

SUPPLY CHAIN

We work with over 130,000 companies across our supply chain. We expect them all to meet high standards in areas such as ethical conduct, human rights, workplace standards and the environment. However, in such a large supply chain, we know there is a risk that some will not.

We have established due diligence processes to help us select suppliers who meet high standards. This reduces risks to our business and our clients and enables us to respond to the growing number of client tender processes that include supply chain management criteria.

We focus our supplier engagement on suppliers in high risk countries or sectors, those with whom we have a direct commercial relationship and those with centrally negotiated contracts managed by our procurement team.

OUR FOCUS AREAS

- Setting clear standards and communicating these to our suppliers
- Conducting due diligence to identify risks in our supply chain
- Working with suppliers to reduce modern slavery risks in our supply chain

WHO'S IN CHARGE?

Our Group procurement team manages centrally negotiated contracts with preferred suppliers. A significant portion of procurement is through contracts that are negotiated by budget holders within our companies. Our sustainability team supports procurement and our companies to consistently implement our responsible sourcing standards.

HOW ARE WE DOING?



of US procurement spend with certified diverse suppliers



All suppliers must read and sign our Supplier Code of Conduct



Sustainability criteria integrated into pre-selection questionnaire for new suppliers

OUR SUPPLY CHAIN

Our suppliers fall into two main categories: those providing goods and services that we use to run our companies such as IT, travel, telecommunications, professional services and facilities; and those providing services used in client work, such as advertising production and market research.

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SOURCING STANDARDS

Our expectations of suppliers are set out in our Supplier Code of Conduct, which is based on the Code that applies to all WPP companies and people. The supplier version includes requirements relating to labour practices (such as anti-harassment and discrimination, and health and safety), human rights (including no child, forced or bonded labour and modern slavery), social impacts

(such as anti-bribery and corruption) as well as other sustainability issues. Our Code requires suppliers to apply similar standards to companies in their own supply chain.

SUPPLIER SELECTION

We evaluate potential new suppliers on factors such as assurance of supply, quality, service, cost, innovation and sustainability.

Our procurement policy requires that anyone who buys goods and services in all WPP companies considers sustainability risks and criteria to determine whether suppliers are fit for purpose. Supplier partners must read and sign the WPP Supplier Code of Conduct, confirming that they will comply with our standards and we include a right-to-audit clause in purchase orders where appropriate.

To strengthen our sustainability due diligence, we launched two additional supplier questionnaires in 2018. The first, a pre-selection questionnaire, is for use with potential new suppliers. It assesses compliance with our core standards in areas such as legal compliance, labour and human rights practices, environment and

supply chain management. The second, a more detailed information request, will help us to monitor standards in our supply chain and work with suppliers to address gaps and risk areas.

SUPPLIER DIVERSITY

We work with many small and diverse suppliers and this can be a source of new ideas and creativity. In the US, around 2.1% (\$109 million) of our spend is with certified diverse suppliers including women and minority owned businesses. Our data does not capture the number of small suppliers. Further work is needed to quantify the potential additional social impact of spend with these types of suppliers. We plan to expand our data collection to cover some of our European markets.

HUMAN RIGHTS

Respect for human rights is a fundamental principle for WPP. We aim to prevent, identify and address any negative impacts on human rights associated with our business activities. We look for opportunities to positively promote human rights, including through our pro bono work.

Our [Human Rights Policy Statement](#) summarises our approach. It reflects international standards and principles, including the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the Children's Rights and Business Principles.

We are a member of the United Nations Global Compact and report progress against its 10 principles annually. This Sustainability Report forms our fourth annual communication on progress.

See reporting standards index, pages 53-56

Our most direct impact on human rights is as a major employer. We recognise the rights of our people including those relating to freedom of association and collective bargaining and we do not tolerate harassment

or any form of forced, compulsory or child labour. Human rights is included in our ethics training completed by all employees.

See attracting and retaining talent, pages 21-30

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

MODERN SLAVERY

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

As part of our due diligence process we assessed the risk of modern slavery amongst our preferred suppliers. It shows that almost 90% of our spend with preferred supplier partners is in medium- or low-risk categories for modern slavery, such as HR and professional services. Higher risk categories include facilities and promotional goods suppliers. We have also looked at risks by location and found that almost 90% of spend with preferred suppliers is in countries deemed medium- or low-risk according to Maplecroft's Modern Slavery Risk Index.

Our due-diligence questionnaires and new training will help procurement teams identify modern slavery risks when selecting and contracting suppliers.

We are conducting further analysis on the use of freelancers in countries at higher risk of modern slavery.



To learn more download our [Modern Slavery Act Transparency Statement](#)

SPACE ON EARTH

AGENCY
OGILVY SINGAPORE

CLIENT
BRAC

This moving spot by Ogilvy Singapore and the international development charity BRAC gave a voice to Rohingya children forced to flee their homes. The campaign helped generate a six-fold increase in donations to support BRAC's work at the Rohingya refugee camp.

RESULT

500,000

video views

September 2018-November 2018





HOPE

AGENCY
SRA. RUSHMORE

CLIENT
INTERNATIONAL RED CROSS

Through the story of a young girl unable to access life-saving medical care, this global campaign shared the message that 'Healthcare is #NotATarget'. It was developed by Sra. Rushmore Madrid and was broadcast in over 100 countries.

RESULT
7m
video views
May 2018

SURVIVORS

AGENCY
VMLY&R MEXICO

CLIENT
SAVE THE CHILDREN MEXICO

Save the Children wanted to raise the profile of their work helping young people escape from child labour, conflict and sexual exploitation. This video tells the often-unseen stories of Mexico's children trapped in extreme poverty, played to a cover of the hit song 'Survivor' by Destiny's Child.

RESULT
3.8m
people reached
April 2018-October 2018

