





WPP Risk Register Update – December 2023 JGC

Risk	Focus of the Risk	Target Risk Score	Current Risk Score	Current Status	Responsible Party	Comments
I.1	The WPP Sub-funds failure to achieve their long term targeted investment returns.	8	12		OWG	<ul style="list-style-type: none"> Continued monitoring required over the next 12 months The need for further internal controls to be considered when developing the 2024/25 business plan
I.2	One of the WPP's Investment Managers fails/ exits the market, leading to a financial loss to WPP assets.	10	10		OWG	<ul style="list-style-type: none"> N/A
I.3	Failure of appointed Custodian may lead to assets not being properly managed resulting in financial and/or information loss in relation to investment assets.	5	5		OWG/Oversight Advisor	<ul style="list-style-type: none"> N/A
I.4	The WPP does not receive or seek expert investment advice when required.	4	4		OWG/Oversight Advisor	<ul style="list-style-type: none"> Work on private markets sub-funds continues to demonstrate the robustness of WPP's collective challenge in the sub fund design stage. This includes additional support from bFinance. Additional resource from Hymans on responsible investment has provided further advice and scrutiny.
I.5	The WPP fails to challenge Manager fees, value for money and mandated objectives.	2	2		OWG/Oversight Advisor	<ul style="list-style-type: none"> The findings of the SAB cost transparency exercise have still not been published.
I.6	The WPP is subjected to counterparty risk	8	8		The Operator/ Investment Manager / Oversight Advisor	<ul style="list-style-type: none"> N/A

1.7	The WPP puts in place sub-optimal sub-funds.	4	4		The Operator/ Investment Manager / Oversight Advisor	<ul style="list-style-type: none"> • There continues to be significant progress in this area. Key activities include: <ul style="list-style-type: none"> ○ Launch of the sustainable equities sub fund ○ Continued involvement of bFinance to assist the WPP with the allocator appointments for a range of Private Market sub-funds ○ As of 31 March 2023, 70% of all WPP assets are pooled
1.8	The WPP fails to adequately account for climate change, climate risk and ESG factors.	4	8		OWG/Oversight Advisor	<ul style="list-style-type: none"> • There continues to be progress in this area over the past 12 months. Key activities include: <ul style="list-style-type: none"> ○ Robust quarterly reporting of ESG & Climate risk ○ WPP continues to be a signatory of the Stewardship Code ○ Annual on-going stewardship code reporting process in place ○ Additional resource from the Oversight Advisor to focus on key RI issues & actions ○ Integration of clear climate change ambitions in the design of private markets sub-funds ○ Development of an All Wales Climate Report
1.9	The WPP fails to facilitate investment solutions that enable the Constituent Authorities to meet their investment strategy and objectives.	10	10		Oversight Advisor	<ul style="list-style-type: none"> • N/A