

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES STATEMENT

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

WPP's overall approach to risk management and a summary of our principal risks can be found on pages 80-91 of our Annual Report. Our CDP response provides further disclosures on our approach to climate change and is available at <https://www.cdp.net/en>.

GOVERNANCE

Our CEO has overall responsibility for climate-related risks and opportunities. At Board level, we established a Sustainability Committee in 2019. The Committee includes three Non-Executive Directors and is attended as requested by our Chief Executive, Group Chief Counsel and Head of Sustainability, Global Sustainability Director and other executives. The Committee meets at least four times a year and its remit includes reviewing our sustainability strategy and evaluating our performance against targets and commitments. As our clients integrate climate adaptation and mitigation into their business strategies, the Committee will review the growth of services which maximise their success. It will also review climate adaptation and transition plans, including steps to ensure that our Campuses and offices are resilient to extreme weather and that we are meeting growing regulatory requirements that face both WPP and its clients.

In 2019, we also established an Executive Committee working group on sustainability to guide our strategy and oversee our approach across agencies. This group includes WPP's Chief Financial Officer, Chief Marketing and Growth Officer, Group Chief Counsel and Head of Sustainability, and two agency CEOs. The wider Executive Committee includes the leaders of WPP's largest agencies and Group Functional leaders. To support the broadening of their remit, senior leaders will receive climate crisis training. This will outline the risks and opportunities that climate change poses to WPP and its largest clients, while enabling our leaders to take progressive measures to mitigate climate risk in their operations and maximise commercial opportunities.

IDENTIFYING CLIMATE RISK AND OPPORTUNITY

Sustainability risks are integrated into our overall risk management processes. Performance and updated risk implications are reviewed by the Audit Committee on a regular basis. Assessment of risk is informed by feedback from investors, clients and our people. Our overall risk management process is outlined on pages 80-91. Following a review of risk management in 2018, Risk Committees were established in our operating companies in 2019 with the aim of ensuring accountability at the network level to monitor risk and compliance. In 2020, the Risk Committees will conduct a review of network-level climate risk and opportunity.

The Sustainability Committee reviews WPP's climate-related risks and opportunities on an annual basis. This analysis of risk is informed by interviews with sustainability and consumer experts from within WPP's agencies and external data sources including Maplecroft's Climate Change Exposure Index and the IPCC Representative Concentration Pathways (RCPs). Factors considered include regulatory requirements, reputational risk, physical risks, and opportunities to advise our clients. Evaluation criteria include relevance to our industry, relevance to sustainability, regulatory and legal risks, financial implications and the operations affected. In 2020, we will conduct a qualitative scenario analysis against a pathway limiting warming to 2° Celsius to inform future assessment.

CLIMATE CHANGE AND OUR STRATEGY

The nature of the risks and opportunities that we face depends not just on the physical aspects of climate change, but on the trajectory our clients take in adapting their business models, regulations in the markets we operate in, and our ability to understand and shape a culture of climate action. Our response to our principal climate risks and opportunities involves a range of WPP Group functions and responses by our companies.

KEY

- Risk
- Opportunity

PRINCIPAL RISK OR OPPORTUNITY

POTENTIAL IMPACT

HOW IT IS MANAGED

PHYSICAL RISKS AND OPPORTUNITIES

Increased frequency of extreme weather and climate-related natural disasters



This includes storms, flooding, wildfires and water and heat stress which can damage our buildings, jeopardise the safety of our people and significantly disrupt our operations. At present 9% of our headcount are located in countries at "extreme" risk from the physical impacts of climate change in the next 30 years.

Our strategy of co-locating our people in WPP Campuses is enabling us to centralise emergency preparedness procedures. It will also enable us to more efficiently deploy climate mitigation measures. We intend to further explore the exposure of our assets to the physical impacts of climate change using the IPCC's RCPs utilising a 2° Celsius scenario analysis. Further details on our Campus strategy are outlined on page 40.

TRANSITION RISKS AND OPPORTUNITIES

Increased demand for sustainable products and services from consumers and clients



One in five of our top 50 clients has made a carbon neutral commitment. Consumers increasingly seek sustainable brands. Climate strikes, other mass movements and devastating climate-related natural disasters are fuelling demands for immediate and ambitious action from businesses and governments.

WPP's agencies continue to develop products and services which enable our clients to adopt leadership positions on climate change and exceed the expectations of consumers.

To ensure our leaders are confident in communicating on climate change we will be running climate crisis training in 2020. Sustainability will also be integrated into our global How We Behave training in 2020 and will be delivered to all new employees.

Further details of our climate-related client work can be found in our Sustainability Report.

Increased reputational risk associated with working on environmentally detrimental client briefs



As consumer consciousness around climate change rises, our sector is seeing increased scrutiny of our role in driving unsustainable consumption. Our clients seek expert partners who can give recommendations that take into account stakeholder concerns around climate change.

Our climate crisis training will ensure that our people recognise the importance of our sector's role in addressing the climate crisis. It will be part of a broader sustainability training programme which we will run in multiple markets with localised content in key regions.

Additionally, WPP serves some clients whose business models are under increased scrutiny. This creates both a reputational and related financial risk for WPP if we are not rigorous in our content standards as we grow our sustainability-related services.

We are also developing internal tools to help our people identify environmentally harmful briefs. These tools will embed climate-related issues within existing content-review procedures across the organisation

Achieving resource efficiencies through cutting our carbon footprint and improving energy efficiency



We continue in our long-standing commitment to tackling our own carbon footprint. This has created a significant resource and cost efficiency opportunity for WPP as we achieve greater energy efficiency across our offices.

Through our Campus strategy, all buildings with a floor space exceeding 50,000 square feet will be certified to advanced sustainability standards including LEED and BREEAM. We estimate that this reduces energy consumption by 21% per location. By the end of 2020 over 25% of our floorspace should be certified.

MONITORING OUR PROGRESS

We have been reporting on a range of climate change indicators since 2006 and have an ambitious Scope 1 and 2 carbon reduction target, in line with climate science. We have set a new goal to be carbon neutral across our Campuses by 2025. A summary is provided on page 72 with further information in our Sustainability Report. We have also set a new target to source 100% of our electricity from

renewable sources by 2025, and to improve energy efficiency. We met our 2020 target to certify 25% of our floorspace to advanced sustainability standards by the end of 2020 a year early, in 2019. Our most material climate-related opportunities relate to our client work. Examples of work relating to climate change are included in our downloadable Sustainability Report 2019: wpp.com/sustainability.