



# PLANET

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

## WHO'S IN CHARGE?

Our Executive Directors have overall responsibility for climate strategy. Performance on carbon reduction is integrated into their incentive plans. The WPP Executive Committee sets sustainability strategy and oversees implementation across our agencies. Our Global Sustainability Director has operational responsibility for managing our response to climate change.

The Board is responsible for setting the Company's strategic direction, including on climate change. Its Sustainability Committee supports the Board in overseeing our net zero strategy.

## HOW ARE WE DOING?

**0.32** tonnes CO<sub>2</sub>e emissions per person from direct operations (Scope 1 and 2), a 38% reduction year-on-year (2020: 0.52 tCO<sub>2</sub>e).

**\$2.5bn** sustainability-linked revolving credit facility, a first step in embedding sustainability commitments within financing arrangements.

**74%**<sup>Ⓜ</sup> of electricity sourced from renewable sources (2020: 65%).

**A-** CDP climate change score, reflecting the ambition of our new net zero strategy and emissions-reduction targets (2020: B).

<sup>Ⓜ</sup> Independent limited assurance will be sought by WPP over our percentage electricity purchased from renewable sources and Scope 2 market-based GHG emissions reporting. The assurance report will be made available on our website.

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Our response to the climate crisis, including our commitment to reach net zero carbon emissions by 2030.

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Including our campus strategy and emissions from company cars.

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

### REDUCING SCOPE 3 EMISSIONS

Breakdown of our Scope 3 emissions and plans to address emissions hotspots including media, production and air travel.

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Including a summary of our fourth Task Force on Climate-related Financial Disclosures statement, CDP climate change disclosure, and approach to data quality.

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Our approach to managing waste and resources.



## BLUE PARADOX

What difference can a drop in the ocean make? Everything.

### OFFER EXPERIENCE

AGENCY  
**OGILVY, CHICAGO**

CLIENT  
**SC JOHNSON**

The ocean gives us life in every beautiful, surprising, fascinating and spellbinding way imaginable. But as much as we depend on the oceans to survive, future generations depend on us. The plastic pollution problem has become a global crisis and disruptive change is needed now.

The sheer volume of plastics reaching the ocean has grown to impact marine life, ecosystems and food chains all around the world. And since plastics can take hundreds of years to decompose, the issue is not going away on its own anytime soon. But the first step to solving a problem of this immense scale is to understand it.

So Ogilvy worked with SC Johnson to launch The Blue Paradox exhibition, an immersive educational experience with 360-degree digital projections, that brings the permanence of plastic front-and-centre, encouraging visitors to take meaningful action.

During a 13-day run, The Blue Paradox, in White City, London, invited the public to walk beneath the ocean's surface to explore the impact plastic waste has on our planet's most valuable natural resource and to better understand how businesses, governments and individuals can work together to create a more sustainable world.

For every visitor to The Blue Paradox, SC Johnson donated to Conservation International to help protect an area of the ocean – roughly six times the size of Greater London.

## 22,837

visitors in the exhibition's 13-day run

## 97%

of attendees said they would change their habits in relation to plastics

## 16.3m

TikTok views





# OUR CLIMATE STRATEGY

We support urgent action to tackle the climate crisis through the Paris Climate Agreement. WPP is a proud signatory to the UN Global Compact's Business Ambition for 1.5°C, the purpose of which is to galvanise business support for strong climate action, and to the UNFCCC's Race to Zero campaign.

By 2030, we want to be a net zero business, and to have played a role in helping our clients – and society – transition to a net zero economy.

In April 2020 we committed to reach net zero emissions in our operations (Scope 1 and 2) by 2025 and our supply chain by 2030. This includes emissions from media buying (more than half of our total footprint<sup>1</sup>) – an industry first. To deliver this we have set science-based reduction targets (see right), approved by the Science Based Targets initiative (SBTi) in June, to reduce emissions as far and as quickly as possible. Our 2021 performance is set out in the charts below.

In November 2021 we successfully amended and supplemented our \$2.5 billion revolving credit facility to link the margin on the facility to specific sustainability measures, an important first milestone in WPP's journey to embed its carbon reduction targets and broader sustainability commitments within our financing arrangements.

Of our 50 largest clients, 62% have set or are committed to setting science-based reduction targets through the SBTi. These clients look to us to help them find and scale solutions (for an example, see page 38). We also know that collaboration with clients and suppliers will be critical in delivering against our own targets. We are very focused on the role our companies can now play in promoting low-impact and regenerative living.

## 84%

absolute Scope 1 and 2 GHG emissions reduction by 2025 from a 2019 base year<sup>1</sup>

## 50%

absolute Scope 3 GHG emissions reduction by 2030 from a 2019 base year<sup>2</sup>, including media buying – an industry first

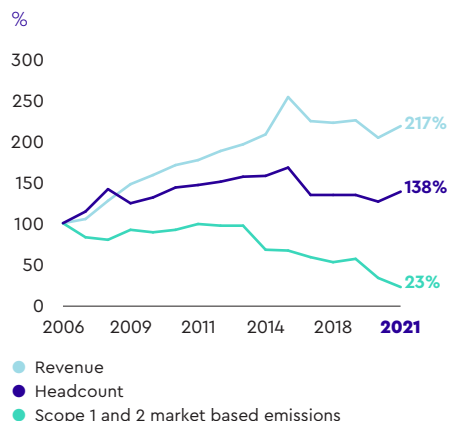
# Net zero

across own operations (Scope 1 and 2) by 2025 and across entire supply chain (Scope 3) by 2030

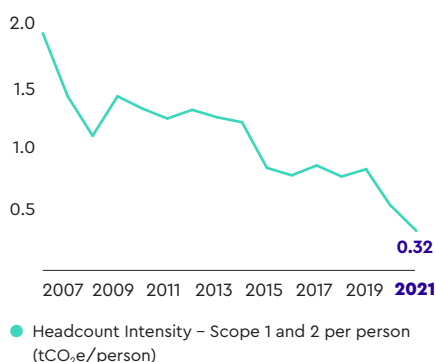
<sup>1</sup> 2019 baseline data.  
<sup>2</sup> Target verified by SBTi in line with ambition to limit climate change to 1.5°C from pre-industrial levels.

## 2021 PERFORMANCE

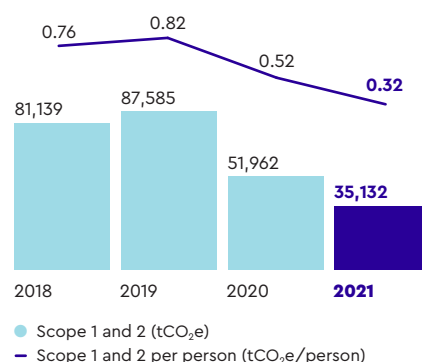
### DECOUPLING GROWTH 2006-2021



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

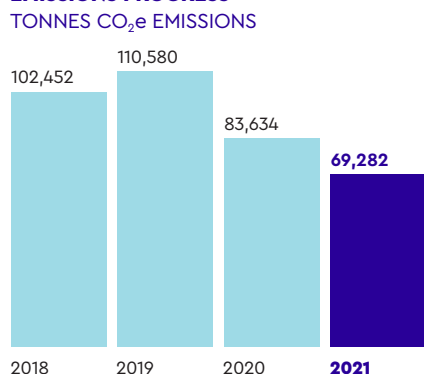


### MARKET BASED SCOPE 1 AND 2 CARBON EMISSIONS PROGRESS



Our scope 1 and 2 market based emissions for 2021 were 0.32 tCO<sub>2</sub>e/person, a 38% reduction from 2020. Our carbon intensity per £1 million revenue was 2.74 tCO<sub>2</sub>e, a 37% reduction since 2020.

### LOCATION BASED SCOPE 1 AND 2 CARBON EMISSIONS PROGRESS



# UNDERSTANDING OUR EMISSIONS

In 2020 we carried out a full emissions inventory, using the 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 emissions accounting for digital emissions is in its infancy, methodologies continue to evolve. This is particularly the case for downstream emissions.

We continue to refine our methodology and collect more accurate and complete data to reduce the estimated data in our baseline.

As we refine our methodologies and improve data quality, we will restate prior years if a material discrepancy is identified.

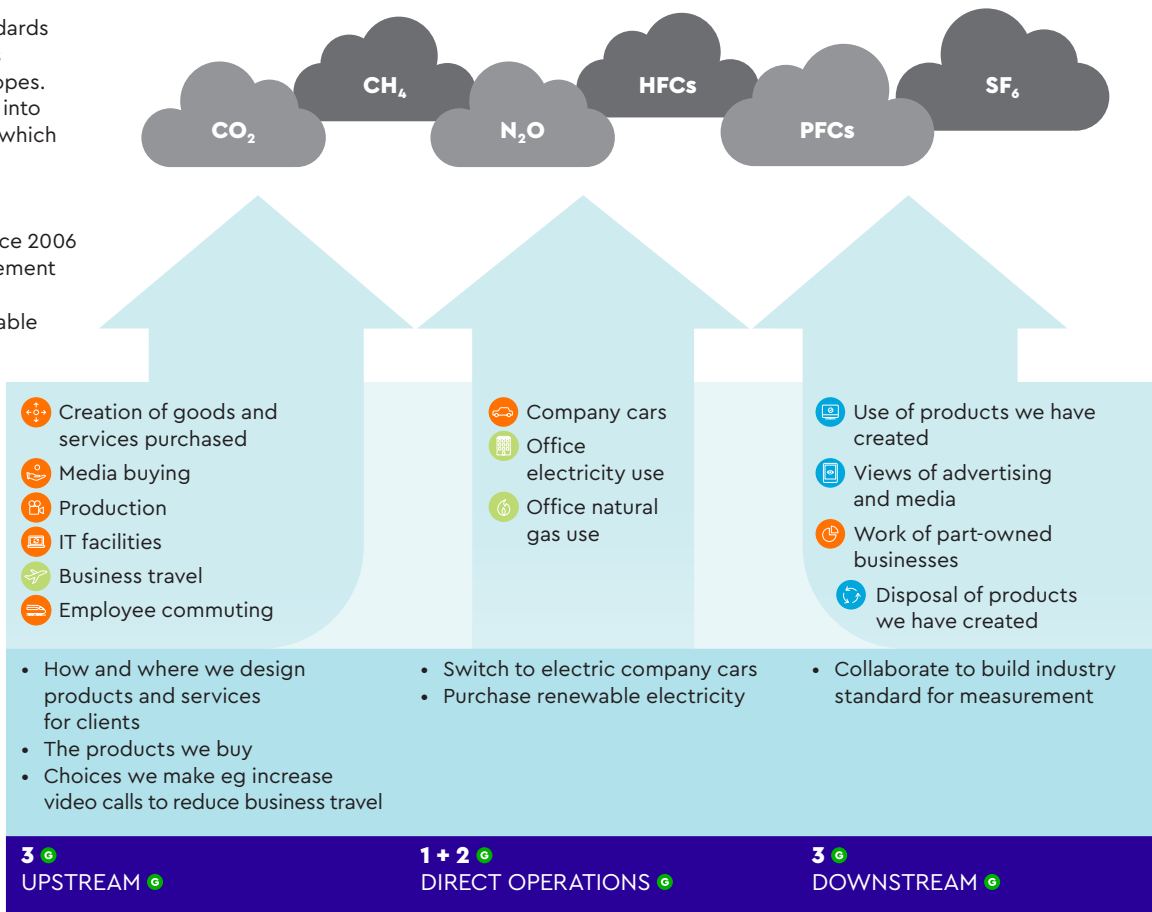
## EMISSION SOURCES IN WPP'S VALUE CHAIN

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

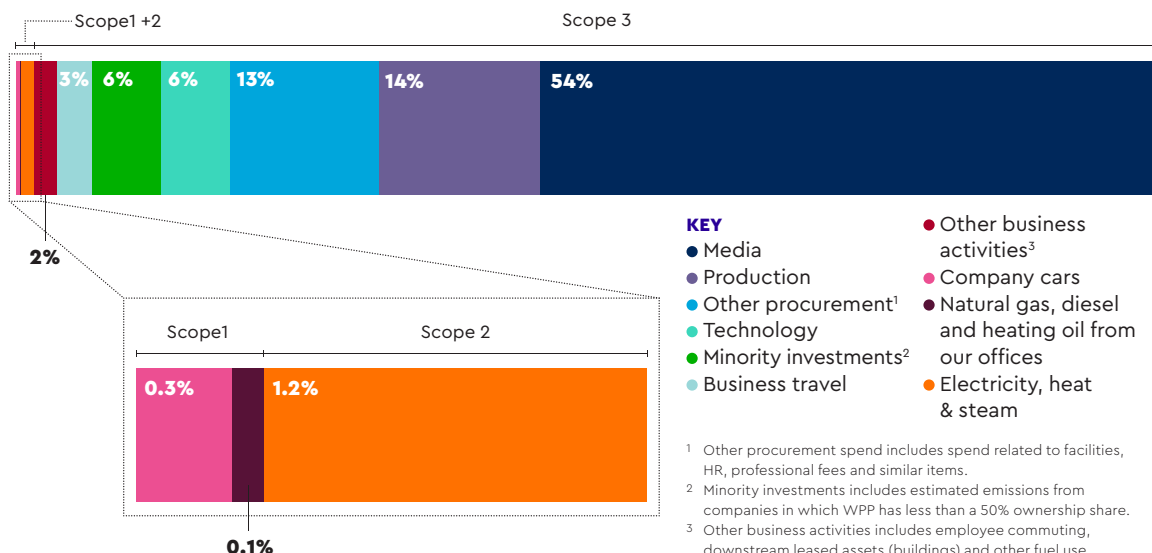


### GHG Protocol Scope

Terminology set by GHG Protocol.

## OUR BASELINE VALUE CHAIN EMISSIONS (2019)

This chart shows the breakdown of WPP's Scope 1, 2 and 3 emissions baseline (2019) and pages 33-34 outline our approach to reducing emissions in each of these areas.



## REDUCING SCOPE 1 EMISSIONS

Our Scope 1 emissions for 2021 were 13,292 tCO<sub>2</sub>e, of which a subtotal Scope 1 emissions were 10,138 tCO<sub>2</sub>e<sup>Ⓞ</sup> (76% of our total Scope 1 emissions footprint) has been subject to independent limited assurance procedures by PwC. The Scope 1 emissions not subject to assurance procedures relate to locally contracted company cars for which the emissions have been estimated (see 'company cars', right).

### OFFICE EMISSIONS

We continue to move employees into a global network of campus buildings that bring our agencies together in modern, more energy-efficient, world-class workplaces. In 2021, despite the constraints of Covid-19, we opened a further nine campuses, taking the total to 31. We aim to have 65 campuses, accommodating 85,000 people, by 2025.

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 while at the same time reducing emissions.

We make use of building optimisation technology to reduce energy needs and therefore emissions. For example, at our new Dusseldorf Campus, smart and efficient light management systems and sensors allow the overall lighting design throughout the campus to achieve up to 80% energy savings.

When we lease, purchase, fit out or renovate a building larger than 50,000 square feet, we require it to be certified to an internationally recognised standard such as the US LEED standard or the UK BREEAM standard. We aim for all our new workspaces to achieve the highest accreditation considering the individual workspace.

We recognise that achieving these certifications is only one step to reducing the footprint of our buildings and supporting our people's wellbeing. In 2021 we launched a programme to better assess and understand our building portfolio. This will help us identify opportunities to reduce energy use, optimise resource use, support our employees' wellbeing needs and create opportunities for circular business models in our materials use.

### COMPANY CARS

We aim to reduce emissions by shifting company cars to electric and hybrid vehicles in markets where infrastructure makes it feasible to do so.

In 2021, we assured centrally-leased company car emissions for the first time. Locally-managed car emissions were not assured due to inconsistencies in capturing emissions data. In 2022, we will review and strengthen how we measure and calculate emissions from vehicles.

## Net zero

across our owned operations (Scope 1 and 2) by 2025

# 65

campuses accommodating 85,000 people by 2025



For more information about our carbon emissions, read our carbon emissions statement on page 217 of our Annual Report 2021

## REDUCING SCOPE 2 EMISSIONS

In 2021, Scope 2 market-based emissions were 21,840 tCO<sub>2</sub>e<sup>Ⓞ</sup>, a 28% reduction from 2020. Scope 2 location-based emissions were 55,990 tCO<sub>2</sub>e<sup>Ⓞ</sup>, a 9% reduction from 2020.

WPP is committed to sourcing 100% of its electricity from renewable sources by 2025. We are a member of RE100, a global initiative bringing together businesses committed to 100% renewable electricity to accelerate change towards zero carbon grids at scale.

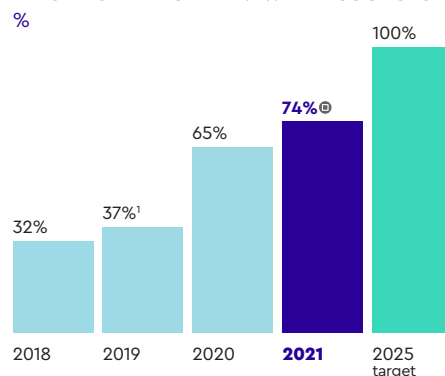
We made significant progress during the year, purchasing 74%<sup>Ⓞ</sup> of our electricity from renewable sources (2020: 65%).

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.

Data is collected locally using a variety of acceptable methods to calculate Scope 2 emissions. In 2022, we will streamline this methodology to improve consistency.

### ELECTRICITY FROM RENEWABLE SOURCES



<sup>1</sup> Figure restated in 2020 as part of data reviews upon joining RE100.

# 74%<sup>Ⓞ</sup>

electricity purchased from renewable sources (2020: 65%)

<sup>Ⓞ</sup> This metric was subject to independent limited assurance procedures by PricewaterhouseCoopers LLP ('PwC') for the year ended 31 December 2021. For PwC's 2021 Limited Assurance report and the 'WPP Sustainability Reporting Criteria 2021' for assured metrics, see page 58.

<sup>Ⓢ</sup> Independent limited assurance will be sought by WPP over our percentage electricity purchased from renewable sources and Scope 2 market-based GHG emissions reporting. The assurance report will be made available on our website.



For more information see 'WPP Sustainability Reporting Criteria 2021', available at [wpp.com/sustainabilityreport2021](http://wpp.com/sustainabilityreport2021)

## REDUCING SCOPE 3 EMISSIONS

Our supply chain makes up the overwhelming majority (98%) of our total emissions. The chart (right) provides a breakdown of our baseline Scope 3 carbon emissions (2019).

We aim to halve our Scope 3 emissions by 2030 (from 2019 baseline year) and reach net zero emissions in our supply chain by 2030. These commitments include the carbon emitted from the advertising we place in the media on behalf of our clients – which represent over half (55%) of all the baseline emissions in our supply chain.

Data quality is particularly challenging for Scope 3 emissions, as they are beyond our direct control. We are reviewing how we capture and calculate Scope 3 emissions and aim to improve both data quality and coverage so that over time we are able to seek independent limited assurance over a larger proportion of Scope 3 emissions.

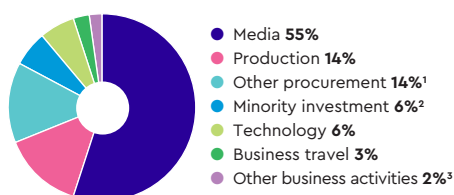
### MEDIA DECARBONISATION

With over \$50 billion in advertising placed in 2021, WPP is the world's largest investor in media advertising. Media comprises more than half of WPP's total supply chain emissions. As the first holding company to account for media emissions in our science-based reduction targets, WPP and GroupM are rapidly identifying risks and opportunities to support the industry and our clients to reduce emissions in this highly complex space. In 2021, through GroupM we launched a media decarbonisation programme which aims to:

- develop industry-leading carbon measurement methodology and tools;
- collaborate with and influence supply chain behaviours to decarbonise; and
- educate, inform and enable meaningful change.

We believe that the relative carbon footprint of different media distribution options will increasingly influence where client investment is made. We are seeing this already and expect this to grow substantially over the next three years as the urgency and financial imperative to deliver on net zero pledges increases across all businesses. That is why we are making the investments in research, validation and operations to enable investment decisions which factor in supply chain decarbonisation.

### VALUE CHAIN EMISSIONS (2019 BASELINE)



- <sup>1</sup> Other procurement spend includes spend related to facilities, HR, professional fees and similar items.
- <sup>2</sup> Minority investments includes estimated emissions from companies in which WPP has less than a 50% ownership share.
- <sup>3</sup> 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 baseline carbon footprint. Through our production agency, Hogarth, we are investing in innovative technology, global partners, and our supply-chain to pioneer a new approach to delivering carbon-optimised work for our clients.

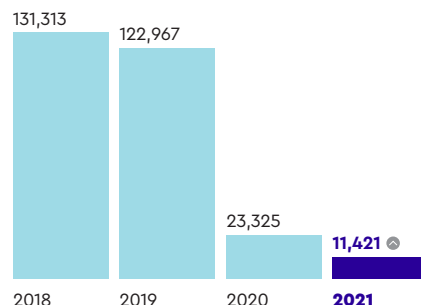
**i** Read more about Sustainably Made at Hogarth on 41

We cannot reduce emissions associated with production on our own: action across the production industry is required. 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 individuals, wherever they sit in the production value chain, to take action to reduce emissions.

Using the AdGreen calculator, we are able to understand the carbon impact of every asset and every shoot, and through the deployment of Hogarth's sustainability index, we can deliver valuable insights to continually improve our efficiency and effectiveness.

### CARBON EMISSIONS FROM AIR TRAVEL TONNES CO<sub>2</sub>e EMISSIONS



**i** This metric was subject to independent limited assurance procedures by PricewaterhouseCoopers LLP ('PwC') for the year ended 31 December 2021. For PwC's 2021 Limited Assurance report and the 'WPP Sustainability Reporting Criteria 2021' for assured metrics, see page 58.

### TECHNOLOGY

The technology we use – from data centres to the emails we send – generates carbon emissions that make up 6% of our Scope 3 baseline 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.

### AIR TRAVEL

Business travel accounts for around 3% of our value chain carbon footprint. We aim to permanently reduce air travel by around a third versus pre-pandemic levels.

In 2021, air travel emissions were 11,421 tCO<sub>2</sub>e **i**, a decrease of 51% **i** versus 2020 and 91% versus 2019, as the Covid-19 pandemic continued to limit international travel.

Some errors and inconsistencies were identified in how emissions from air travel were calculated and reported at a local level, which is reflected in PwC's assurance opinion. We continue to work to improve the accuracy of flight data and refine methodologies for calculating flight emissions to ensure more consistency across the business.

We offset emissions from air travel by purchasing in line with our historical commitment to ensure continued support for communities and projects. 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 (see 'Offsetting', page 35).

## OFFSETTING

The first step to limiting emissions must always be to reduce the total footprint of any product or service as far as possible.

To ensure carbon credits purchased to offset remaining carbon emissions are of a sufficiently high quality, WPP will introduce a new offsetting policy in 2022. All offsets purchased must be verified by a carbon offset standard, for example Verified Carbon Standard or Gold Standard, and comply with the recommendations outlined by the International Carbon Reduction and Offset Alliance (ICROA). Where a WPP company is offering carbon offset emissions services (eg net zero or carbon neutral) to clients, all calculations should be completed in line with the GHG Protocol Corporate Accounting Standard.

All offset providers used by WPP will be asked to disclose calculation methodologies. Alongside carbon removal, offsets should provide additional environmental benefits (eg protecting or enhancing biodiversity) and social benefits (eg health benefits or poverty alleviation)<sup>1</sup>.

In 2021 we purchased credits to offset our air travel through South Pole Group, a company that develops emission-reduction projects. In 2021, we invested more than £60,000 to support renewable electricity development in India and Vietnam. Together, these projects support seven of the UN Sustainable Development Goals.

<sup>1</sup> Oxford University, 2020. Principles for Credible Carbon Offsetting.

### PROVIDING CLEAN, RENEWABLE ENERGY AND A RANGE OF BENEFITS TO COMMUNITIES IN INDIA

In the Indian states of Tamil Nadu, Karnataka and Andhra Pradesh, our carbon credits support wind farms which provide a renewable source of electricity for India's fossil-fuel dominated Southern Grid. With support from UNICEF, the project also empowers young women through education on their rights, creative abilities and skills in healthcare. A safe water project provides clean water, improved sanitation facilities and education about sanitation.

## DATA QUALITY AND DISCLOSURES

### DATA QUALITY

A significant challenge for reducing carbon emissions is being able to measure them with confidence. We are working to improve the quality and coverage of our emissions data.

We are working to include the portion of unassured Scope 1 data, relating to locally-managed company cars, in scope for limited external assurance in future years.

As we refine our methodologies and improve data quality, we will apply these to prior years and restate data if a material gap is identified.

In 2021, some errors were identified in how emissions from air travel were calculated and reported across a number of territories in 2020 and 2021<sup>2</sup>, which is reflected in PwC's assurance opinion. We will work to develop more robust protocols and calculation methodologies. We expect our wider transformation strategy will enable us to manage more data centrally, improving consistency.

Data quality is particularly challenging for Scope 3 emissions, as they are beyond our direct control. We are reviewing how we capture and calculate Scope 3 emissions and aim to improve both data quality and coverage so that over time we are able to seek independent limited assurance over a larger proportion of Scope 3 emissions.

<sup>2</sup> For more information see 'WPP Sustainability Reporting Criteria 2021', available at [wpp.com/sustainabilityreport2021](http://wpp.com/sustainabilityreport2021)

From production to media investment, we support the development of more robust protocols to measure emissions across the industry. In 2021, as a founding member of AdGreen, we helped pilot and launch a new carbon calculator to measure the emissions associated with producing creative content.

### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Our fourth TCFD disclosure is included in our Annual Report 2021 (pages 214-216) and is structured around four themes: governance, strategy, risk management, and metrics and targets.

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

### RISKS

- Increased frequency of extreme weather and climate-related natural disasters
- Changes in regulations and reporting standards
- Increased reputational risk associated with misrepresenting environmental claims and working on environmentally detrimental clients' briefs.

### OPPORTUNITIES

- Increased demand for sustainable products and services
- Achieving resource efficiencies through cutting our carbon footprint and improving energy efficiency.

### CDP CLIMATE CHANGE

We participate in the CDP climate change programme to disclose our climate strategy and performance to a collaboration of institutional investors. In 2021, our score improved from B to A-, reflecting the ambition of our new net zero strategy, emissions-reduction targets and strengthened governance.



To read our CDP response, visit [cdp.net](http://cdp.net)



## CIRCULAR ECONOMY

Moving from a 'take-make-dispose' economy to a circular economy where waste is eliminated, resources are circulated and nature is regenerated could create \$4.5 trillion in annual economic output by 2030. WPP can contribute to this transition through the work we do for our clients (see example on page 30).

We are a proud signatory of the New Plastics Economy Global Commitment led by UN Environment Programme and the Ellen MacArthur Foundation (EMF) which aims to unite businesses, governments and other stakeholders behind a common vision for a plastics system that works.

During the year and in the run-up to COP26 in Glasgow, H+K Strategies worked with EMF to make clear that action on the circular economy is a missing piece of the climate action puzzle.

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

Within our own operations, we remain committed to phasing out plastics that cannot be reused, recycled or composted across our campuses and offices worldwide. The ongoing impact of the pandemic, which has kept the majority of our offices closed for much of the year, has slowed progress towards our commitment, which we aimed to meet by the end of 2021.

In 2021, we focused on how we source products to ensure they comply with our Circular Economy Plastics Policy, for example moving major facilities management contracts (such as catering and waste-management) to centrally-managed master service agreements. But we still have work to do and we aim to meet our commitment by the end of 2022 at the earliest.

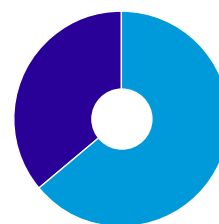
### WASTE AND RESOURCES

As a service-based business the volume of waste we produce is not material, but we aim to use resources carefully and to reduce and recycle as much as possible as part of our commitment to responsible and sustainable business practices.

Our main waste types are electronic waste and office consumables such as paper, card, cans, plastic bottles and toner cartridges. We have identified preferred recycling partners for our operating companies in major markets and we work with landlords on waste management in the properties we lease.

### WASTE RECYCLED

%



- Proportion recycled waste **64%**
- Proportion non-recycled waste **36%**

We estimate that our reported waste data covers around 50% of the Company, which does not provide sufficient coverage to include it in scope for independent limited assurance.

In 2021, 2,660 tonnes of waste were reported, (2020: 3,233) of which 64% was recorded as recycled (2020: 53%). However, some inconsistencies and errors were identified in how waste data is recorded and categorised at the reporting unit level. We will strengthen how we collect data and remediate the inconsistencies and errors before seeking independent limited assurance in a future period.