

# OUR PLANET



We support urgent action to tackle the climate crisis and aim to reach net zero carbon emissions across our value chain by 2030.

## WHO'S IN CHARGE?

Our Global Corporate Affairs Director has operational responsibility for managing our response to climate change. The sustainability working group of the WPP Executive Committee has played an active role in shaping our new net zero strategy. At Board level, the Sustainability Committee has responsibility for sustainability and climate change, and meets a minimum of four times per year. Throughout the year the Sustainability Committee received regular updates as we developed our net zero strategy.

## HOW ARE WE DOING?

0.52

tonnes CO<sub>2</sub>e emissions per person from direct operations (scope 1 and 2), a 37% reduction year-on-year (2019: 0.82 tCO<sub>2</sub>e).

75%

completed Campus projects certified to advanced green building standards (equivalent to LEED Gold or above).

65%

of electricity from renewable sources (2019: 37%), with 100% electricity from renewable sources in Canada, the UK and most European markets for the first time.

FOUNDING MEMBER

of AdGreen, an industry initiative to eliminate the negative environmental impacts of advertising production.

## IN THIS SECTION

### OUR CLIMATE STRATEGY

Our response to the climate crisis, including our new commitment to reach net zero carbon emissions by 2030 and details of our baseline value chain emissions.

### TASK FORCE ON CLIMATE-RELATED DISCLOSURES

Summary of our third TCFD statement.

### REDUCING EMISSIONS FROM OUR BUILDINGS

Including our Campus strategy.

### RENEWABLE ELECTRICITY

Including progress against our target to purchase 100% electricity from renewable sources by 2025.

### REDUCING VALUE CHAIN EMISSIONS

Breakdown of our scope 3 emissions.

### AIR TRAVEL AND OFFSETTING

How we seek to minimise our impact through air travel.

### CIRCULAR ECONOMY

Our approach to managing waste and resources, and our plastics initiative launched in 2019.



## H&M LOOP

**AGENCY**  
AKQA GOTHENBURG, UNIVERSAL LONDON

**CLIENT**  
H&M

84% of clothing ends up as landfill or in the incinerator. It's time to change the way we see our worn out and old clothing. Not as waste, but as a resource.

The solution? Give H&M customers the opportunity to recycle old clothing into something new, with Loop, the world's first in-store garment-to-garment recycling system.

Housed in a stunning glass box at an H&M store in central Stockholm, visitors select one of eight new, ready-to-wear designs, configured through the app, and watch as unwanted garments are fed into the Loop to get cleaned, shredded and spun into yarn without the use of water or chemicals.

Opposite the machine, eight giant screens display the end-to-end process behind it. Each depicts an individual step as a beautifully animated loop, which come to life as customers walk by. ASMR sound enriches each film to heighten the sensory experience. An accompanying website brings this revolutionary recycling system and its story to a global audience.

## OUR CLIMATE STRATEGY

We support urgent action to tackle the climate crisis through delivering the goals of the Paris Climate Agreement. WPP is a proud signatory to the UN Global Compact's Business Ambition for 1.5°C and we aim to be net zero across our value chain by 2030, including emissions from media buying.

We recognise that modern lifestyles and demand for goods have contributed significantly to the climate crisis and environmental degradation. We also know the threat these impacts pose to global social and economic development. Advertising has undoubtedly played a role in fuelling consumerism – but we are excited about the part it can now play in promoting low-impact and regenerative living.

Of our top 50 clients, 64% have committed to setting targets through the Science-Based Targets initiative (SBTi). We want to partner with clients to help deliver against their goals. We know that collaboration with clients and suppliers will be critical in delivering against our own targets.

WPP has been managing its carbon footprint from owned emissions (scopes 1 and 2) and business travel (limited scope 3) for 15 years. In 2020 office closures as a result of Covid-19 contributed to a significant fall in our carbon emissions per employee, down 37% year-on-year, and absolute market-based scope 1 and 2 emissions, which fell by 41%.

During the year, we assessed our full value chain emissions using 2019 emissions data. In 2019, WPP's scope 1, 2 and 3 emissions totalled 5.4m tCO<sub>2</sub>e. Our scope 1 and 2 emissions are less than 2% of our overall value chain footprint (see chart below). Our new goals are underpinned by absolute reduction targets across our value chain (scope 1, 2 and 3) that are in line with the Paris Climate Agreement and will be published once verified by the SBTi.



To learn more about our net zero strategy see [wpp.com/netzero](https://wpp.com/netzero)

# 2030

net zero carbon emissions across our supply chain (scope 3)

# 2025

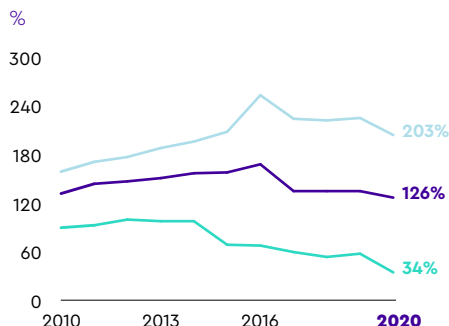
net zero across our owned operations (scope 1 and 2)

# 100%

renewable electricity by 2025

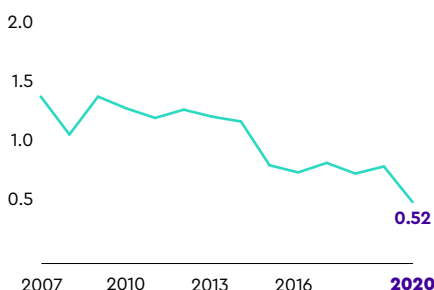
### 2020 PERFORMANCE

#### DECOUPLING GROWTH FROM SCOPE 1 AND 2 EMISSIONS



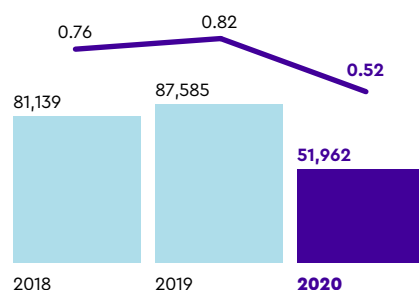
● Revenue  
● Headcount  
● Emissions  
Baseline year = 2006

#### SCOPE 1 AND 2 (MARKET BASED) TONNES CO<sub>2</sub>e EMISSIONS PER PERSON



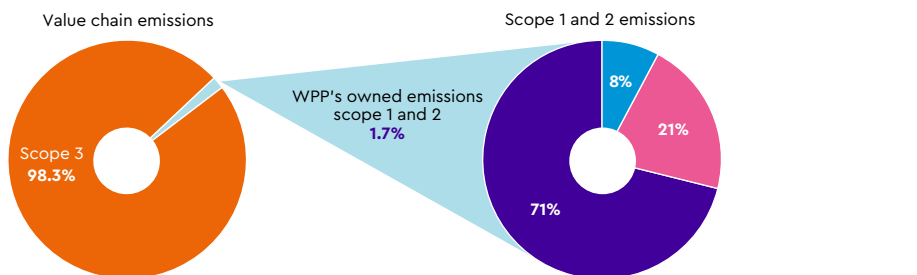
● Headcount intensity  
Our scope 1 and 2 market-based emissions for 2020 were 0.52 tCO<sub>2</sub>e/head, a 37% reduction from 2019. Our carbon intensity per £1 million revenue was 4.33 tCO<sub>2</sub>e, a 35% reduction since 2019.

#### CARBON EMISSIONS PROGRESS



● Market-based scope 1 and 2 (tCO<sub>2</sub>e)  
— Scope 1 and 2 per person (tCO<sub>2</sub>e/person)

#### WPP EMISSIONS PROFILE (2019 BASELINE DATA)



\*Company cars included in scope 1 footprint for the first time  
\*\*Market-based electricity is based on renewable electricity procurement

#### CDP CLIMATE CHANGE

We participate in the CDP Climate Change programme to disclose our climate strategy and performance to institutional investors. In 2020, we maintained our score of B.



to read our CDP response visit [cdp.net](https://cdp.net)

## UNDERSTANDING OUR EMISSIONS

The first step in achieving net zero carbon emissions by 2030 is to understand our carbon footprint and where the carbon emissions across our value chain originate.

We use Greenhouse Gas (GHG) Protocol standards, which are internationally

recognised and establish terminology that can be used by all companies.

The visual below is based on the GHG Protocol Corporate Value Chain, focusing on the aspects that are most relevant to WPP.

It is important to bear in mind that as carbon emission accounting for digital emissions is in its infancy, methodologies continue to evolve. This is particularly the case for downstream emissions.

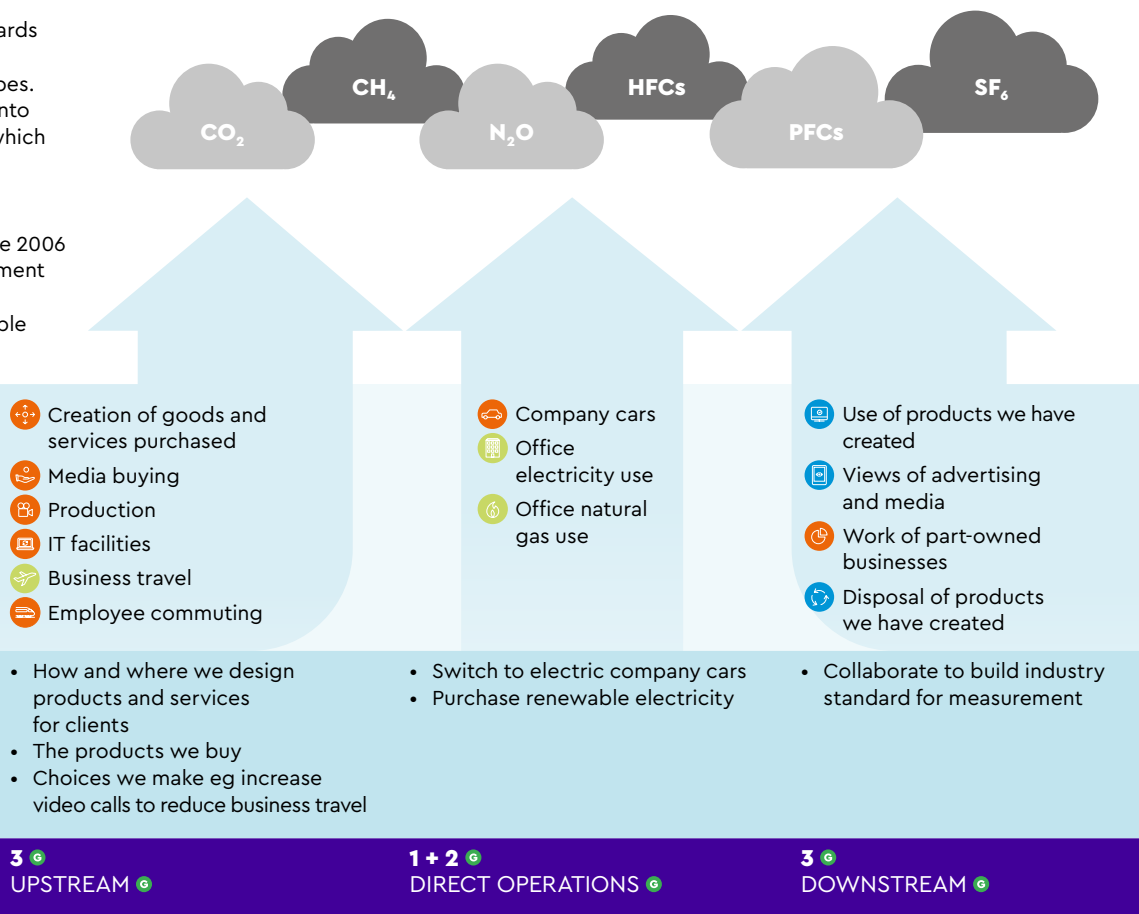
### EMISSION SOURCES IN WPP'S VALUE CHAIN

The GHG Protocol standards categorise a company's emissions into three scopes. Scope 3 is then divided into 15 sub-categories, 11 of which are relevant for WPP.

**Measurement:**

- Measured by WPP since 2006
- Commenced measurement during 2020
- Currently not measurable

**Emissions produced as a result of our activities**



**Our influence**

**GHG Protocol Scope**

● Terminology set by GHG Protocol.

**TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES**

We support the Task Force on Climate-related Financial Disclosures (TCFD) and are developing our disclosures in line with its recommendations. Our third TCFD disclosure is included in our Annual Report (pages 216-218) and is structured around four themes: governance, strategy, risk management, and monitoring our progress.

In our disclosure we identify the following physical and transition climate-related risks and opportunities, their potential business impact and how we manage them.

**RISKS**

- increased frequency of extreme weather and climate-related natural disasters;
- increased reputational risk associated with misrepresenting environmental claims; and
- increased reputational risk associated with working with oil and gas companies and taking on environmentally detrimental briefs.

**OPPORTUNITIES**

- increased demand for sustainable products and services; and
- achieving resource efficiencies through cutting our carbon footprint and improving energy efficiency.



To read our TCFD disclosure and full carbon emissions statement, see our Annual Report 2020, pages 216-219

## REDUCING EMISSIONS FROM OUR BUILDINGS

We continue to move employees into Campuses, closing multiple smaller sites and replacing them with fewer, larger, more environmentally friendly buildings that offer modern, world-class workspaces. The proportion of our people based in Campuses has increased steadily from 15% in 2018 to 33% in 2020, though most of our colleagues have, of course, been working from home during the last year.

By 2025 we expect 85% of WPP employees to be based in Campuses. There is no doubt that a lasting legacy of Covid-19 will be to change the way that we work, providing an opportunity to reduce our space requirements by about 20% on average. To understand the needs of our people as we reopen offices, we have run a comprehensive set of workshops across the world and are embedding the findings within the future Campus strategy.

We apply sustainable building standards to help us reduce our impact. When we lease, purchase, fit out or renovate a building larger than 50,000 square feet, we require it to be certified to an internationally recognised standard such as the United States' LEED standard or the UK BREEAM standard. We estimate this reduces energy use by around 21% per location. Smaller offices must either be certified or assessed against our own scorecard covering energy and carbon, water, materials and waste, travel, and health and safety.

Three quarters of our completed Campus projects have been certified to advanced green building standards (equivalent to LEED Gold or above) and we aim for all our new workspaces to achieve the highest accreditation achievable considering the individual workspace.

We are also utilising building optimisation technology and rethinking how we design our office spaces to tackle the current and future issues faced by our people through the local effects of climate change and disease.

In addition to energy reductions, we aim to design and run our offices in a way that promotes wellbeing. Considering factors such as indoor air quality (especially in large cities), thermal comfort, lighting levels, noise and acoustics is good for our people and can help boost productivity. Our roadmap to net zero includes changing the way we make investment decisions related to our buildings and in 2021 we will integrate climate-related risk assessment into the technical due diligence suite that we follow when we invest in a new Campus building. This will help to ensure that material acute and chronic physical climate risks are considered in design and embedded into business continuity procedures.

# Net zero

by 2025 across our owned operations

# 85%

of WPP staff will be based in a Campus by 2025

# 75%

completed Campus projects certified to advanced green building standards (equivalent to LEED Gold or above)

## RENEWABLE ELECTRICITY

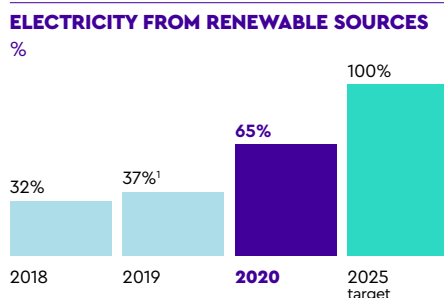
In 2020, WPP committed to sourcing 100% of our electricity from renewable sources by 2025, and became a member of RE100, a global initiative bringing together businesses committed to 100% renewable electricity to accelerate change towards zero carbon grids at scale.

We made significant progress during the year, purchasing 65% of our electricity from renewable sources (2019: 37%<sup>1</sup>), including 100% of electricity purchased in the United States and, for the first time, in Canada, the UK and the majority of European markets.

We are developing a detailed roadmap to meet our RE100 commitment, which will:

- identify priority contracts to migrate to renewable tariffs;
- provide new guidelines to our finance and procurement communities on electricity purchasing; and

- set standards for purchasing Energy Attribution Certificates (EACs) to define and specify additionality to take into account biodiversity and other local impacts of renewable electricity development.



<sup>1</sup> Figure restated as part of data reviews upon joining RE100.

# 65%

electricity purchased from renewable sources (2019: 37%)

# 79,642

Green-e Energy certified RECs purchased for 2020 (2019: 44,914)

# 100%

electricity from renewable sources in Canada, the UK and most European markets for the first time

RE100

CLIMATE GROUP



## REDUCING VALUE CHAIN EMISSIONS

In 2020 we worked with Carbon Intelligence to map our carbon emissions (scope 1, 2 and 3) using 2019 data. The chart (right) provides a breakdown of our scope 3 carbon emissions.

Our supply chain makes up the most significant part (98%) of our total emissions.

We will reach net zero emissions in our supply chain by 2030. This target includes the carbon emitted from the advertising we place in the media on behalf of our clients – which represent over half (55%) of all the emissions in our supply chain.

We have identified four emissions hotspots to address:

- media spend;
- production;
- technology; and
- business travel (see page 34).

In 2021, we will work to develop detailed roadmaps and coordinate actions to reduce emissions across these hotspots.

### MEDIA SPEND

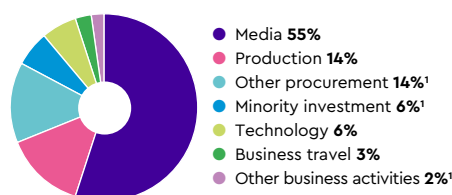
With over \$60 billion in advertising placed in 2020, WPP is the world's largest investor in media advertising. Our media investment forms 55% of our total scope 3 footprint.

We aim to work with our media partners to develop industry-wide standards for measuring and eliminating the carbon emitted from the placement of advertising in the media.

To reduce emissions, over the coming years we will focus on:

- improving data by developing a media channel-level carbon calculator to understand emissions from each piece of content placed;
- asking vendors to share carbon data, focusing on top 20 markets and vendors first so as not to disadvantage emerging markets or minority media;
- factoring carbon into investment decisions; and
- creating education programmes and resources to ensure that we continue to create a healthier, diverse and more trusted media ecosystem.

### VALUE CHAIN EMISSIONS



<sup>1</sup> Other procurement spend includes spend related to facilities, HR, professional fees and similar items. Minority investments includes estimated emissions from companies in which WPP has less than a 50% ownership share. Other business activities includes employee commuting, downstream leased assets (buildings) and other fuel use.

### PRODUCTION

The carbon emissions generated by the production of the films and other content we create on behalf of clients are responsible for 14% of our total carbon footprint.

Through our production agency, Hogarth, we are using virtual production technology and techniques to produce high quality work at scale, tailored to every channel and audience, while at the same time reducing the associated carbon emissions – for example by reducing the need for carbon intensive location-based shoots – and increasing speed to market.

We recognise that we cannot reduce emissions from production alone. So in 2020 we became founding members of AdGreen, a new industry initiative to eliminate the negative environmental impacts of production (see case study, right).

### TECHNOLOGY

The technology we use – from data centres to the e-mails we send – generates carbon emissions that make up 6% of our scope 3 footprint. As we increase our use of cloud infrastructure, powered by renewable electricity, we will reduce our energy consumption and our carbon emissions, as well as drive down waste.



Find out more about our net zero commitments and strategy at [wpp.com/netzero](https://wpp.com/netzero)

### REDUCING PRODUCTION EMISSIONS AT SCALE

Advertising production makes up 14% of our scope 3 carbon emissions. We cannot reduce these emissions at scale on our own. So in 2020, WPP became a founding partner of AdGreen, an initiative to unite the advertising industry in eliminating the negative environmental impacts of production.

Launched in the UK through the Advertising Association, but with global ambition, AdGreen provides free training, a renewable energy buy-in scheme and practical resources to enable the industry, wherever the activity is, to act for a sustainable future. In 2021 it will launch a carbon calculator to help production teams identify the activities with the biggest impact.

At WPP, more than 40 people across seven agencies were AdGreen trained in 2020.

The mission is simple: to make zero-carbon, zero-waste ad production the norm.



## AIR TRAVEL AND OFFSETTING

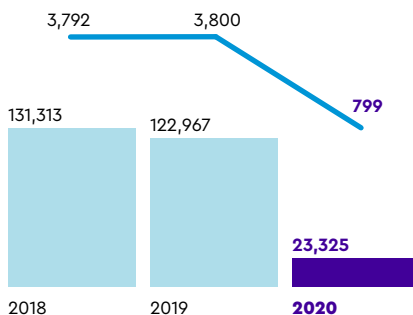
Business travel accounts for around 3% of our value chain carbon footprint. To offset the resulting emissions, we have been purchasing high-quality carbon credits since 2007 and have permanently retired 1.6 million carbon credits, which are charged to each of our agencies to create an internal carbon cost.

In 2020, travel restrictions linked to the Covid-19 pandemic reduced our air travel emissions by 81%. We continued to offset these emissions by purchasing in line with our historical commitment to ensure we supported communities and projects.

We purchase the credits through South Pole Group, a company that develops emission-reduction projects. In 2020, we invested more than £95,000 to support three renewable energy-generation projects in Brazil (see below), China and Indonesia. Together, these projects support 11 of the UN Sustainable Development Goals.

We are working to ensure remote working best-practice is captured to support virtual working in the future and reduce air travel where other options are available.

### CARBON EMISSIONS FROM AIR TRAVEL/ MILES TRAVELLED PER PERSON



#### Scope 3 emissions for business air travel tCO<sub>2</sub>e

- Total emissions for air travel
- Miles travelled per person

81%

reduction in air travel emissions in 2020

100%

of our air travel emissions offset through high-quality carbon credits since 2007

1.6m

carbon credits purchased and permanently retired since 2007



### SUPPORTING CERAMIC FACTORIES PIONEERING THE SWITCH TO SUSTAINABLE FUEL SOURCES IN BRAZIL

In the City of Itaboraí, Rio de Janeiro, Brazil, the economy is heavily supported by the ceramics industry. The use of heavy oil as fuel is common, however it creates poor air quality.

Through our offsetting programme, we have supported three factories to upgrade old oil-fired kilns with new, efficient biomass kilns. The project also supports social and environmental initiatives for the local communities. In particular, the project focuses on employing women, people with disabilities and ex-convicts to work in the production process, providing them with ongoing training.

On average, the project has mitigated 21,000 tCO<sub>2</sub>e annually.

## CIRCULAR ECONOMY

In 2019, WPP committed to take the "plastic" out of "Wire and Plastic Products" by:

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

We use the Ellen MacArthur Foundation definition of single-use plastics: plastic items intended to be used just once before they are thrown away, and which cannot be reused, recycled or composted after use.

In 2020, the global demand for PPE to protect against Covid-19 has increased demand for single-use plastics. Around the world, people have been forced to make significant changes to the way they work, live and consume. For example, businesses – and canteens – serving food no longer allow customers to bring their own reusable containers, instead providing disposable packaging. Ensuring that the appropriate waste streams are in place to recycle or compost plastic items and minimise waste is essential.

To give our offices – many of which were unoccupied for much of 2020 – time to adjust to new consumption patterns and put plans in place to ensure single-use plastics are recycled, we have extended our timeline to December 2021.

Our agencies are all at different stages of the journey. As an early adopter, MediaCom UK has already achieved the A Plastic Planet Commitment Mark for businesses demonstrating their intention to reduce plastic across their operations, while other agencies are still developing the best approach for them. In 2020, we kicked-off our first plastics audit across our Top 20 markets to assess progress against our plastics pledge.

Our Circular Economy Plastics Policy and Plastics Playbook, cascaded by agency CEOs across their offices, provides practical guidance on how to phase out plastic waste, with resources including: a plastics audit template; jargon buster; and tips on how to reduce recycling contamination. We updated our playbook during the year to provide additional Covid-19 resources and to help offices adjust to new safety requirements and consumption patterns.

In order to meet our target, we are applying a new level of rigour to how we source products to ensure they comply with our Circular Economy Plastics Policy.

We remain committed to our plastics pledge.

It has never been more important to transition to a circular economy and our greatest impact is through our client work (see case study, page 29). We support our clients across four core areas of expertise:

- 1 Navigating a complex regulatory framework: helping companies shape the debate and secure their place in the new circular economy.
- 2 Product and packaging design and innovation: redesigning products and packaging to reduce or remove plastic and rethink how products reach (and are used by) consumers.
- 3 Consumer engagement and behaviour change: to change habits and behaviours and mobilise consumer action.
- 4 Partnerships and activism: to build coalitions, raise awareness and drive change at scale.

## WASTE AND RESOURCES

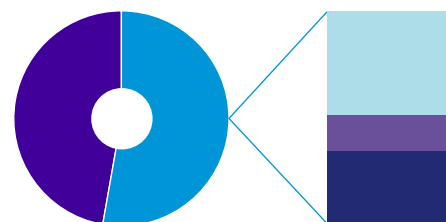
We aim to use resources carefully and to reduce and recycle as much as possible. Our main waste types are electronic waste and office consumables such as paper, card, cans, plastic bottles and toner cartridges.

In 2020, the Company generated 3,233 tonnes of waste (2019: 8,578) of which we recycled 53% (2019: 56%). Of the remaining waste, 34% was incinerated with energy recovery (2019: 17%) and 66% was disposed of via landfill, incineration without energy recovery, or an undetermined method (2019: 83%). We have identified preferred recycling partners for our operating companies in all major markets and we work with landlords on waste management in the properties we lease.

### WASTE RECYCLED

%

- Proportion recycled waste **53%**
- Proportion non-recycled waste **47%**



- Waste sent to landfill or unknown destination **49%**
- Incinerated without energy recovery **17%**
- Incinerated with energy recovery **34%**

**53%**

of our waste recycled (2019: 56%)

**34%**

of non-recycled waste incinerated with energy recovery (2019: 17%)



## MAKING PLASTIC DISAPPEAR

**AGENCY**  
SUPERUNION

**CLIENT**  
NOTPLA



Eight million tonnes of plastic are dumped in the oceans every year. Enter Notpla: a revolutionary, seaweed-based material that naturally decomposes in around six weeks. A sustainable packaging start-up on a mission to make packaging disappear, naturally. Superunion set out to deliver a name and identity that would leave people in no doubt about its potential value in the world. Notpla is designed to be a simple, bold definition of who they are: not plastic, but a completely new thing. Centred around the brand's core mission: to make packaging disappear, the animated logo reflects a vessel filled with liquid and when emptied the exterior disappears, just like its packaging. Built on the idea that its products will change the world, Notpla needed to communicate this in a bold and simple way. The name itself reflects this approach.

**400,000**  
units produced

**70%**  
reduction in CO<sub>2</sub>  
emissions compared  
to a conventional  
plastic sachet

