and created paper fans to help discourage the use of air-conditioning, and posters reminding employees to switch off appliances before leaving were placed around the office, as well as distributed to suppliers and clients. O&M Japan also implemented periods of energy saving when power use was restricted. As a result energy consumption was reduced by 20%.

India:

Ogilvy Mumbai launched iCARE, a series of initiatives that help raise awareness on environmental issues throughout Ogilvy. It shows employees how small actions can add up to make a big difference to our planet. iSAVE is a paper and power-saving initiative; iFOLD is a simple idea of folding paper to use a smaller envelope for correspondence; iPOOL is a car pooling initiative which uses a timesheetbased app to help people find those offering rides and people looking for one. In addition, over 1,000 Ogilvy branded diaries were created from recycled office paper for use in client meetings, and partial lighting and air-conditioning was implemented during off-peak office hours to help reduce energy consumption. Employees were made aware of the iCARE initiatives using a series of creative campaigns that made the entire process fun.





China:

Project GR:O (GReening Ogilvy) was launched on Earth Day 2011 to rapidly reduce O&M's carbon footprint across its mainland China offices. A nationwide team of GR:O volunteers was established to focus on six key areas: energy efficiency, travel, water & waste management, community involvement, health & wellbeing and sustainable materials. A dedicated GR:O website and a GR:O section in the internal newsletter provide employees with a wealth of information, facts and regular updates on progress. A series of animated films was screened in several offices, and an installation was set up in the Shanghai office to show paper usage each week. An energy-saving software pilot called 'LittleFoot' was rolled out across the China offices, with an expected 10% savings in PC energy. Significant reductions have already been achieved. For example, the Beijing office has reported a 32% paper saving and 33% drop in energy use.

Thailand:

O&M has made significant reductions in energy use and donated the money saved to buy solar cells for Bann Nam Pu School in Kanchanaburi. The solar cell provides the 306 students with a sustainable source of electricity, as well as helping create awareness among the students about the value of electricity, and the impact human beings have on the environment. The 'Off to On' campaign encouraged employees to turn off unused electricity devices through a self-monitoring screen saver, allowing individuals to track their energy use. Lights were turned off during lunch hours and once a month for an hour after 6pm all electricity was turned off for 'Office Earth Hour'. In three months energy use reduced by 10% and four solar cells were donated to the Bann Nam Pu School.

Initiative name: Cycle2Com

WPP Company: Y&R, Paris

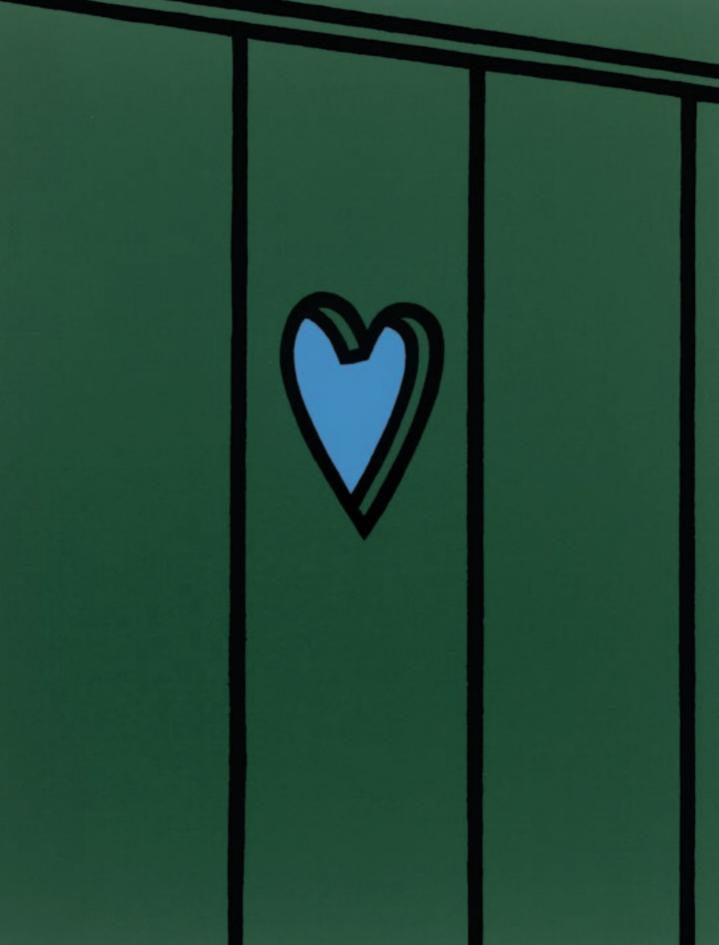
Y&R Paris is partnering with the AACC (the French association of communications agencies) and five other organisations¹ from the communications world to develop a calculator to evaluate the environmental impact of communications campaigns.

The easy-to-use, simple calculator, named 'Cycle2Com', applies a life-cycle approach to assess the environmental impact of communications campaigns across seven different types of media: TV, radio, press, internet, outdoor, direct marketing and in-store/out-of-store marketing. Cycle2Com goes beyond the production stage to consider the entire media plan right through to the campaign end-of-life.

The tool estimates the environmental impact across four areas: energy usage, carbon emissions, water consumption and waste generation. The objective of Cycle2Com is to embed environmental issues into the decision-making process, giving clients the opportunity to make informed decisions by comparing the environmental performance of several media plans and campaigns.

The tool will be used to raise awareness among marketers and advertisers on the potential impact of the campaigns they create and commission. Currently in the final stages of development, Cycle2Com will be available to marketers and advertisers by the end of 2012.

¹ UDA (l'Union des annonceurs – the French association of advertisers), UDECAM (l'Union des enterprises en conseil et achat media – the French association of media buying agencies), Mediapost (the direct mail agency of the French postal group, La Poste), EcoFolio (government-authorised body encouraging paper recycling) and ADEME (the French environment and energy management government agency).



Social investment

The issue



Charities and NGOs need effective marketing to raise awareness and funds and to achieve their campaign objectives. They often lack the resources to invest in these services. Pro bono work and other social investment supports our reputation and employee engagement.

Our response



WPP companies make a major contribution to society through pro bono work providing creative services for little or no fee – and by negotiating free media space. Pro bono work is often worth more than the equivalent cash donation and highly valued by charities.

Pro bono assignments often offer exciting creative opportunities to our people, supporting their development. Many of our pro bono campaigns have been award-winning, helping to promote the creative talents of our companies.

Pro bono relationships are managed at operating company level. Often they are long-standing partnerships providing support to the same organisation over several years. In some cases, the parent company helps to coordinate pro bono assignments involving multiple Group companies.

We also contribute to a thriving voluntary/non-profit sector and support causes that are important to our people through cash donations and by supporting employee volunteering.

Total value of social investment (2010: £14.3m)

Free media space negotiated on behalf of pro bono clients (2010: £20.2m)

GRI indicators covered in this section: 2.10, 3.9, EC1, EC9



What we're doing

Ø

In 2011, the value of our social investment was £15.3 million compared with £14.3 million in 2010. This is equivalent to 1.5% of reported profit before tax. This figure includes direct cash donations to charities of £4.8 million and £10.5 million worth of pro bono work based on fees the organisations would have paid for our work. In addition, WPP media agencies negotiated free media space worth £12.4 million on behalf of pro bono clients, making the total social contribution £27.7 million, or 2.7% of reported profit before tax.

Many of our companies give employees paid time off to volunteer, recognising the benefits this brings to charities and the contribution it can make to employee development and job satisfaction. For example, in 2011, over 600 employees at Ogilvy New York volunteered on its Annual Corporate Service Day to support 36 causes. In the UK, the London and Manchester offices of MEC came together to create MEC:it: where small teams of employees worked on community projects around London.

A number of our companies support educational causes. Examples in 2011 included:

- GroupM India launched 'Lighting the sparks', an initiative to improve child literacy by providing books and volunteering in Mumbai, Bangalore, Delhi and Chennai. GroupM donated 1,500 books and toys, enough to start eight libraries, and visited the libraries quarterly with a group of volunteers.
- In London, 'JWTeach' is an initiative whereby employees from JWT donate their time, visit schools and explain their disciplines, skill sets and what is interesting about their jobs.
- One week per year, Burson-Marsteller and its partners in EMEA work with local charities dedicated to helping children, as part of the company's '1 Week 4 Kids' program. The fourth edition of the program in 2011 had record participation from 23 EMEA offices. Dedicated teams across the network provided pro bono communication advice, volunteered and raised funds. Activities included art exhibitions, management sumo wrestling, virtual campaigns and blood donation. The campaign raised over €120,000.

Our executives also give pro bono advice and support and serve as charity trustees and advisors. For example, Sir Martin Sorrell is an active participant in programs at many international business schools. He is chairman of the Executive Committee and of the International Business Council (112 global CEOs) of the World Economic Forum and a member of the Business Council in the US. He is a member of the UK Prime Minister's Business Advisory Group. He is a Patron of the British Museum, a member of the corporate Advisory Group of the Tate and on the International Advisory Board of The Russian Museum in St. Petersburg. He is also deputy chairman of the Mayor of Shanghai's International Business Leaders Advisory Council, and chairman of the Mayor of Rome's IBAC and of the Mayor of London's IBAC.

The parent company

The parent company supported a range of charities and non-profit organisations, with a particular focus on education, the arts and young people. We are reviewing our social investment strategy to make sure our investment aligns with our business objectives and has the maximum possible beneficial impact.

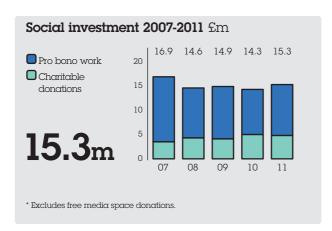
In 2011, we supported a number of organisations, including:

- Central St. Martins College of Art and Design
- Charles Edward Brooke School
- Coram, the UK children's charity
- NABS, charity which offers financial, practical and emotional support to those in the advertising industry
- The Place2Be, a school-based counselling service, dedicated to improving the emotional wellbeing of children
- The National History Museum
- The National Portrait Gallery

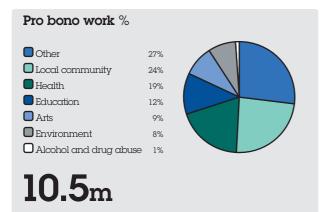
There is more information on our investment in social mobility and education in the UK and China on pages 44 and 45.

Key numbers

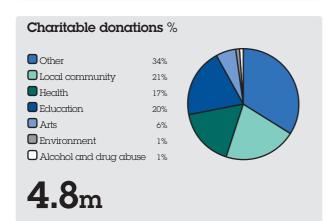




In 2011, the value of our social investment was £15.3 million, up 7% on the previous year. This is equivalent to 1.5% of reported profit before tax. See page 60.



In 2011, £10.5 million worth of pro bono work was carried out by WPP companies. This is equivalent to a 13% increase on the previous year. In addition, WPP media agencies negotiated free media space worth £12.4 million on behalf of pro bono clients. Examples of some of the pro bono work done by our companies in 2011 can be found on pages 62 to 73.



In 2011, the Group made £4.8 million direct cash donations to charities compared to £5.0 million in 2010. Over a third of all contributions went to charities that fall under the 'other' category. This includes charities working in areas such as human rights, domestic violence and poverty.

In our companies



WPP companies produce hundreds of pro bono campaigns for good causes every year – tackling a wide range of social and environmental issues. Here we feature a small selection produced during 2011.

More examples are available online.*



*wpp.com/sustainability

Campaign: Jumbled

Client: Avril Elizabeth Home WPP company: JWT, Johannesburg

Avril Elizabeth is a care home for intellectually and physically disabled individuals. Avril Elizabeth relies heavily on public donations to enable them to provide care for many of their residents who are orphaned or abandoned.

In 2011, JWT worked pro bono to create a promotional television and cinema commercial starring residents of Avril Elizabeth Home to help touch the public's empathy and prompt donations. Disabled residents of Avril Elizabeth Home held up a series of word cards to form sentences. Even though the spelling of the words were deliberately 'jumbled', the sentences still made sense. In the same way, even though the residents of Avril Elizabeth Home may be a little different, this doesn't change their value.

JWT negotiated free media space on behalf of Avril Elizabeth Home, gaining several prime-time slots in local cinemas to help raise awareness and funds. JWT also elicited the help of a mobile media agency to enable donors to make monthly donations via their phone accounts.

The pro bono campaign, worth \$170,000, won a Bronze Cannes Lion and a Bronze Loerie.





View the video at wpp.com/sustainability

Campaign: 50 Blueprints for the Future

Client: Lebenshilfe (Life aid) for people with mental disability, Frankfurt am Main **WPP company:** OgilvyOne, Frankfurt

Lebenshilfe has been helping people with intellectual disabilities in Frankfurt for 50 years. In 2011, OgilvyOne worked pro bono to create a campaign to raise awareness for the charity's anniversary and to raise donations. Instead of looking back over the past 50 years, OgilvyOne painted a vision of the future for Lebenshilfe.

OgilvyOne used Gut Hausen, a piece of land recently purchased by Lebenshilfe in the middle of Frankfurt, as the focus for the campaign. Lebenshilfe envisages Gut Hausen as a place where the future of inclusive living could become a reality. OgilvyOne worked with 11 intellectually-challenged artists who were given blueprints of Gut Hausen and asked to create 50 personal visions of the future.

The 50 blueprints were publicised around Frankfurt on posters, billboards and also mailed to selected companies asking for donations. All of these initiatives were linked to an anniversary microsite where people could look over the shoulder of the artists, order posters, make donations and learn about the work of Lebenshilfe.

The campaign raised awareness for the charity and resulted in a 43% increase in donations. With the help of OgilvyOne, €83,000 worth of free media space was attained.





Campaign: Elephant Anti-Cruelty

Client: People for the Ethical Treatment

of Animals (PETA)

WPP company: Y&R, Chicago

People for the Ethical Treatment of Animals (PETA) is the largest animal rights organisation in the world, with more than three million members and supporters.

In 2011, Y&R Chicago worked pro bono for PETA to raise awareness of the harmful elephant training practices that occur around the world for human entertainment. The campaign goal was to draw back the curtain on the cruelty by targeting animal lovers and those attending circuses.

The bright coloured illustrations created a powerful juxtaposition between the playful look and feel, and the horror of the animal cruelty. These eye-opening posters and pamphlets were featured on www.peta.org and distributed in pet shelters and stores throughout Chicago.

The campaign, worth \$65,000 of agency time, won a Bronze Lion at Cannes in 2011.











Campaign: Smoking babies

Client: National Cancer Society Malaysia WPP company: Y&R, Kuala Lumpur

The National Cancer Society Malaysia (NCSM) provides education, care and support services for people affected by cancer and was the first cancer-related NGO in Kuala Lumpur. It is estimated that one in four Malaysians will develop cancer by the age of 75, yet many expectant mums still choose to smoke.

Together with the NCSM, Y&R initiated a campaign to educate and remind pregnant women and new mothers about the effects smoking has on their babies. The campaign, worth \$15,000 of agency time, consisted of three powerful images dramatizing how a mother's smoking has a direct effect on an unborn child or young baby. The posters were displayed in clinics throughout Kuala Lumpur.





Campaign: Stop the Slaughter

Client: International Fund for Animal Welfare (IFAW)

WPP company: JWT, Melbourne

The International Fund for Animal Welfare (IFAW) campaigns to prevent animal cruelty and advocate for the protection of wildlife and habitats. Despite a global ban on commercial whaling, many countries still catch whales under a provision of the 1946 whaling convention which allows whales to be killed for scientific purposes. Through campaigning, research and hands-on help, IFAW is leading the fight to save the whales.

In 2011, JWT worked pro bono for IFAW. The day before International Whaling Day, JWT launched a promotional PR stunt. A viral video showing a fake sighting of a whale close to Darling Harbour was released online via social media. Hours later, JWT activated a live stunt in the waters of Sydney Harbour using laser projections and a submerged air pump to imitate the blowhole of a whale. The laser recreated the slaughter and projected the brutal facts about whale hunting whilst the sound of a whale song was played out via the harbour's public announcement system. The campaign was supported by posters displayed around Australia, illustrating the grace and magnetism of these gentle giants.

As a result of the campaign, one in three Australians were inspired to save the whales and visitors to www. ifaw.org increased. The campaign was worth \$30,000 of agency time and reached over 8.5 million people.



View the video at wpp.com/sustainability





Campaign: HOPE

Client: Lebanese Red Cross Society **WPP company**: Y&R, Dubai

The Lebanese Red Cross Society is led by volunteers. Their mission is to provide relief to victims of natural and human-made disasters, and help people prevent, prepare for and respond to emergencies. However, many people don't volunteer because they don't know what the organisation does, or that Red Cross volunteers receive training on essential skills so that they can volunteer on local, national or international levels.

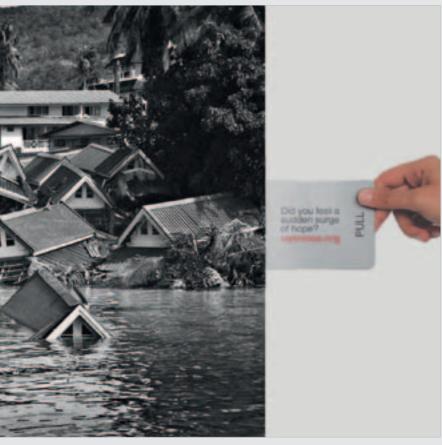
In 2011, Y&R created the 'HOPE' campaign for the Lebanese Red Cross to drive volunteer numbers and demonstrate the role of the Red Cross in making a big difference in people's lives.

The print and poster campaign depicted chaotic scenes of natural disasters in which the survivors look helpless. A pull tab mechanism on the side of the poster reveals one of the individuals in the scene as a Red Cross volunteer, transforming a heartbreaking situation into one filled with hope. A direct mail campaign with inserts in pan-Arab magazines was also used to help reach a wider audience.

In less than a week, over 1,757 volunteers signed up online and over several months donations to the Red Cross saw a dramatic increase. During the campaign period a total of \$500,000 was donated from individuals unable to volunteer their time but willing to help with supplies and training.







Campaign: Saving Tigers: Mila's Story

Client: WWF China Tigers Alive Initiative WPP company: Ogilvy & Mather, Kuala Lumpur

Over the past 100 years the global population of wild tigers has fallen by 97%. It is estimated that today only 3,200 exist in the world. In 2011, WWF launched the 'Tigers Alive' initiative to stop the decline of the tigers in the wild and help double their numbers by 2020.

O&M worked pro bono to raise awareness of the initiative. Their campaign centred on the life story of a young Indonesian woman named Mila. Mila learnt about the wild tiger's plight at a young age and it led to her becoming a WWF conservationist working to preserve their future. Ogilvy created a video showing her story in the hope that it would inspire more people to get involved.

Since the launch of the campaign, Mila's story has received over 6,000 views online. The campaign was worth \$50,000 of agency time.



View the video at wpp.com/sustainability







Campaign: Go RED!

Client: Richard House Hospice **WPP company:** The Partners, London

Richard House is a children's hospice in London, built to accompany families with children and young people with life-threatening conditions or complex healthcare needs.

Richard House's 'Go RED!' campaign encourages participants to raise money for the charity by any means as long as it involves the colour red. In support of the Go RED! campaign, The Partners collaborated with 120 of the UK's top illustrators to create a fundraising campaign based on the popular children's game, Consequences.

The Partners built and designed the website www.goinggoinggone-red.org where visitors could create and print their own unique figure made up of illustrations. With 64,000 possible combinations, only one of each combination was produced for print, allowing individuals to purchase one-off unique prints.

The campaign won a Gold Cannes Lion award and a Best In Book title in the Creative Review Annual. Go RED! has continued into 2012 and, if all the prints were sold, approximately £3.8 million would be raised.





Campaign: **Un Techo Nos Levanta** (We Raise a Roof)

Client: Un Techo Para mi País

WPP company: Partners Ogilvy, Santo Domingo

In Latin America, more than 200 million people live in poverty. Un Techo Para mi País (UTPMP) works to improve the quality of life of impoverished families across the region by constructing transitional houses and implementing social inclusion programs.

In 2011, Partners Ogilvy created a campaign to help raise the funds and volunteers needed to construct 500 homes. They decided to bring poverty to the attention of the wealthy and make them aware of the conditions thousands of people who live in shanty towns experience every day. To achieve this they placed a shanty house in the middle of a wealthy neighbourhood in the city. Despite the fact that permission had been granted for its construction, the house was dismantled by government officials. Fortunately this was widely covered in the media and on social networks, generating further awareness for the campaign. Postcards were handed out depicting reality of life in a shanty house. Finally, popular TV personality Nasha Bogaert lived for seven days in a real slum and had her experiences streamed online 24/7 through YouTube. A 15-minute summary of her day was aired each night on national television.

The pro bono campaign was worth \$45,000 and raised almost \$300,000 for Un Techo Para mi País. More than 2,000 people volunteered as a result of the campaign. In one week the number of Facebook and Twitter followers increased by 400%.



View the video at wpp.com/sustainability



Campaign: Let's Call an End to Human Trafficking

Client: Mayor's Office of New York, NYC Media and the Somali Mam Foundation
WPP company: Grey, New York

Human trafficking is believed to be one of the fastest-growing criminal industries in the world. However it often remains hidden from public view, allowing traffickers to evade detection by law enforcement. In 2010, the Mayor's Office of New York, NYC Media and the Somali Mam Foundation launched a new public-education awareness campaign called 'Let's Call an End to Human Trafficking'.

In 2011, for the second year running, Grey New York worked pro bono on the campaign.

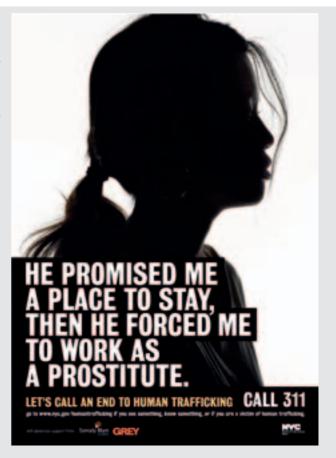
The multi-media campaign in Spanish, Chinese, Korean and Russian, features silhouettes of everyday people who may be affected by trafficking. Narrated by the Academy Award-winning actress, Emma Thompson, a powerful video illustrates the exploitation and control involved in the crime, as well as providing information about the signs of human trafficking, how to report it and what New Yorkers can do to get help.

The video is airing in taxis around New York City and on the city website, www.nyc.gov. The campaign also includes print ads, transit posters and palm cards.

Grey New York was recognized by the Mayor's Office during 'National Celebrate Pro Bono Week' for the campaign's effectiveness and by the U.S. Department of Justice Office for Victims of Crime.



View the video at wpp.com/sustainability





Governance and management

Our commitment to sustainability extends across our many operating companies and our 2,500 offices in 107 countries. This section explains how sustainability is integrated into our businesses and how we communicate and collaborate across our network.

Sustainability Committee

Paul Richardson, WPP's Group finance director, is the Board director responsible for corporate sustainability. To help embed sustainability in our business, a proportion of the variable element of his remuneration is linked to the Group's performance on sustainability issues.

To enhance collaboration on sustainability issues across WPP we have a Sustainability Committee made up of senior representatives from our companies and Group functions, chaired by Paul Richardson. Committee members meet to review progress at least annually at our Sustainability Strategy Day held in September. Committee members and other key people attend sessions relevant to their area of the business to review strategy and progress against targets, to share best practice and to identify opportunities for collaboration and further action. The main topics discussed in 2011 were:

- Opportunities associated with sustainable marketing.
- 2 Marketing ethics and risk management.
- Privacy and data security.
- Employment practices.
- Progress against our climate change strategy.
- Supply chain management.

GRI indicators covered in this section:
1.2, 2.3, 3.1, 3.3, 3.4, 3.5,
3.6, 3.9, 4.1, 4.4, 4.5, 4.8, 4.9,
4.11, 4.12, 4.14, 4.15, 4.16,
4.17, EN26, SO3, SO5, HR3,
HR6, HR7

Governance and management

The current members of our committee include:

- Jed Beitler, chairman & worldwide CEO, Sudler & Hennessey
- Craig Branigan, chairman & CEO, B to D Group
- Vicky Brown, compliance officer, WPP
- Owen Dougherty, chief communications officer, Grey Group
- Vanessa Edwards, head of sustainability, WPP
- Chris Graves, CEO, Ogilvy PR
- Julie Halpin, CEO, The Geppetto Group
- Tom Kinnaird, head of Global Commercial & Procurement Services, WPP
- Mark Linaugh, chief talent officer, WPP
- Mandy Pooler, development director, Kantar
- Dominic Proctor, president, GroupM
- Mark Read, director of strategy, WPP
- Paul Richardson, Group finance director, WPP (chair).

Sustainability management

Our approach to managing sustainability issues reflects the diversified and de-centralised structure of the Group. Strategic direction and underlying policy principles are established by the parent company, for example through the WPP Code of Conduct and Group Sustainability Policy. Detailed policies are developed and implemented by our operating companies to reflect their businesses.

We have a small central sustainability function within the parent company, which is responsible for strategy development, coordinating data collection, reporting and communication on sustainability with responsible investors, other stakeholders and our companies. It works with other Group functions, such as our talent team, legal, compliance, communications, internal audit, real estate, IT and procurement, to progress the sustainability agenda. It helps raise awareness of sustainability across the Group and provides support and guidance on sustainability issues to our operating companies. The head of sustainability reports directly to the Group finance director.

We have established key performance indicators to help us review and improve our performance. Sustainability data is collected quarterly through our Group financial reporting system. This is helping to embed sustainability into our operating company management systems.

Each WPP company has a nominated representative who is responsible for completing our annual internal case study survey of sustainability activity.

Corporate sustainability is included in our Group risk management processes.

Risk management, audit and assurance

Identification, management and monitoring of sustainability risks (including social, environmental and ethical risks) are fully integrated into the Group's risk management processes. Paul Richardson provides an annual assessment of sustainability risks and performance to the Nomination and Governance Committee.

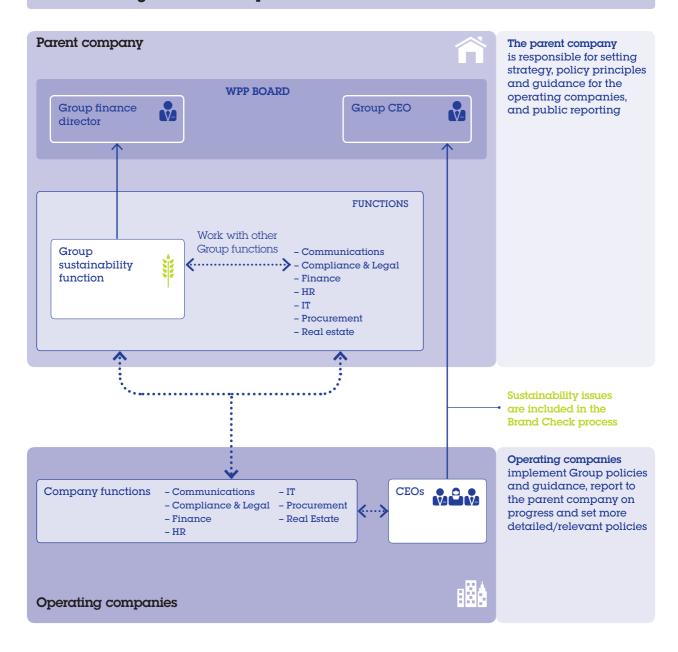
At each Board meeting, the Group chief executive presents a Brand Check review of each of the business' operations, including an assessment of the risks in each business, providing feedback on the business risks and details of any change in the risk profile since the last Board meeting.

Reviews of sustainability risks such as those relating to employment policies, privacy and data security are included in the scope of selected internal audits. Significant findings are reported to the Audit Committee.

We review potential sustainability-related risks in our due diligence process when we acquire new businesses. For example, our due diligence teams look at risks relating to bribery and corruption or ethical issues associated with client work. We have a process in place to make sure acquired businesses embed our policies and undertake our ethics training.

See our Annual Report for more detail on our risk management process, our audit process and a list of our principal risks.

How we manage sustainability issues



Material issues, risks and opportunities

Our approach to sustainability is focused on the issues we've identified as most material (relevant and significant) to WPP. Our assessment is informed by feedback from stakeholders, particularly investors, clients and our people, see pages 80 and 81.

Within these areas we have identified specific risks and opportunities and categorised them according to significance.

We respect human rights wherever we operate and are committed to upholding the principles contained in the UN Universal Declaration on Human Rights and the International Labour Organisation's fundamental conventions on core labour standards. We support the Guiding Principles on Business and Human Rights which were developed by UN Special Representative John Ruggie and approved by the UN in 2011. We plan to assess our approach against the Principles.

Risk/opportunity	Materiality rating	Reason	Our response
Damage to WPP's reputation from undertaking controversial client work.	High	Significant potential impact on the reputation of the Group and/or our companies.	Upward referral process established and communicated via the WPP Policy Book and ethics training. WPP's Ethics Committee discusses cases of concern and identifies new risk areas.
Marketing ethics, compliance with marketing standards, and transparency about our marketing practices.	High	Failure to comply with marketing standards could impact the Group's reputation or its relationship with clients.	Managed by our operating companies with referral to WPP Code of Conduct and WPP directors as necessary.
Compliance with privacy and data protection regulations and best practices.	High	Increasingly important issue as we pursue our business strategy to expand our digital and insight (research) businesses. Associated with contractual, financial, legal and reputational risks to the Group.	The Group assists our operating companies in developing principles on privacy. Our key digital marketing and research companies have nominated senior executives to provide leadership on privacy and to work with other companies in the Group.
Employment, including diversity and equal opportunities, business ethics, employee development, remuneration, communication and health and safety.	High	Policies on diversity, remuneration and training affect our ability to recruit and retain talented employees in key markets. Failing to meet standards on diversity and gender would impact the perception of the Group and quality of work.	Human resources policies are set and implemented at operating company level. WPP's chief talent officer assists the operating companies in attracting, developing and retaining our talent and to share best practice on issues such as recruitment, remuneration, engagement, diversity and training.
	Low	Health and safety is relatively low risk for WPP as an office-based company.	

Risk/opportunity	Materiality rating	, Reason	Our response
The social and environmental impact of our work for clients.	Medium	Already an important opportunity for WPP companies and we anticipate its significance will increase as environmental regulation and consumer interest continue to grow.	Opportunities to advise clients on marketing with a social or environmental dimension are identified by our companies.
Climate change, including the emissions from energy used in our offices and during business travel.	Medium	Our climate strategy enables us to comply with regulation, reduce costs and achieve our ambition to be a centre of excellence for sustainability communication. Likely to become more significant over time. Potential negative reputation and cost impact if we fail to meet our climate target.	Cross-functional, Group-wide Environmental Action Teams and a network of agency Climate Champions help implement our climate change strategy. Some companies have appointed environmental managers.
Other environmental impacts, including the resources we use (e.g. paper and water) and the waste we create.	Low	As an office-based company our resource use is relatively low.	Group strategies in place to manage paper sourcing and use, waste management, and water use at key locations. Other impacts managed by our companies.
Social investment, including pro bono work, donations to charity and employee volunteering.	Low- medium	Pro bono work supports employee development and retention, and the Group's reputation. Significant beneficial impact on charities we support.	Pro bono projects are agreed directly between WPP companies and charities. Many of our companies have long-standing relationships with their pro bono partners. WPP, the parent company, helps to coordinate pro bono projects involving multiple WPP companies or cross-Group collaborations.
Supply chain, including supplier standards and sustainable sourcing.	Low	A relatively low risk to WPP as a service company.	WPP's Group procurement team use ethical and environmental criteria in the selection of preferred suppliers. Other suppliers are managed at operating company level.

Stakeholder engagement

Feedback from clients, investors, our people and other stakeholders helps us to improve how we manage social and environmental issues and to identify emerging risks and opportunities.

We respond to regular requests for information from clients on our approach to sustainability issues and we collaborate with them on these topics as appropriate. For example, WPP is a member of Procter & Gamble's Sustainability Supplier Board and is helping them to pilot their supplier sustainability scorecard project.

We assist investors to understand the issues material to our business and respond to their feedback where possible. To raise investor awareness of our approach to sustainability we submit the sustainability section of our Annual Report for share owner vote at our AGM.

In 2011, we responded to requests for information and engagement by the following investment organisations:

- ASN Bank
- BNP Paribas
- Carbon Disclosure Project
- Dow Jones Sustainability Index
- Ethical Investment Research Service (EIRIS)
- EthiFinance
- FTSE4Good
- IDEAM (part of Amundi Group)
- GMI
- Goldman Sachs
- Oekom
- Sustainanalytics
- Sycomore Asset Management
- Vigeo

Most engagement with stakeholders takes place as part of everyday business. To supplement this, in January 2012, we held a stakeholder meeting to obtain feedback from investors, clients and sustainability experts. Issues raised by participants at this meeting included our approach to integrating sustainability across the Group, commercial opportunities relating to sustainability in marketing,

our approach to managing ethical issues in client work and our policy on issues such as tax and lobbying. We are reviewing the feedback and will respond where possible.

We engage with our people through regular meetings, our employee surveys (conducted at operating company level), Group intranet and regular newsletters and publications.

We aim to raise awareness of sustainability among our employees and to involve them in our programs. We distribute our Sustainability Report to 2,000 senior managers and send copies to WPP sustainability representatives, communications departments, key account executives and new business directors. Articles on sustainability are included in *The WIRE* (WPP's global newspaper and eBook) and our magazine for procurement professionals. In 2011 this included articles on leading sustainability research conducted by WPP companies, guidance on how to respond to investor questions on WPP's social and environmental policies and processes, as well as showcasing some of WPP's award-winning pro bono campaigns.

WPP is a member of a number of organisations working to improve practices in aspects of sustainability. We are members of Business in the Community, the Employers Forum on Disability, the Institute of Business Ethics and the Media Trust.

We aim to make our website, including our online sustainability report as accessible as possible. In Q1 2012 our site was rated third out of over 500 company sites assessed for accessibility by SiteMorse. See www.sitemorse.com.

Quotes from our stakeholder meeting

"Sustainability is potentially a massive commercial opportunity. All business is going to have to think about weaning off consumerism, moving from ownership to sharing. Make sustainability a selling point for clients. It should be part of your creative offering and the way your people think and act."

"How do you make decisions and do you have a due diligence framework? It's unclear how WPP companies decide who they'll do business with."

"Control and consistency of standards for a global company is important. A further issue is how you exert influence over companies with a minority stake."

"I'd like to see more figures on issues like responsible marketing and lobbying. Although I know these are incredibly difficult to quantify."

"You should include a couple of slides on sustainability in your results presentations. This would help to bring sustainability into the mainstream investor mind-set, which would eventually benefit your business."

Business ethics

All employees are expected to comply with the standards set out in our WPP Code of Conduct and Group Sustainability Policy. These provide guidance for our people in dealing with a wide range of ethical, social and environmental subjects and are available on our website and intranet. Both are regularly updated.

To reinforce the importance of meeting high ethical standards, the senior management of each WPP company are required to sign a statement annually confirming they comply with WPP's Code of Conduct. Our Code of Conduct is supported by more detailed policies which cover a range of issues such as gifts and entertainment and the appointment of advisors. These are included in the WPP Policy Book.

All employees must undertake our online 'How we behave' ethics training which is based on the WPP Code of Conduct. It covers topics such as diversity, responsibility to stakeholders, and avoiding misleading work. It uses scenarios to help employees identify and respond appropriately to ethical issues they may encounter in their work and includes a written introduction from Sir Martin Sorrell, our CEO. To reach employees across our businesses, training is provided in a variety of ways, including online and face to face. Employees must also complete our online training on anti-bribery and corruption, which covers the Foreign Corrupt Practices Act and UK Bribery Act 2010 and issues such as hospitality and gifts. By the end of 2011, over 100,000 employees had undertaken both sets of training. We intend to refresh both training courses during 2012.

In 2011, we appointed a compliance officer to oversee our approach to ethics and compliance and to provide support and guidance to our operating companies. She reports to our Group chief counsel and director of Internal Audit.

Employees can report any concerns or suspected cases of misconduct in confidence through our third party-managed Right to Speak facility, overseen by our internal audit department. This is publicised through induction packs, the Group intranet, the

WPP Policy Book and our ethics training. There were 42 calls made via Right to Speak during 2011, all of which were followed up.

We expect associate companies (those in which we hold a minority stake) and affiliate companies (preferred partners which we may refer business to) to adopt ethical standards which are consistent with our own. We communicate our expectations to associates and affiliates and we are extending our ethics training and anti-bribery and corruption training to employees of WPP's associate companies.

Corporate governance

The Board of Directors as a whole is collectively accountable to WPP'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, the NASDAQ rules, and their related regulations and, where practicable, seek to comply with guidelines issued by institutional investors and their representative bodies.

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 of 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 of 1934.

Tax policy

We believe it is important to state our views on tax in the context of sustainability. We believe our obligation is to pay the amount of tax legally due in the territory in which the liability arises and to observe all applicable rules and regulations in all of the territories in which we operate. However, at the same time we also have an obligation to maximise share owner value and to manage financial and reputational risk. This includes controlling our overall liability to taxation.

The Group does not condone either personal or corporate tax evasion under any circumstances, and where such activities are identified, full disclosure of the activities undertaken are required to be made to the relevant tax authorities.

Our aim is to have a constructive relationship with tax authorities on an ongoing basis. Nevertheless, we recognise that there may be some areas that are not free from doubt or where differing legal interpretations may be possible. Where disputes arise with tax authorities with regard to the interpretation and application of tax law, we are committed to addressing the matter promptly and resolving the matter in a responsible manner.

The Group paid corporation taxes of £248 million in 2011. Employer and employee taxes (e.g. payroll and social security-related taxes) paid were over \$1.2 billion.

Our Board's Audit Committee is responsible for overseeing our policies on tax and regularly review our tax strategy to ensure it remains appropriate for the Group and its relevant stakeholders. This committee is made up of independent non-executive directors. Key tax issues are subject to review by both the Board and the Audit Committee as appropriate.

Lobbying and political contributions

WPP does not make political contributions from corporate resources with the occasional exception of very small, lawful contributions to local candidates in the US.

In countries where it is consistent with applicable law, individuals working at WPP make personal voluntary political contributions directly to candidates for office. Several of our businesses, including Wexler & Walker, Hill+Knowlton Strategies, Burson-Marsteller and Glover Park Group also maintain political action committees (PACs) which accept voluntary donations from employees to support political candidates.

On occasion, WPP engages in the debate on public policy issues relevant to our business, sometimes operating through our public affairs companies. For example, during 2011 Sir Martin Sorrell participated in a round table advising the UK Government's communications review.

Our operating companies also engage on relevant issues. For example, our digital and research companies give their views on proposed changes to privacy and data protection regulation.

Several WPP companies have public affairs practices which lobby governments on behalf of clients. See page 32.

Managing sustainability in our supply chain

WPP spends over \$9 billion with suppliers of goods and services each year, related to both our own business as well as the work we do for our clients. We aim to work with suppliers that protect the environment and meet high standards on employment practices. We are committed to managing sustainability risks in our supply chain, both for ourselves and for our clients.

We also look for opportunities to increase the proportion of environmentally-preferable products and services we buy and/or reduce demand. See page 52.

Managing sustainability in our supply chain is the responsibility of the global Procurement Leadership Team (PLT), who make sure that sustainability initiatives and policies are communicated through local procurement teams in our countries and operating companies. Sustainability is included in the personal objectives for all PLT members. Objectives are aligned with our three main themes of supplier selection, managing supply chain risk and helping operating companies to integrate sustainability into their local procurement. We raise awareness through quarterly reporting, our regular cross-Group sourcing team activities and newsletters.

Our supply chain

We currently focus most of our sustainability efforts on WPP preferred suppliers that provide goods and services to our operating companies such as IT, travel, telecommunications, professional services (for example, consultancy and recruitment) and facilities management. We spend over \$4 billion with these suppliers each year and many contracts are negotiated centrally by WPP Commercial & Procurement Services.

For goods and services used in client work, contracts are usually smaller and negotiated by budget holders within our individual operating companies. Suppliers of these goods and services are generally not directly included in our Group sustainability program, although individual operating companies are encouraged to apply sustainability approaches which are consistent with Group best practice. Where WPP's procurement team leads projects to select preferred suppliers for client work, sustainability selection criteria are applied.

Governance and management

Selecting preferred suppliers

WPP's Global Procurement Policy contains ethical and environmental criteria which our Group procurement teams use in supplier selection and management.

We evaluate companies thoroughly against a set of business requirements before they can become a preferred supplier. These include assurance of supply, quality, service, cost, innovation and sustainability. We do not have a standard weighting for each criteria which may vary from project to project.

As part of this process we ask potential suppliers to complete a simple five-point sustainability questionnaire to raise awareness and make our requirements clear:

- Policy. Does your company have a sustainability policy?
- Responsibility. Is a senior executive (or executives) responsible for sustainability performance? Does your company have a sustainability manager or equivalent?
- 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 & safety and community).
- Reporting. Does your company publish a sustainability report?
- Supply chain. Does your company have a process for implementing sustainability standards in its supply chain?

The answers help us to evaluate a potential supplier's approach to sustainability. In 2011, all new preferred Group suppliers completed our sustainability questionnaire.

During 2012, we are improving our data collection systems which will enable us to better track spending with third-party suppliers in our operating companies. In particular, this will help us to understand which of our operating companies are sourcing from our preferred suppliers. We also intend to pilot a new tracking and reporting system for diverse suppliers in the US. In addition, we are reviewing our approach to supplier selection and reporting of sustainability metrics, with a view to implementing new policies in this area in the second half of the year.

WPP's Sustainability Policy

e believe our business can make a positive contribution to society and the environment by managing our activities with care and by working with responsible organisations that promote social and environmental causes. Our operating companies are required to comply with this Sustainability Policy and report performance to the parent company quarterly.

We recognise that many different stakeholders have an interest in our business and we welcome discussion of our policies and performance.

Social investment

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, gender identity or expression, age or disability.
- Will support training and career development for our people.
- Will provide a safe and civilised workplace free from sexual harassment or offensive behaviour.

Marketing ethics

WPP companies:

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

Environment

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

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

WPP sets quantitative targets for reducing our key environmental impacts. We aim to minimise the environmental impacts associated with the advertising and communications campaigns we create for clients. Our operating companies are encouraged to help achieve these goals.

Human rights

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

We support the right of our people and their families to basic human rights, including the right to organise, the right to collective bargaining, the right to fair conditions of work, freedom of opinion and expression and freedom from forced labour and child labour.

WPP's Code of Conduct

- PP and its companies operate in many markets and countries throughout the world. In all instances, we respect national laws and any other laws with an international reach, such as the US Foreign Corrupt Practices Act, where relevant, and industry codes of conduct. We are committed to acting ethically in all aspects of our business and to maintaining the highest standards of honesty and integrity.
- We, the officers and staff of all companies in the WPP Group ('the Group'), recognise our obligations to all who have a stake in our success, including share owners, clients, staff and suppliers.
- Information about our business shall be communicated clearly and accurately in a non-discriminatory manner and in accordance with local regulations.
- We select and promote our people on the basis of their qualifications and merit, without discrimination or concern for race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability.
- We believe that a workplace should be safe and civilised; we will not tolerate sexual harassment, discrimination or offensive behaviour of any kind, which includes the persistent demeaning of individuals through words or actions, the display or distribution of offensive material, or the use or possession of weapons on WPP or client premises.

- We will not tolerate the use, possession or distribution of illegal drugs, or our people reporting for work under the influence of drugs or alcohol.
- We will treat all information relating to the Group's business, or to its clients, as confidential. In particular, 'insider trading' is expressly prohibited and confidential information must not be used for personal gain.
- We are committed to protecting consumer, client and employee data in accordance with national laws and industry codes.
- We will not knowingly create work which contains statements, suggestions or images offensive to general public decency and will give appropriate consideration to the impact of our work on minority segments of the population, whether that minority be by race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability.
- We will not undertake work which is intended or designed to mislead, including in relation to social, environmental and human rights issues.
- We will consider the potential for clients or work to damage the Group's reputation prior to taking them on. This includes reputational damage from association with clients that participate in activities that contribute to the abuse of human rights.
- We will not for personal or family gain directly or indirectly engage in any activity which competes with companies within the Group or with our obligations to any such company.

- We will not give, offer or accept bribes, whether in cash or otherwise, to or from any third party, including but not restricted to government officials, clients and brokers or their representatives. We will collectively ensure that all staff understand this policy through training, communication and by example.
- We will not offer any items of personal inducement to secure business. This is not intended to prohibit appropriate entertainment or the making of occasional gifts of minor value unless the client has a policy which restricts this.
- We will not accept for our personal benefit goods or services of more than nominal value from suppliers, potential suppliers or other third parties.
- We will not have any personal or family conflicts of interest within our businesses or with our suppliers or other third parties with whom we do business.
- No corporate contributions of any kind, including the provision of services or materials for less than the market value, may be made to politicians, political parties or action committees, without the prior written approval of the WPP Board.
- We will continue to strive to make a positive contribution to society and the environment by: maintaining high standards of marketing ethics; respecting human rights; respecting the environment; supporting community organisations; supporting employee development; and managing significant sustainability risks in our supply chain. Our Sustainability Policy provides more detail about our commitments in these areas.

Performance summary

This section provides a summary of our performance this year, key performance data and our plans for the year ahead.

Performance and plans

Issue and goals

The impact of our work

The social and environmental impact of our work for clients is a key sustainability issue for WPP. We aim to be a centre of excellence for environmental and social communication.

Marketing ethics

We expect all work by WPP companies to comply with marketing codes and regulations, and for our companies to identify and manage any ethical risks associated with client work.

Privacy

Privacy and data protection are priority issues for all our companies and we aim to meet best practice standards.

Employment

We aim to attract and retain the most talented people from all backgrounds.

Environment

We are committed to reducing our impact on the environment. Climate change is our priority and our goal is to make WPP a low-carbon Group.

Social investment

Our companies are encouraged to undertake pro bono work for not-for-profit organisations involved in tackling social and environmental issues and to support good causes through donations and employee volunteering.

 Summary of progress in 2011	Our plans
Our companies continued to advise clients on corporate responsibility and sustainability issues, and published research on related topics. To help our clients more easily access our sustainability expertise and to enhance collaboration across WPP, we published a Sustainability Navigator, a handbook and online resource summarising our companies' sustainability offerings.	Continue to support our companies and to promote their sustainability expertise. In 2012 this will include providing further online resources and running a series of webinars on sustainability topics for our companies.
100,000 employees have taken Ethics and Anti-bribery and corruption training. Our Ethics Committee met regularly to discuss any ethical issues related to client work. Many professionals from our companies participated in industry groups and helped to develop and evolve marketing codes of practice.	Continue to protect WPP's reputation by taking decisions at the appropriate level. Continue to comply with all laws and industry codes governing marketing material and to improve standards and measurement in marketing practice.
We presented our briefing document on privacy to the finance directors of Group companies in 2011 and some companies have distributed it directly to each of their employees.	Further improve our understanding of the type of data handled by our companies and introduce privacy to our Global Ethics Training, to be completed by all WPP employees. Continue to engage with clients, suppliers, employees and regulators on privacy issues.
Women accounted for 31% of Board members/executive leaders, 47% of senior managers and 54% of total employees. Forty-three nationalities are represented among WPP Leaders and Partners, the senior echelon of our business. £58.3 million invested in training and wellbeing.	Continue to support our companies' talent recruitment and retention and to improve standards and measurement in employment.
In 2011, our carbon footprint per person was 2.44 tonnes, down 3% on 2010 and 26% lower than 2006. We were ranked 41 out of 500 in <i>Newsweek</i> magazine's Green Rankings 2011.	Despite progress, we are unlikely to meet our interim carbon emissions target of 1.8 tonnes per person in 2012. We are reviewing our strategy and will adjust our approach as necessary to work towards our 2015 and 2020 targets.
The total value of our social investment was £15.3 million compared with £14.3 million in 2010, including £10.5 million worth of pro bono work. This is equivalent to 1.5% of reported profit before tax. WPP media agencies negotiated free media space worth £12.4 million on behalf of pro bono clients.	Continue to make a significant contribution to good causes through pro bono application of our marketing skills and direct donations to charity.

Data summary

Key data

	2007	2008	2009	2010	2011
Financial overview					
Revenue (£m)	6,128	7,477	8,684	9,683	10,022
Headline PBIT (£m)	928	1,118	1,017	1,229	1,429
Market capitalisation at year-end (£m)	7,709	5,052	7,658	9,982	8,554
Number of employees (including associates)	110,000	135,000	138,000	146,000	158,649
Employment					
Gender diversity – Employees (% female)	55%	54%	54%	54%	54%
Gender diversity – Senior managers (% female)	47%	47%	46%	48%	47%
Gender diversity – Board members/executive leaders (% female)	33%	32%	32%	31%	31%
Ethnic diversity in the UK and US – Employees (% ethnic minority)	21%	23%	23%	24%	24%
Ethnic diversity in the UK and US – Senior managers (% ethnic minority)	13%	16%	16%	16%	17%
Ethnic diversity in the UK and US – Board members/executive leaders (% ethnic minority)	11%	12%	8%	11%	11%
Staff training and welfare (£m)	38.6	42.6	39.9	48.9	58.3
Environment					
Office energy use (tonnes CO ₂)	124,335	121,572	143,154	141,113	142,438
Air travel (tonnes CO ₂)	92,269	89,500	76,073	85,848	98,482
Other impacts (tonnes CO ₂)	32,491	31,661	32,884	34,044	36,138
Total carbon footprint (tonnes CO ₂)	249,095	242,733	252,111	261,004	277,058
Total energy use (MWh)	272,545	284,930	340,647	350,724	345,462
Carbon intensity (tonnes of CO ₂ per employee)	2.76	2.54	2.55	2.51	2.44
Social investment					
Total social investment (£m)	16.3	14.6	14.9	14.3	15.3
% of total revenue	0.3	0.19	0.17	0.15	0.15
% of profit before tax	2	2	1.8	1.7	1.5
Value of pro bono work (£m)	12.8	10.3	10.8	9.3	10.5
Charitable donations (£m)	3.5	4.3	4.1	5.0	4.8

Note:

All data, except for financial data, covers wholly-owned companies only. Financial data includes associate companies (those in which we have a minority stake).

About this report

PP's 10th annual sustainability report showcases our approach to social, ethical and environmental issues and reports progress made across the Group during 2011.

Data collection

Data relates to the calendar year 2011. Most sustainability data is collected quarterly through our financial reporting system. This includes data on energy and CO₂ from our buildings, air travel, social investment, employment infringements, employee diversity, training and wellbeing, recycling and paper use. The data covers 113,615 employees from whollyowned WPP companies. We identify marketing infringements involving WPP companies from public reports by regulatory authorities and directly from WPP businesses through our financial reporting system.

The report links to further information on wpp.com. Information on corporate sustainability is also included in our Annual Report.

Case studies for this report are collected through an annual survey of our companies. Each WPP company has nominated a representative who is responsible for completing this survey of activity. Completed surveys are signed off by the company CEO before submission to WPP.

We have provided information on the Global Reporting Initiative (GRI) indicators covered in our reporting. A detailed GRI index is available in the online version of our report, wpp.com/sustainability.

We don't think reporting should be a one-sided conversation. We welcome your feedback – whether positive or negative – and questions. For further information about WPP's sustainability activities, please contact Vanessa Edwards, head of sustainability: vedwards@wpp.com.

GRI indicators covered in this section: **2.4**



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About the images

In recent years, our reports have drawn visual inspiration from individual markets important to our clients and our companies. Since 2005 we have looked respectively to India, China, Africa, Brazil, the US and last year, Eastern Europe. This year we take our visual cue from the UK, in the year of the London Olympics, featuring the iconic images of distinguished British artist, the late Patrick Caulfield.

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2003



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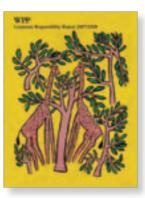
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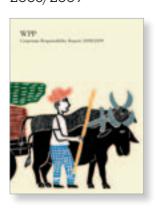
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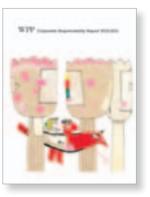
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