



Environment



We are committed to reducing our impact on the environment. Climate change is our priority and we have set a target to cut our CO₂ emissions by 20% by 2010 from a 2006 baseline.

So far we have achieved a 10.5% reduction.



In addition to the environmental benefits, meeting our climate change target will achieve cost reductions and help us recruit and retain environmentally-aware graduate talent.

Our climate change strategy helps us win work with business and public sector clients, looking for suppliers with solid environmental credentials. Taking action to shrink our own carbon footprint means we are in tune with our clients and enhances our credibility as marketing and communications advisors on climate change.

Environmental management

We manage energy use centrally as part of our climate change reduction program. Other environmental issues are managed by our operating companies, some of which operate accredited environmental management systems. For example, BDGworkfutures has achieved certification to international standard ISO 14001.



In their own words

I was asked to be a climate champion in 2006, when WPP launched their global climate change strategy. Since then, we have realised that everyone has a part to play in tackling climate change. Small actions on the ground across the world can really make a big difference to the overall plan of reducing our carbon footprint.



We set up the Y&R Brands Team Green, which is tasked with encouraging our people in the global Y&R Brands network to use energy wisely. We then invested six months getting ourselves organised, developing a network of local and regional climate champions. We now have over 20 regional energy coordinators, who adapt programs to fit the context of their region and culture, and around 180 energy conservation officers who implement these programs at the individual offices.

We have a platform which provides tools to help our local champions hit the ground running. The Y&R Brands intranet, *Greenlink*, contains "how to" operation manuals for reducing an office's carbon footprint. We are measuring how the initiatives we have put together are reducing the carbon footprint of Y&R Brands. People also use *Greenlink* to share ideas and success stories. Some of our best ideas have come from the most unexpected sources, and it's great to see them being applied more widely.

Laurence Baxter
Chief Information Officer
Y&R Brands



Climate change and energy use

Our climate change strategy

We have set a target to reduce our CO₂ emissions by 20% by 2010, from 2006 levels. We will achieve this by:

- Improving the efficiency of our buildings and IT.
- Purchasing renewable electricity where available.
- Reducing the number of intra-office flights.

After reducing emissions as much as possible we offset a large proportion of the rest through support for renewable energy projects.

We have established Energy Action Teams in North America, Europe, Asia Pacific and Latin America. These include members of our IT, real estate and procurement functions. Their job is to identify energy-saving measures and provide technical guidance to our agencies on energy reduction.

These teams are supported by a network of climate champions who help to implement energy-saving measures (see chart on page 60) and raise awareness of our climate change program in our companies.

Several WPP companies, such as Grey New York, Y&R, Ogilvy London, JWT London and Finsbury London, have launched their own green initiatives.

Our progress

WPP's carbon footprint

	CO ₂ emissions (tonnes)			
	2006	2007	2008	2008 (renewable energy rated zero emissions)
Office energy use	144,354	120,032	112,901	94,376
Air travel ¹	81,733	92,269	89,500	89,500
Other (includes unmeasured impacts, e.g. couriers and taxis)	33,913	31,845	30,360	27,581
Total	260,000	244,146	232,761	211,457

¹ Air travel data partially estimated.

WPP's office energy use (megawatt hours)

	2006	2007	2008
Energy use	297,406	251,685	223,720

In 2008, we emitted 232,761 tonnes of CO₂, a 10.5% reduction on our 2006 baseline level. Our main climate impact is from consumption of electricity and gas in our 2,400 offices and employee air travel. We add an additional 15% to our CO₂ footprint to account for unmeasured impacts such as couriers and taxis. This year we invested in projects to improve office energy efficiency and to install videoconferencing units to reduce travel. We expect emissions reductions from these projects to be evident in our carbon footprint in 2009 and beyond.

In 2008, we used 223,720 megawatt hours of energy in our offices which resulted in emissions of 112,901 tonnes of CO₂, a 22% reduction on our 2006 baseline. This was achieved despite a 14.5% increase in our property portfolio by floor space since 2006. We estimate that we have saved over £6 million through reductions in office energy use between 2006 and 2008. The above emissions calculations follow new UK government guidelines, which state that emissions from renewable energy should be calculated using the same conversion factors as conventional grid energy, rather than rated as zero emissions. If the renewable energy we purchase is rated as zero emissions, we have reduced CO₂ emissions from office energy use by 35% since 2006.

We emitted 89,500 tonnes of CO₂ from our air travel. We collect air travel data via an external provider, as part of our airline procurement process. We have detailed analysis covering our major cities relating to approx 70% of our journeys. We estimate the balance based on internal records.

In 2008, we offset 195,000 tonnes of CO₂ through support for renewable energy projects (see page 62 for details).

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 Leadership Collaboration.



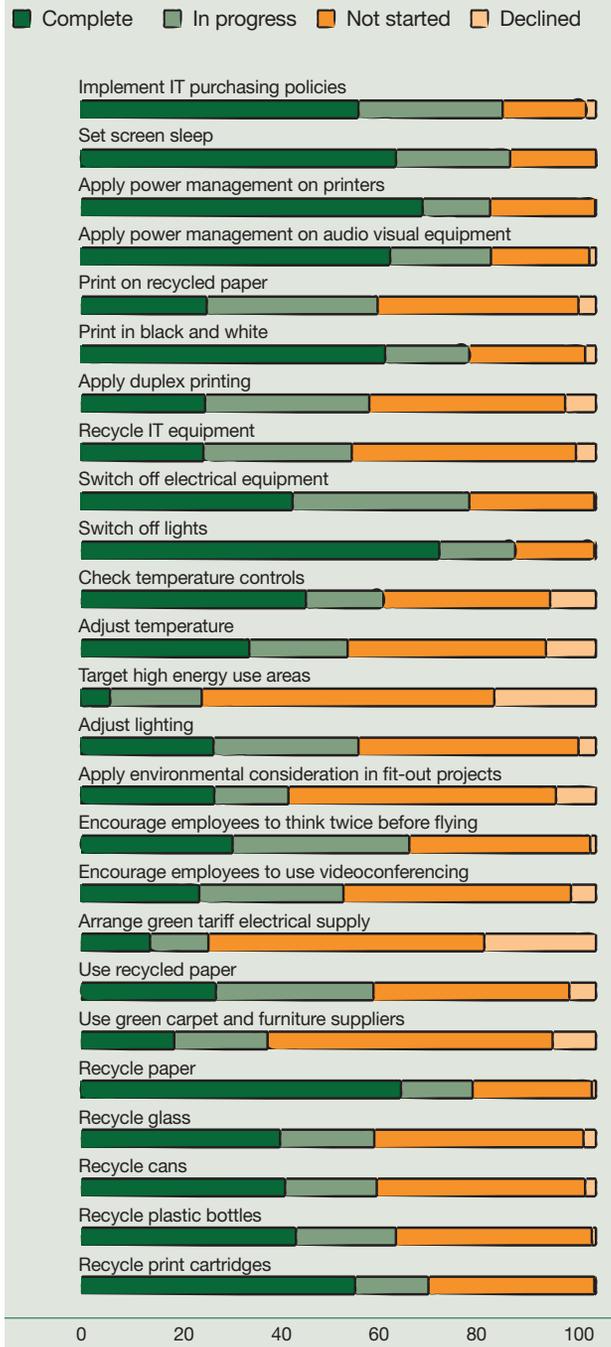
In 2008, we began producing detailed carbon footprints for our operating companies. We are distributing these to our climate champions and to company CEOs. This will encourage ownership of energy management and enable companies to assess their progress.

Measures implemented at WPP sites

Our climate champions are implementing energy saving and environmental measures across our companies. These range from simple actions, such as ensuring that lights are switched off, to more complex measures like setting up a recycling system. The chart (right) shows the process climate champions use to implement these measures.



Climate checklist world chart % (incomplete data)





Office energy efficiency

In 2008, we launched a global metering project to bring energy savings by cutting waste. We are investing £750,000 to install meters in 100 of our largest sites globally (representing 65% of our property portfolio by floor space). These will centrally monitor energy use, enabling us to make savings of between 10% and 15%. Improved metering will also ensure that we are being charged accurately by our energy suppliers.

The metering project will help us determine the most efficient and cost-effective ways of achieving energy savings. These may include:

- Fitting timer switches to ensure lights are not left on overnight.
- Adding movement and daylight sensors to ensure lights are only on when needed.
- Installing energy-efficient lamps.
- Fitting flow restrictors to hot water taps.
- Fitting power management controls to vending machines and refrigerators.
- Improving air-conditioning controls.
- Installing building management systems that monitor and control ventilation and lighting.

In 2008, we identified preferred suppliers in all regions, which our operating companies can use to buy and install low-energy light fittings. We will begin an installation program for low-energy fittings in 2009.

Where possible, we aim to ensure that any properties we purchase meet advanced environmental standards such as Leadership in Energy and Environmental Design (LEED) and BRE Environment Assessment Method (BREEAM). For example, a new purpose-built facility for nine of our companies in Singapore is being designed to the Green Mark Scheme Gold Standard, which is equivalent to LEED. George Patterson Y&R, Brisbane relocated to a new building rated 5 Star under the Australia Green Buildings Rated System and O&M implemented LEED initiatives in design and construction of five new buildings. O&M Worldwide's headquarters in New York, designed and built for LEED certification,

has been selected for the Green Building of America Award-winning Project, from 2,500 buildings nominated as part of the *Real Estate & Construction Review* magazine's 2009 Green Success Stories. Grey New York will move to a LEED-Certified building in late 2009.

Sustainable IT

WPP's personal and network IT equipment accounts for a large proportion of our energy use. We aim to cut the energy used by our computers by up to 30%. We have introduced requirements to improve the energy efficiency of our IT equipment:

- All new computers must comply with our power consumption standards for desktops, laptops and servers.
- Only approved devices can be purchased.
- Power management features must be enabled on all computers. For instance, screens are set to sleep after five minutes and screen savers are disabled. PCs are set to sleep after 30 minutes of inactivity and hibernate after 60 minutes of sleep.

In 2009, we will reduce the numbers of servers from over 7,500 to around 3,000. We will also improve the energy efficiency of data centres and server rooms.

Managing print

In 2008, we ran a pilot project at the Ogilvy offices in Cabot Square, London, to find ways to reduce the amount of energy used by our printers. These include:

- Combining copiers, printers and scanners in one device.
- Removing printers from desks to a central location and minimising the number of printers in use.
- Implementing default settings to save energy, ink, toner and paper (e.g. double-sided printing and black and white settings).
- Implementing 'follow me printing'. This means that print jobs will only be delivered when people go up to the printer and swipe a key card, reducing the number of unwanted print jobs.



- Introducing software to prevent waste through poor formatting.
- Reducing waste in procurement of ink, toner and paper.
- Negotiating recycling arrangements with manufacturers of ink and toner cartridges.

The study showed that if we applied these measures across the Group, this could save 1,000 tonnes of CO₂ each year. As well as reducing energy, it also reduces the use of paper, ink and toner and the energy needed for recycling. In 2009, we will implement similar pilot projects across the Group.

Reducing travel through videoconferencing

We encourage our people to meet via videoconferencing, avoiding the environmental impact of travelling to meetings. We have successfully trialled videoconferencing in London and New York, and we are now investing \$1.5 million to set up facilities in key cities around the world. By the end of 2008, we had set up four high-definition videoconferencing units in London and New York. By the end of 2009, we will have deployed 50 units.

In 2009, we will launch a videoconferencing search and booking system on the WPP intranet. This will include a carbon calculator to show the amount of CO₂ avoided by using videoconferencing rather than flying to a meeting.

Buying renewable energy

We purchase renewable energy where we can and regularly review energy sourcing across all markets to identify new opportunities. We estimate that 70% of the electricity we purchase in the UK is from renewable sources, compared to 50% in Germany and 22% in the US. We also negotiated a small renewable energy contract in Australia in 2008.

If this energy is rated at zero emissions it is equivalent to a reduction of approximately 18,525 tonnes of CO₂ (16% of total emissions from office energy use) each year.

Carbon offset

After reducing our CO₂ emissions as much as possible, we offset the majority of the rest. This means paying someone else to reduce their carbon emissions by an amount equal to our own footprint – saving one tonne of CO₂ elsewhere in the world for every tonne that WPP creates. We purchased 585,000 tonnes of CO₂ offset to be used between 2007 and 2009. In 2007 and 2008 we used 455,000 tonnes of offset and emitted 476,907 tonnes of CO₂.

Our operating companies meet the cost of offsetting their emissions. This provides an incentive to cut their climate impact as the more they reduce their emissions the less they will have to pay in offset costs.

All carbon offset projects supported by WPP are renewable energy projects (e.g. wind, hydro and solar). We do not support forestry offset. Through the CarbonNeutral Company, an offset provider, we currently fund seven projects, including wind farm and hydroelectric projects in China, and wind and solar generation in India.

One of these is the Jamnagar Wind Power Project, which is helping to reduce India's reliance on fossil fuels by building new wind turbines. It costs more to generate electricity from wind rather than coal in India, which means finance from offset projects is often key to making wind farms in the country commercially viable. The project will provide reliable, renewable power to the electricity grid and will provide jobs for people in nearby villages. The turbines being built in the states of Rajasthan, Gujarat and Karnataka will have a combined capacity of 147MW.

Sustainable fittings

We have set up procurement contracts with furniture and carpet suppliers to ensure the products we purchase come from renewable sources and can be disposed of in a responsible manner.

Dovetail Contract Furniture, a WPP company, has teamed up with a recycling company to offer



environmentally-friendly furnishing services. Dovetail sources from furniture manufacturers with established environmental credentials and can achieve recycling rates of up to 90% for used furniture.

Paper use

We want our companies to purchase paper with recycled content.

In most of our larger markets, WPP Commercial & Procurement Services identifies preferred paper suppliers which our companies are encouraged to use. Many of our preferred suppliers across our major markets now provide paper and paper products with recycled content. In the UK, around 38% of the paper WPP companies purchased from our preferred paper suppliers contained recycled content. In the US the figure is around 24%, in Australia it is 41% and Hong Kong it is 14%.

On average across all markets, 38% of the paper purchased contained recycled content.

Recycling

We have selected preferred suppliers which our operating companies can use to recycle waste paper and equipment. In our last report, we significantly over-reported the amount of paper and cardboard we recycled in 2007 due to inaccurate reporting by one operating company.

In 2008, a further eight UK operating companies signed contracts with our preferred recycling supplier, bringing the total to 14. Through this supplier, the companies recycled 311,479 kg of paper, cardboard, cans, plastic and glass, a 137% increase from 2007.

Recycling/Kg

Mobile/cell phones	1,174
Computer equipment	85,045
Paper and cardboard	2,810,786
Printer cartridges	373,078
Other waste recycled	1,024,267
Total recycled	4,294,350

Mobile/cell phones

WPP companies use mobile technology extensively which is frequently upgraded. We have introduced Vodafone's Fonebak Freepost recycling scheme to our offices across Europe. Employees can send their used mobile equipment to Fonebak for re-use and recycling.

IT equipment

We have contracted IBM to manage our obsolete IT equipment. As a first choice, equipment is refurbished and sold for reuse. If this is not possible, it is broken down for recycling and, as a last resort, is disposed of in an environmentally-sensitive way.





On a mission to be green

When Y&R wanted to inspire its people to use less energy, they called on The Green Man, a new environmental superhero. In a campaign developed by an in-house team at Y&R in New York, The Green Man is a seemingly ordinary office employee, so motivated by the issue of climate change that he has made it his personal mission to educate people everywhere to take action.

The Green Man spreads the word that small individual actions really do count. He can be spotted all around the workplace, talking to people on a range of topics from energy consumption to responsible travel: by light switches and printers, in stairwells and washrooms, on reusable mugs and water bottles, and on email tags.

Y&R's hero is now 'open source' within the Y&R network, with local creatives adapting and interpreting The Green Man concept for their offices: he has already been seen encouraging good eco deeds on several continents.



Water use

As an office-based company, WPP is not a major water user and we currently don't collect data on our water use. However, we recognise the importance of water conservation. WPP has endorsed the UN CEO Water Mandate, an initiative designed to assist companies in the development, implementation and disclosure of water sustainability policies and practices. WPP companies also support pro bono campaigns for water charities, for example Ogilvy PR is working with the World Economic Forum's Global Agenda Council on its water initiative.

Supply chain

WPP spends around \$3 billion with suppliers each year. We want to do business with suppliers that meet high standards on the environment and employment practices. We are committed to managing CR risks in our supply chain, both for ourselves and for our clients.

Our approach

We focus our CR efforts on preferred suppliers that provide centrally purchased goods and services such as IT, travel, telecommunications, professional services (e.g. consultancy and recruitment) and facilities management. We spend around \$1.5 billion with these suppliers each year and contracts are negotiated by WPP Procurement & Commercial Services. The size of these contracts, and the fact that they are negotiated centrally, means that we can use our commercial influence to bring improvements.

We also spend around \$1.5 billion on goods and services for use in client work, such as film and print production, post production and market research services. These contracts are usually negotiated by individual operating companies. Suppliers of these goods and services are currently not included in our Group CR program, although individual operating companies may engage these companies on CR.



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

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

■ Policy

Does your company have a CR policy?

■ Responsibility

Is a senior executive (or executives) responsible for CR performance?

Does your company have a CR 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 CR report?

■ Supply chain

Does your company have a process for implementing CR standards in its supply chain?

In 2008, all existing and new preferred suppliers in Asia Pacific, France, Spain, the UK and US completed our CR questionnaire. In the US we also incorporate CR criteria into our standard Group supply contract terms and conditions.

Monitoring and awareness

CR is included in the personal objectives for our regional heads of procurement and purchasing managers in our major markets. Objectives are aligned with our two main themes of supplier selection and managing supply chain risk. They also cover green electricity purchasing in line with our climate change strategy, see page 59.

We raise awareness of CR through our regular cross-Group sourcing team activities and *Buy-in* newsletter, and review progress through our procurement reporting process. This includes quarterly updates from regional procurement teams to the head of Procurement & Commercial Services, and reviews by WPP's procurement leadership team (our global and regional heads of procurement). Regular updates are also provided to the WPP Board of Directors.

Supplier diversity

WPP's operating companies are undertaking to make certain that attention is paid to achieving diversity among their suppliers, with the objective of ensuring appropriate levels of procurement from suppliers owned by minorities and women.

Pro bono work

Our CR policy encourages WPP companies to undertake pro bono work for not-for-profit organisations involved in tackling environmental issues. You can see some examples of pro bono work on pages 74 to 86.