

Excellence in sustainability reporting

A review of leading UK companies

Building Public Trust
November 2021

Foreword from Alan McGill

2021 saw the 26th United Nations Climate Change Conference (COP26) take place in Glasgow from 31 October - 13 November 2021, with a particular focus on mobilising climate action across all actors, including governments, businesses and investors. The expanded role of business saw a significant move towards increased transparency by achieving a global common approach to ESG related disclosure standards through the creation of the International Sustainability Standards Board (ISSB) by the IFRS Foundation. This aims to develop a global baseline of sustainability disclosure standards to enable greater comparability between companies' sustainability impacts. The ISSB will consolidate the existing Climate Disclosure Standards Board (CDSB—an initiative of CDP) and Value Reporting Foundation (VRF, which includes the Integrated Reporting Framework and the SASB Standards). This year's review process once again considered sustainability reporting from FTSE 350, public interest entities (PIEs), and inbound companies, with key findings summarised here.

Sustainability Benchmarking and Standards Reporting

In preparation for the new ISSB standards, we have provided a section focusing on companies already taking steps to meet sustainability disclosure and benchmarking standards. We expect a focus here becoming of increasing importance.

Diversity and Inclusion

The murder of George Floyd in May 2020, the Black Lives Matter events and continued racist attacks on minority ethnic communities over the last year served as important reminders that the fight for racial equality is far from over. These events have propelled diversity and inclusion (D&I) matters into focus for many companies, concentrating efforts towards serious consideration of the role of structural racism and inequality within their own businesses and beyond, and what measures can be taken in response. For some companies, the pandemic provided a point in which priorities were realigned in order for them to report more comprehensively on diversity and inclusion. We have included a section in this report demonstrating the greater prominence given over to this topic in company reporting.



Alan McGill

Global Sustainability Reporting
and Assurance Partner,
PricewaterhouseCoopers LLP

Purpose

Purpose continues to be a driving force for many companies seeking to communicate clearly the reasons why their business exists. The number of companies reporting their corporate purpose continues to grow year-on-year, with 100% of both FTSE100 and FTSE250 companies reviewed disclosing a purpose that goes beyond financial returns for shareholders. This is an increase on last year's results at 93% and 71% respectively.

Risks and opportunities

As companies continue to embed the TCFD recommendations into their reporting, the number of companies identifying sustainability-related risks has increased to 95%, up from 87% in 2020. A similar trend has been observed in sustainability-related opportunities at 37%, compared to 20% in 2020. As TCFD reporting continues to mature with the introduction of mandatory reporting in 2022, we expect to see disclosure of sustainability-related opportunities to continue to rise.

About this report

This report contains the results of our analysis, expert guidance to improve your reporting and a selection of leading examples that we at PwC have identified following our review of annual reports, sustainability reports and associated websites of the FTSE 350, PIEs and selected inbounds. The report is structured as follows:

- An overview of good practice in sustainability reporting, with basic, intermediate and advanced tips for improving your reporting
- A quantitative analysis of the performance of the companies scored as a part of this review
- An in-depth exploration of company performance for each of the following 5 categories, organised into key questions that reporting should address:
 - How does sustainability fit with your organisation's purpose and strategy?
 - How do you consider your priorities?
 - How do you monitor and manage performance?
 - How do you consider the broader viability of the business?
 - How do you report with clarity and transparency?

This year we have included 2 additional chapters that spotlight reporting on Diversity and Inclusion and Benchmarking Frameworks.

If you would like more personalised advice on your own reporting, please get in touch with us – our contact details are on the back page. You can also find more examples of good practice by visiting our [website](#)



Contents

An overview of good practice sustainability reporting	1
Overview of analysis	3
1. How does sustainability fit with your organisation's purpose and strategy?	
Organisation overview	8
Purpose	9
Strategy	10
2. How do you consider your priorities?	
Materiality	12
Stakeholder engagement	13
Risks and opportunities	14
3. How do you monitor and manage performance?	
KPIs and targets	16
Impacts	17
Governance	18
4. How do you consider the broader viability of the business?	
Value chain	20
Future proofing	21
5. How do you report with clarity and transparency?	
Balanced reporting	23
Assurance	24
Modern slavery	25
6. Spotlight: Diversity & Inclusion reporting	
Reporting on Covid-19 impacts and response	27
7. Spotlight: Sustainability Benchmarking and Standards Reporting	
Reporting on Net Zero	31

An overview of good practice sustainability reporting

		What	Why
How does sustainability fit with your organisation's purpose and strategy?	Organisation overview	Provide an overview of your organisation's key activities and the environment in which you operate.	This helps the reader to view your sustainability information against the wider context of your organisation's remit. The overview is also important for clarifying the scope of the data in the report, which activities are covered and which are not.
	Purpose	Communicate a clear and succinct purpose that explains your organisation's raison d'être beyond creating a financial return for shareholders.	This will demonstrate to the reader why your business exists and what you seek to achieve, creating a shared ambition that is core to your business and clear to all stakeholders.
	Strategy	Describe how your sustainability strategy is integrated into your core corporate strategy and demonstrate how it permeates throughout your business.	This will prove to the reader that sustainability is not just an 'add-on' for your organisation but is considered in every activity. Having a short, medium and long term sustainability strategy will help you track your progress towards key sustainability goals in the future.
How do you consider your priorities?	Materiality	Demonstrate that you have an understanding of the sustainability issues that are most relevant to you and your key stakeholders.	This will prove to the reader that you are focusing on the most important sustainability issues where your efforts will have the greatest impact.
	Stakeholder engagement	Explain how you engage with principal stakeholders and how this has impacted your sustainability strategy.	This shows the reader that you have considered a wide range of views and therefore made informed decisions about prioritising and acting on your sustainability issues.
	Risks and opportunities	Explain the key strategic risks and opportunities for your organisation that arise from sustainability issues.	This gives the reader confidence that you have considered the impacts that external sustainability factors might have on the success of your business and that you are acting on these.
How do you monitor and Manage performance?	KPIs and targets	Identify KPIs that are directly relevant to your sustainability strategy and set challenging but realistic targets that you can assess your performance against.	Clear presentation of progress towards targets will demonstrate to the reader that you are holding yourself accountable to the goals you have set for your organisation.
	Impacts	Provide a clear explanation and quantification of the social, environmental and economic impacts of your business.	This demonstrates to the reader that you have a thorough understanding of your wider impacts on society and the environment. This understanding will allow you to make more informed decisions towards being a more sustainable business.
	Governance	Provide a clear explanation of the company's sustainability governance structure and explain how directors and staff are incentivised to deliver on the sustainability strategy.	This gives the reader confidence that the necessary framework and resources are in place for the strategy to be delivered. Having senior staff members listed in the governance framework further demonstrates your commitment to the strategy.
How do you consider the broader viability of the business?	Value chain	Consider relevant upstream and downstream value chain aspects of your business in order to take account of all environmental, social and economic impacts, both positive and negative.	This demonstrates you understand the wider influence you have on sustainability issues in society. By thinking holistically you identify areas that create a greater positive impact than you can by changing your core operations.
	Future proofing	Disclose that you have considered the future resource constraints that might affect your business e.g. non-financial capitals including natural capital and human capital.	This shows the reader that you are monitoring and minimising any resource risks in order to prevent disruption to your organisation in the future.
How do you report with clarity and transparency?	Balanced reporting	Present information in a balanced and transparent fashion and explain where and how improvements will be made.	Acknowledgement of not only your successes but also your negative sustainability impacts gives the reader confidence that you are a self-aware organisation – one that is honest and transparent about progress towards sustainability goals.
	Assurance	Enhance the credibility of your reported content by referencing, for example, independent studies, external benchmarking, expert review panels or external third party assurance.	This gives the reader confidence in the data and confidence in the integrity of your sustainability reporting. It also gives management confidence in the company's performance over the period.
	Modern slavery	Disclose your slavery and human trafficking statement in accordance with the Modern Slavery Act 2015.	In line with the UK Modern Slavery Act 2015, all companies with i) a global turnover of over £36 million and ii) operations in the UK, are required to comply by publishing a modern slavery statement annually. The statement demonstrates that you understand the potential risks associated with modern slavery.

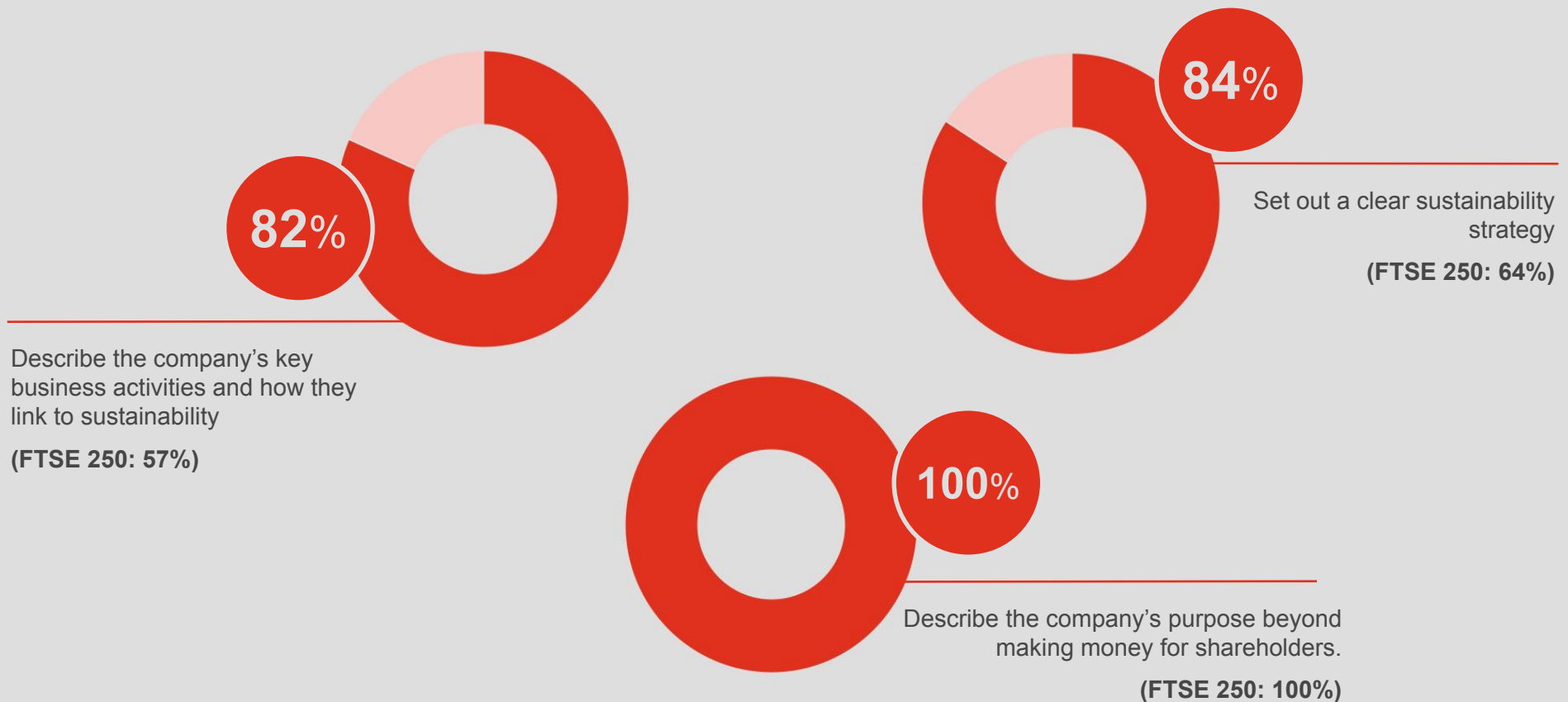
Basic reporting tips	Intermediate reporting tips	Advanced reporting tips
Introduce the reader to your organisation by giving an overview of your size, operations and activities.	Contextualise your sustainability activities in relation to the remit and objectives of your organisation.	Explain both the direct and indirect sustainability impacts that might arise from your organisation's role or activities.
Define a clear purpose which should be a succinct statement.	Ensure your purpose is well-aligned to your core business activities.	Reference to your purpose should be consistent across all company communications. The purpose should form the foundation to your core business strategy.
Demonstrate how your sustainability strategy is integrated into your core business strategy and aligned with core objectives.	Clearly describe your sustainability strategy over the short, medium and long-term.	Report on structures, systems and action plans which allow your sustainability strategy to permeate throughout your organisation. Where relevant, align your strategy to the Sustainable Development Goals or incorporate a Net Zero Ambition.
Report which issues you have identified as material and why.	Report on the process that was undertaken to determine material issues and which key stakeholders were involved.	Focus your reporting on your material issues, linking them to your strategy and KPIs. Where relevant, align your material issues to the Sustainable Development Goals. Offer visualisation of your issues.
Identify the key internal and external stakeholders to your organisation and describe how they have been engaged.	Describe the issues that stakeholders have identified as important and how these have been addressed and will be addressed going forward.	Show linkage between stakeholder consultations and your materiality, strategy and risk and opportunities planning processes. Consider alternative media for communicating messages from your sustainability report.
List out the risks and opportunities relating to sustainability that the organisation is managing.	Describe the action plan in place to address these risks and opportunities.	Disclose the relevance and financial implications of these risks and opportunities. As per the TCFD recommendations, identify the risks and opportunities faced by your business as a result of climate change.
Disclose sustainability KPIs most relevant to your business, including historic performance data to show trends over time.	Set specific and quantifiable short and medium-term targets for these KPIs.	Disclose financial implications behind KPIs. Where relevant, align your sustainability KPIs and targets to the Sustainable Development Goals.
Specifically discuss qualitatively which areas of the environment and society you impact through your operations and supply chains.	Disclose quantitative indicators of the relative size of your impact on society and the environment.	In monetary terms, disclose your impact on society and the environment.
Identify the board member responsible for sustainability issues and outline your sustainability governance structure.	Showcase how sustainability governance permeates through your business, e.g. through department heads with sustainability responsibilities.	Report on how staff are incentivised to deliver on the sustainability strategy throughout the company, and include financial and non-financial incentives.
Consider the positive and/or negative effects of your supply chain and/or your products and services.	Report quantitative data on material effects from across your value chain, both positive and negative, and strategies in place to address these.	Set specific targets for material value chain effects and report on progress towards them.
Disclose significant use of non-financial capitals, e.g. water, land, timber.	Explain whether you expect that the availability of any non-financial capitals might be restricted in the future.	Describe your strategy for managing your risks. Consider the resilience of your business to climate change by undertaking scenario analysis, as per the TCFD recommendations.
Report progress against all targets, whether performance has been good or bad.	Explain poor performance and how you will address it going forward.	If you reach targets ahead of schedule, set more challenging targets for the future.
Reference independent data, e.g. external benchmarking, to ensure the credibility of your reporting.	Obtain internal or external assurance over the sustainability data in your report.	Include the assurance opinion, which should clearly state the scope of the work, the assurance standard followed and the work completed, in the report.
Publish a signed statement on your website by a director (or equivalent), disclosing that your company is in accordance with the Modern Slavery Act.	Disclose a statement that includes information against the overview of the business, related policies, and risk assessments of modern slavery risks	Ensure your Modern Slavery Statement includes information against each area that the government guidance 'Transparency in Supply Chains' recommends.

Overview of analysis

Our analysis of FTSE 100, 250, Public Interest Entities (PIE's) and inbound companies yielded the following statistics across the range of criteria considered by the Purpose and Impact in Sustainability reporting award.

1. How does sustainability fit with your organisation's purpose and strategy?

Of the FTSE 100 companies we reviewed:

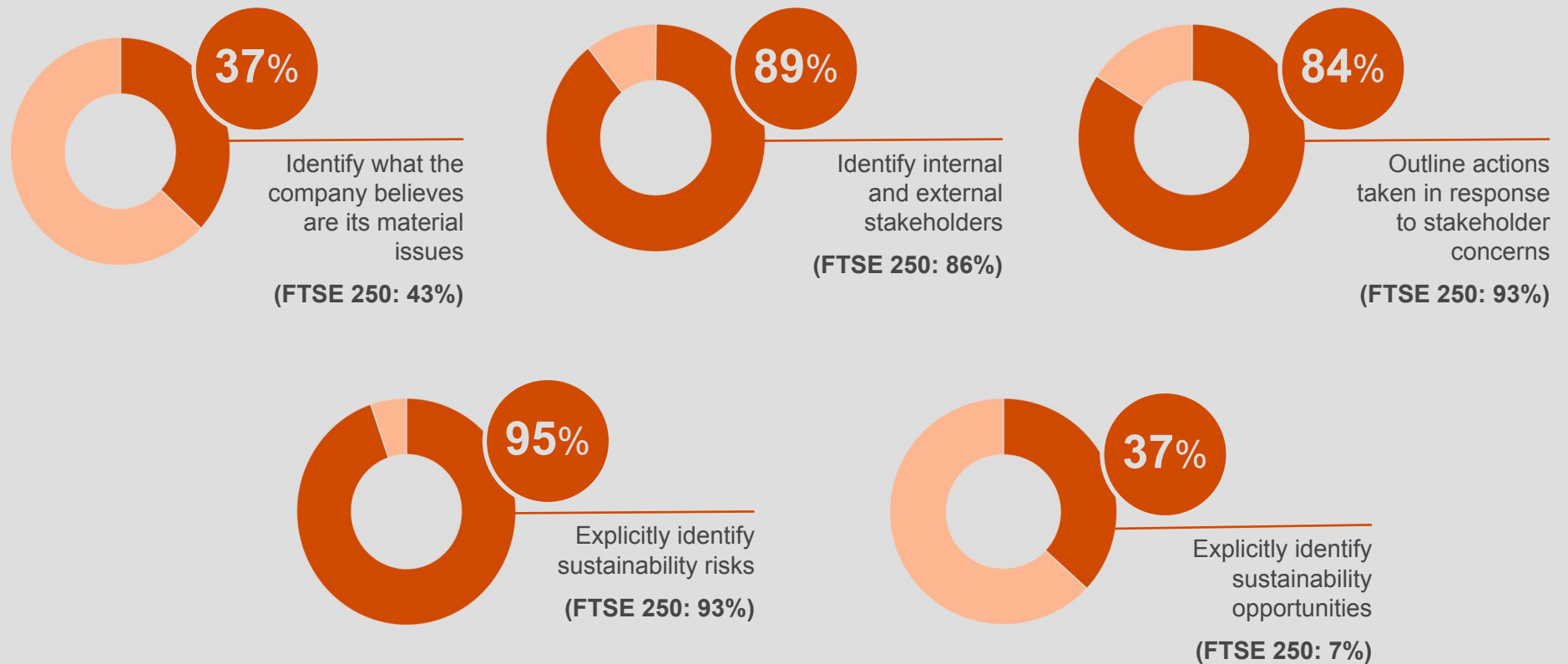


Overview of analysis

Our analysis of FTSE 100, 250, Public Interest Entities (PIE's) and inbound companies yielded the following statistics across the range of criteria considered by the Purpose and Impact in Sustainability reporting award.

2. How do you consider your priorities?

Of the FTSE 100 companies we reviewed:

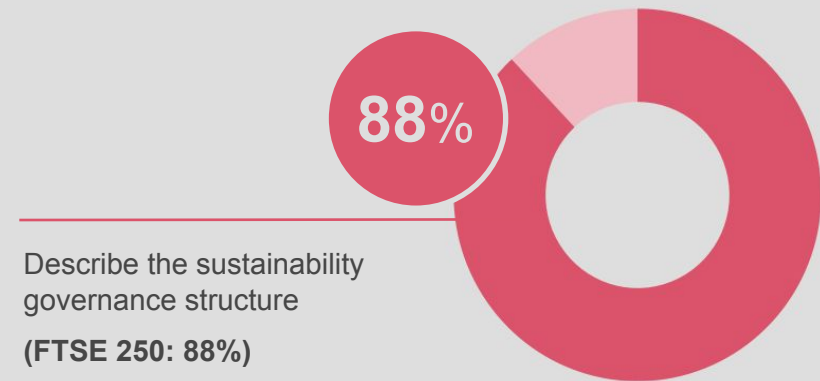
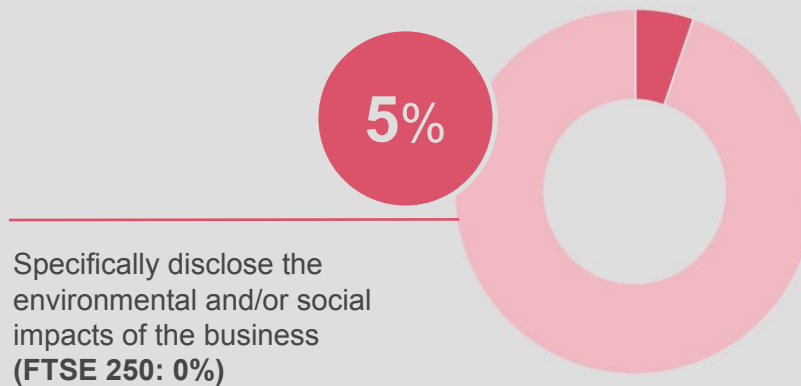
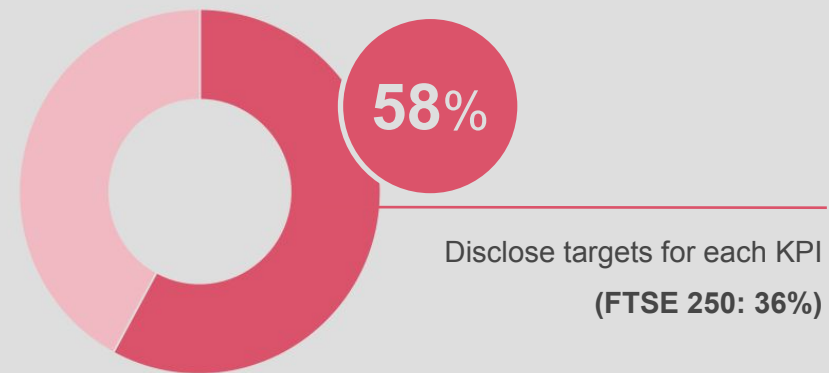
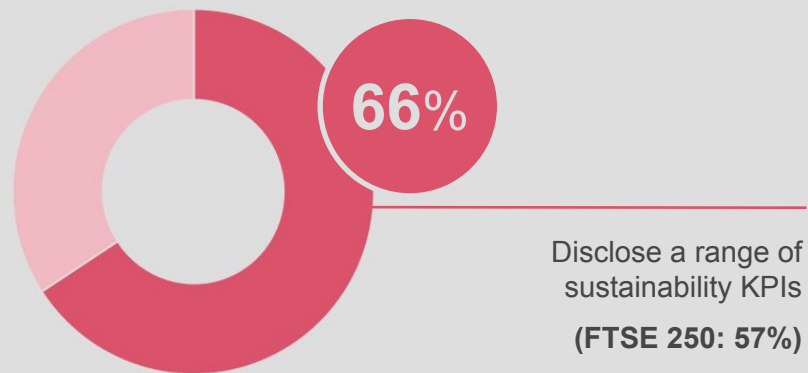


Overview of analysis

Our analysis of FTSE 100, 250, Public Interest Entities (PIE's) and inbound companies yielded the following statistics across the range of criteria considered by the Purpose and Impact in Sustainability reporting award.

3. How do you monitor and manage performance?

Of the FTSE 100 companies we reviewed:

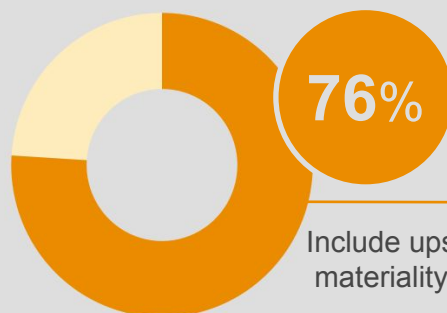


Overview of analysis

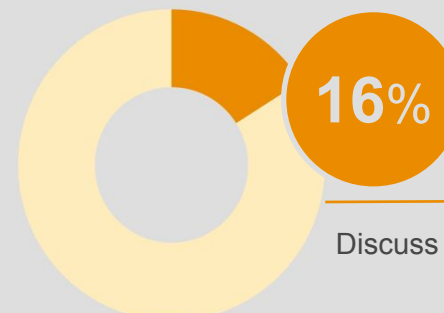
Our analysis of FTSE 100, 250, Public Interest Entities (PIE's) and inbound companies yielded the following statistics across the range of criteria considered by the Purpose and Impact in Sustainability reporting award.

4. How do you consider the broader viability of the business?

Of the FTSE 100 companies we reviewed:



Include upstream and downstream impacts in materiality assessments and/or target setting
(FTSE 250: 25%)



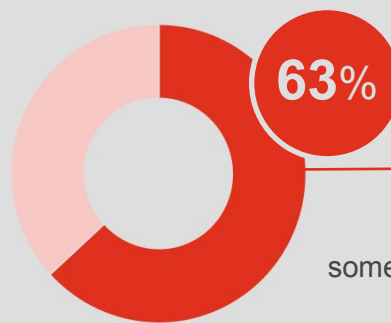
Discuss future constraints on their most important non-financial capitals
(FTSE 250: 13%)

5. How do you report with clarity and transparency?

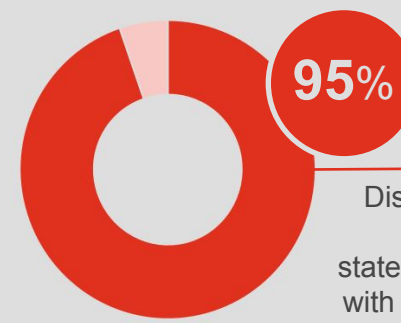
Of the FTSE 100 companies we reviewed:



Give adequate attention to reporting negative and positive performance
(FTSE 250: 13%)



Have external assurance on some sustainability metrics
(FTSE 250: 43%)



Disclose a slavery and human trafficking statement in accordance with the Modern Slavery Act 2015.
(FTSE 250: 100%)

1

How does sustainability fit with your organisation's purpose and strategy?

Organisation Overview

Provide an overview of your organisation's key activities and the environment in which you operate.

This helps the reader to view your sustainability information against the wider context of your organisation's remit. The overview is also important for clarifying the scope of the data in the report, which activities are covered and which are not.

Tips to make your reporting more effective:

Basic

Introduce the reader to your organisation by giving an overview of your size, operations and activities.

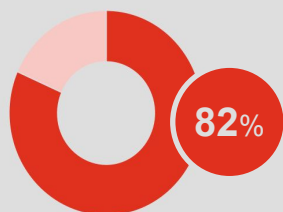
Intermediate

Contextualise your sustainability activities in relation to the remit and objectives of your organisation.

Advanced

Explain both the direct and indirect sustainability impacts that might arise from your organisation's role or activities.

Of the FTSE 100 companies we reviewed:



Describe the company's key business activities and how they link to sustainability
(FTSE 250: 57%)

“Croda details their main business activities with clear consideration for Sustainability and alignment with business strategy. We like that they have included their approach, purpose, markets and values together.”

Our approach

We use smart science to create high-performance ingredients and technologies that improve lives.

Smart science

At Croda our Purpose is to use Smart science to improve lives™, enabled by our distinctive values-led culture that governs how we work with one another and guides our relationships with all of our partners. We combine our knowledge, passion and entrepreneurial spirit to create, make and sell specialty ingredients that are relied on by industries and consumers everywhere.

Through our strategy

Our corporate strategy sets out the high-level themes that will help us to deliver our Purpose. A focus on growth, innovation and sustainability means that our smart science can help our customers to deliver both their consumer and sustainability commitments, while we achieve our own, creating sustainable value for our shareholders.

➔ See page 22



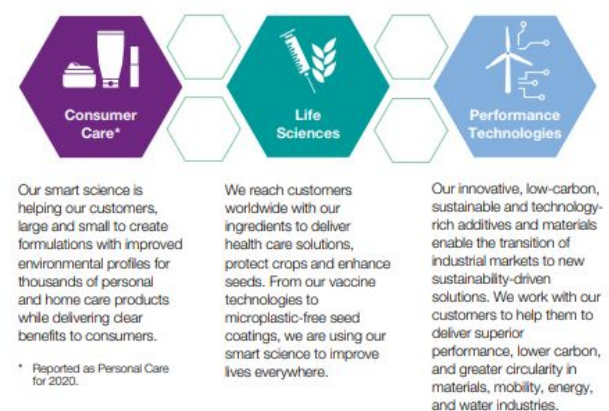
Through the markets we serve

Our market focus targets Consumer Care, Life Sciences and Performance Technologies as we look to extend the reach of our smart science to consumers everywhere. From sun protection to pharmaceuticals, crop and battery technologies, these markets touch our lives every day.

Consumer Care

From 1 January 2021, Personal Care, Home Care and Iberchem were combined to create our new Consumer Care sector.

➔ See pages 24 - 29



* Reported as Personal Care for 2020.

Delivered by our shared values

Our distinctive values-led culture governs how we work and guides our relationships with others. Our shared values of 'Responsible', 'Innovative' and 'Together' focus our work to ensure our smart science helps to improve lives. For more information on our values see p16.

Purpose

Communicate a clear and succinct purpose that explains your organisation's raison d'être beyond creating a financial return for shareholders.

This will demonstrate to the reader why your business exists and what you seek to achieve, creating a shared ambition that is core to your business and clear to all stakeholders.

Tips to make your reporting more effective:

Basic

Define a clear purpose which should be a succinct statement.

Intermediate

Ensure your purpose is well-aligned to your core business activities.

Advanced

Reference to your purpose should be consistent across all company communications. The purpose should form the foundation to your core business strategy.

Of the FTSE 100 companies we reviewed:



Describe the company's purpose beyond making money for shareholders.
(FTSE 250: 100%)

“Unilever and Marshalls both introduce their purpose statements early on in their reporting, and are guided by these principles throughout. Centering purpose to their core business strategy is a particular strength of these companies.”

Unilever Annual Report 2020, pg. 8



Marshalls Annual Report 2020, pg. 6



Strategy

Describe how your sustainability strategy is integrated into your core corporate strategy and demonstrate how it permeates throughout your business.

This will prove to the reader that sustainability is not just an 'add-on' for your organisation but is considered in every activity. Having a short, medium and long term sustainability strategy will help you track your progress towards key sustainability goals in the future.

Tips to make your reporting more effective:

Basic

Demonstrate how your sustainability strategy is integrated into your core business strategy and aligned with core objectives.

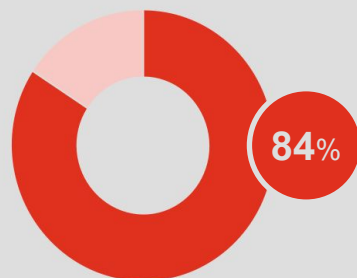
Intermediate

Clearly outline the sustainability strategy over the short, medium and long-term.

Advanced

Report on structures and actions which allow your sustainability strategy to permeate throughout the organisation. Align strategy to the SDGs or incorporate a Net Zero ambition.

Of the FTSE 100 companies we reviewed:



Set out a clear sustainability strategy (FTSE 250: 64%)

Cranswick's purpose includes the aim to feed the nation with sustainably produced food, which guides the strategic objectives within their Second Nature sustainability strategy. We liked that it is aligned with relevant SDG's and directed towards Net Zero by 2040.

Our Sustainability Strategy

Second Nature: Inspiring positive change

As one of the world's most responsible food producers, the choice is simple for us. We don't want to be part of the problem – we want to be part of the solution.

Our vision is to become the world's most sustainable meat business. This means responsibly managing our operations from farm-to-fork and acting transparently to produce food to the highest standards of integrity and quality.

Our Second Nature strategy

Our Group-wide sustainability strategy, Second Nature, addresses five interconnected pillars – Thinking, Farming, Sourcing, Producing and Living – which reflect how we operate as a business from farm-to-fork.

Through these pillars, we are addressing the key sustainability issues facing us as a food producer while aligning our commitments to global frameworks. These include the UN Sustainable Development Goals (SDGs), the Science-Based

Targets initiative (SBTi), and Champions 12.3. Closer to home, we are founding signatories of WRAP's UK Plastic Pact and are also members of their Courtauld Commitment 2025 (CC2025).

Because Second Nature underpins every aspect of our decision-making and is fully integrated into the business through our strong governance and reporting structure, this has enabled us to achieve some key milestones this year, despite the challenges of COVID-19. More information on our Second Nature progress to date can be found on pages 26 to 29.

This year we took additional steps to ensure our Second Nature strategy reflects the diversity of our operational sites which comprise farms, primary processing and food production facilities. We are developing site-specific roadmaps so we

can mobilise our colleagues better to meet key actions or milestones at a local level. This will enable us to take a more agile approach as we work together towards our long-term goals.



THINKING	FARMING	SOURCING	PRODUCING	LIVING
With every decision we make, we not only have to focus on addressing the needs of today, but meeting those of tomorrow too. Sustainability is truly Second Nature from farm, to factory floor, to board room and we are committed to achieving net zero for our own operations by 2040.	Regenerative farming is vital if we are to continue to produce food sustainably and ethically. Alongside a focus on reducing the percentage inclusion rate of soya within our pig feeds, we lead on animal welfare and aim to raise industry standards to ensure our livestock remain healthy and fulfilled. We focus on improving soil health and organic matter and the opportunity to offset carbon emissions through a variety of means within our existing land holdings and by changing farming practices. We aim for our owned farms to be Carbon Neutral by 2030.	We are working on making our supply chains shorter and more transparent so people can trust and understand where their food comes from. We are engaging with our suppliers in order to understand where they are in their sustainability journey and ensure our values are aligned.	We will use less and waste less, staying focused on efficiency whilst producing great quality food. Our mission is to become a zero-waste food producer and by 2030 we will have zero edible food waste, reduce our plastic usage by 50 per cent and reduce our overall emissions by 50 per cent.	We will help our colleagues live more sustainably at work and at home. We will also fight hunger and are helping our communities tackle root causes and provide solutions to food poverty.
Link to SDG 8, 9, 10, 12, 13, 16, 17	Link to SDG 6, 8, 9, 12, 13, 14, 15	Link to SDG 8, 9, 10, 12, 13, 14, 15	Link to SDG 2, 6, 7, 9, 12, 13, 14	Link to SDG 8, 9, 10, 12, 13, 16, 17

2

How do you consider your priorities?

Materiality

Demonstrate that you have an understanding of the sustainability issues that are most relevant to you and your key stakeholders.

This will prove to the reader that you are focusing on the most important sustainability issues where your efforts will have the greatest impact.

Tips to make your reporting more effective:

Basic

Report which issues you have identified as material and why.

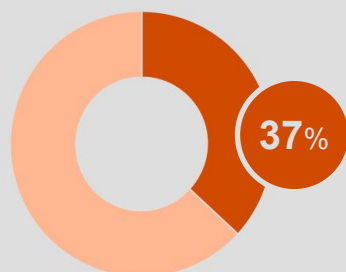
Intermediate

Report on the process that was undertaken to determine material issues and which key stakeholders were involved.

Advanced

Focus reporting on your material issues, linking them to your strategy and KPIs. Where relevant, align issues to the SDGs. Offer visualisation of your issues e.g. in a matrix.

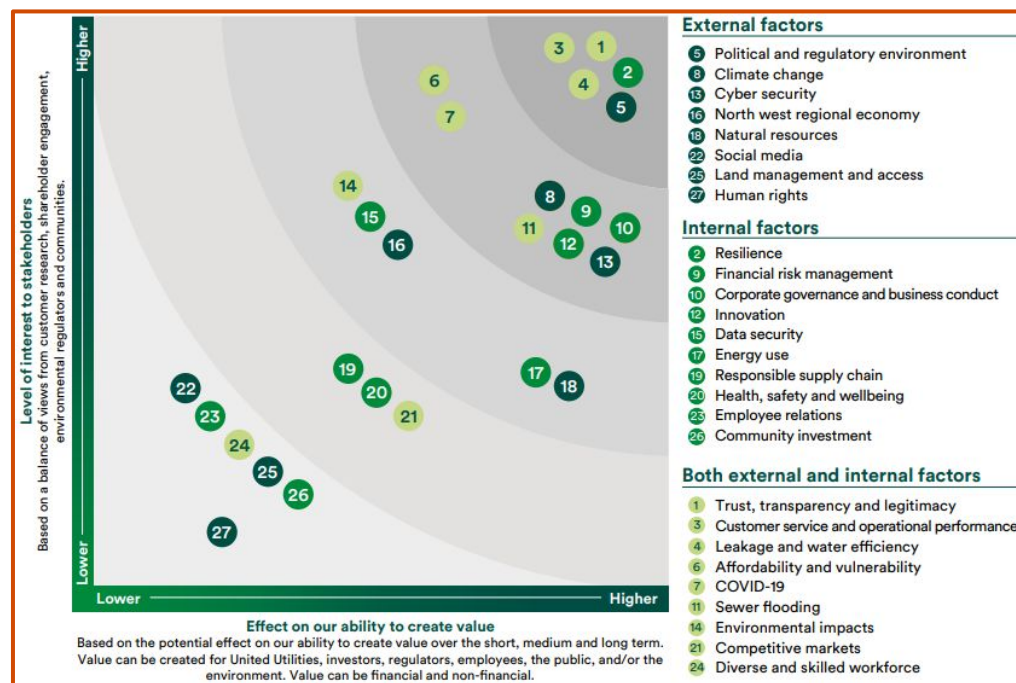
Of the FTSE 100 companies we reviewed:



Identify what the company believes are its material issues
(FTSE 250: 43%)

“United Utilities has clearly identified 27 internal and external factors believed to be material to the business, along with a comprehensive overview of the methodology used to identify such issues.”

United Utilities Annual Report 2021, pg. 27



Our approach to materiality

Understanding what matters most to our stakeholders is fundamental to being a purpose-driven organisation. We consider these stakeholder priorities alongside our own assessment of what has the biggest impact on the company and its ability to create value, and the output is presented in the material issues matrix below.

This stakeholder materiality assessment informs decisions about what we report in documents such as this annual report. Setting out issues in this way helps ensure we understand key stakeholder priorities and consider their interests in strategic decision-making, helping us create long-term value.

Our assessment of the level of interest to stakeholders is based on a balance of views obtained from communities, customers, employees, investors, regulators, and subject matter experts from the company on an ongoing basis, as well as the extensive insights gathered for the regulatory price review process. We will be undertaking a thorough review of our material issues and matrix in the next 12 months.

We have cross-referenced and aligned these issues with our principal risks and uncertainties, and our approach was reviewed by responsible business consultancy Corporate Citizenship, which commented that “alignment with United

Stakeholder Engagement

Explain how you engage with principal stakeholders and how this has impacted your sustainability strategy.

This shows the reader that you have considered a wide range of views and therefore made informed decisions about prioritising and acting on your sustainability issues.

Tips to make your reporting more effective:

Basic

Identify the key internal and external stakeholders to your organisation and describe how they have been engaged.

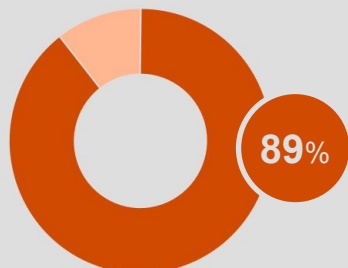
Intermediate

Describe the issues identified as important by stakeholders and how these have been addressed and will be addressed going forward.

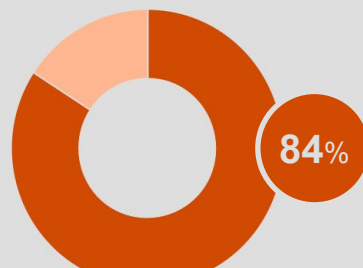
Advanced

Show linkage between stakeholder consultations and your materiality, strategy and risk and opportunities planning processes. Consider alternative media for sustainability comms.

Of the FTSE 100 companies we reviewed:



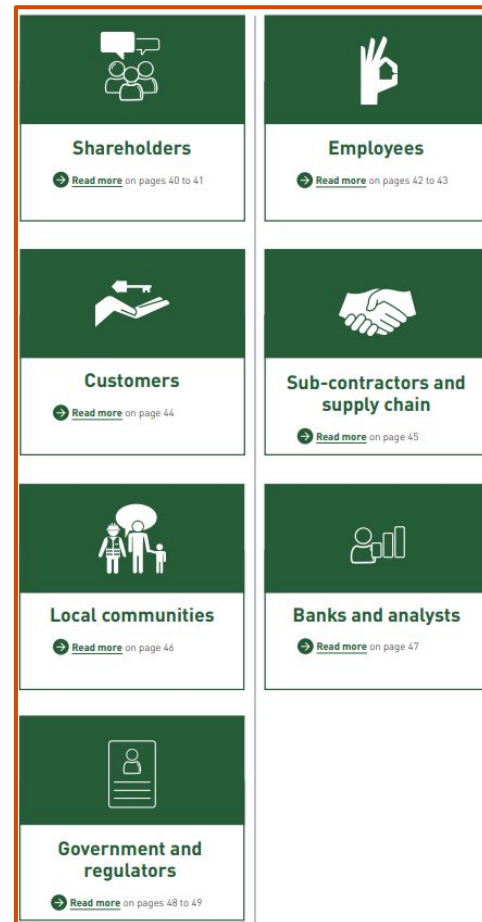
Identify internal and external stakeholders
(FTSE 250: 86%)



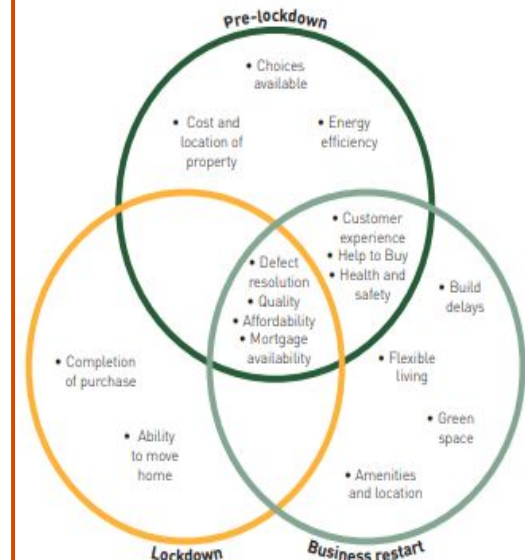
Outline actions taken in response to stakeholder concerns
(FTSE 250: 93%)

Barratt Developments has identified their stakeholders and provided extensive and logical detail on the concerns, engagement and outcomes of engagement with each group. We like that pre- and post-lockdown opinions are captured, and how the outcomes of engagement impacted board decisions.

Barratt Annual Report 2020, pg. 39, 46



Interests and concerns



Outcomes of engagement

- Improved our sales reservation process to ensure all milestone updates are consistent.
- Developed our new CRM system and customer portal to ensure that customers have a single source of information and a central repository.
- Updated our sales schemes and incentives and launched deposit contribution schemes for the Armed Forces and NHS staff.
- Updated the design and layout of our smaller product range.

Effect of engagement with customers on Board decisions

- Defect resolution included as an element of the annual bonus scheme for FY21 to increase focus on reducing the number of outstanding defects.
- Supported a review into a smaller product range and gaining further insight into future ways of living including flexible use of internal space and more green space.
- Continue to take into account customer satisfaction when making decisions that may impact our customers.

Risks and Opportunities

Explain the key strategic risks and opportunities for your organisation that arise from sustainability issues.

This gives the reader confidence that you have considered the impacts that external sustainability factors might have on the success of your business and that you are acting on these.

Tips to make your reporting more effective:

Basic

List out the risks and opportunities relating to sustainability that the organisation is managing.

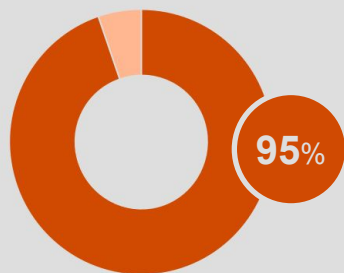
Intermediate

Describe the action plan in place to address these risks and opportunities.

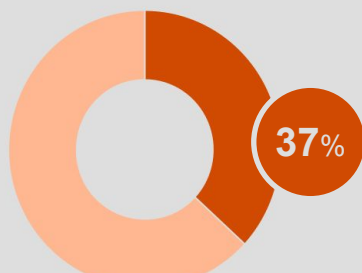
Advanced

Disclose the relevance and financial implications of risks and opportunities. As per the TCFD recommendations, identify the risks and opportunities facing your business due to climate change.

Of the FTSE 100 companies we reviewed:



Explicitly identify sustainability risks
(FTSE 250: 93%)



Explicitly identify sustainability opportunities
(FTSE 250: 7%)

Persimmon Annual Report 2020, pg. 67

Risk	Potential impact	Strategy impact	Resilience of the Group's strategy and business model
(0-5 years) Transition to a low carbon economy through changing regulations	On 1 October 2019, the Government set out its plans for the introduction of a 'Future Homes Standard' in England (planned to be introduced by 2025) which will require new build homes to be future-proofed with low carbon heating and world-leading levels of energy efficiency. Whilst the detailed changes have yet to be announced, the industry is currently considering the likely impact of these new regulations. The Ministry of Housing, Communities and Local Government's 'Planning for the Future' White Paper published in August 2020 outlined proposals to introduce a simpler and quicker planning system in England, which would promote developments that actively address the challenges of climate change. Regulatory change may lead to: <ul style="list-style-type: none"> constrained land supply leading to an increased cost of land investment for the business; extended planning delays impacting the Group's new home delivery rate; increased cost and pressure on the availability of labour and materials; and requirement for the use of new technology and skills impacting overall build cost. 		Based on the high level review of the Group's balance sheet, the carrying value of the Group's owned and under control land holdings is most likely to be impacted by the transition to a low carbon economy through changing regulations. At 31 December 2020, the Group has 84,174 owned and under control plots in its land holdings. The Group's underlying gross margin* achieved in 2020 of 31% serves to highlight the quality of these land holdings and provides some mitigation against potential increased costs associated with delivering low carbon homes. These diverse and high quality land holdings supports the Group's strong network of outlets and ensures the Group is well positioned to invest in land at the right time in the cycle. The strong gross margins embedded in the Group's existing land holdings helps to absorb potential volatility caused by increases in build costs. The Group has core house types used across its national network of development sites which helps ensure that any new regulatory requirements re home design and construction can be effectively and consistently applied across the Group. The Group's business model includes vertical integration – the Group owns its own timber frame, wall panel and roof cassette manufacturing facilities. These modern methods of construction are considered likely to assist in building low carbon homes. The Group's significant ongoing investment in training ensures that it maintains an appropriate skills base to manage changes in regulation.
(11-100 years) Changes in weather patterns and the frequency of extreme weather events, particularly storms and flooding	This may increase disruption to the construction process resulting in build delays and increased costs. Land availability may become constrained in higher flood risk areas.		The Group's strategy and business model considers the risk of climate change at a number of key stages, including: <ul style="list-style-type: none"> Identifying land investment opportunities in the most sustainable locations, in places where our customers wish to live and work; and Developing sustainable communities which includes the consideration of climate change risk assessments (e.g. consideration of flood risk and developing appropriate flood defence mechanisms).
Climate change opportunities for the Group's strategy and business model			
Opportunity	Potential impact	Strategy impact	Resilience of the Group's strategy and business model
(0-10 years) Transition to a low carbon economy through changing buildings regulations and evolution of home design	Changing regulations and the evolution of new home design may lead to increased demand for new build homes which include low carbon solutions for our customers, leading to increased revenue.		The Group's high quality land holdings, land investment strategy, well designed core house types and skilled teams will ensure an agile response to changing regulations to take advantage of any increase in customer demand.
Identification of a pathway to 'net zero'	In establishing and setting a pathway to achieving net zero carbon in its own operations by 2040, the Group is likely to identify areas of cost and operational efficiencies.		The Group's robust operating systems will ensure that any changes can be implemented promptly and effectively.

“Persimmon clearly identify the risks and opportunities climate change could pose to their business and strategy. We liked that once identified, the resilience of the group's strategy and business model is considered in detail.”

3

How do you consider your priorities?

KPIs and Targets

Identify KPIs that are directly relevant to your sustainability strategy and set challenging but realistic targets that you can assess your performance against.

Clear presentation of progress towards targets will demonstrate to the reader that you are holding yourself accountable to the goals you have set for your organisation.

Tips to make your reporting more effective:

Basic

Disclose sustainability KPIs most relevant to your business, including historic performance data.

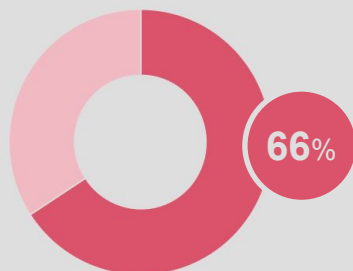
Intermediate

Set specific and quantifiable short- and medium-term targets for KPIs.

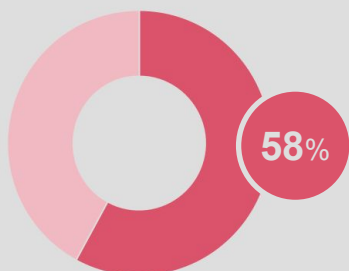
Advanced

Disclose financial implications behind KPIs. Where relevant, align your sustainability KPIs and targets to the SDGs.

Of the FTSE 100 companies we reviewed:



Disclose a range of sustainability KPIs
(FTSE 250: 57%)



Disclose targets for each KPI
(FTSE 250: 36%)

WPP has grouped performance measurements into four categories, including sustainability-related KPIs. The targets are clearly described, with progress for current and previous years clearly indicated. We liked how the measurement of non-financial metrics is explained.

WPP Annual Report 2020, pg. 56

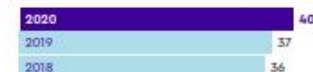
PEOPLE

Every WPP workplace should be open, inclusive and collaborative to allow our people to do their best work. Our people KPIs assess our progress against these aims.

Read more on:
Campuses – page 44
Women in leadership – pages 46 and 76

Proportion of women in executive leadership roles (%)

40



Description and rationale

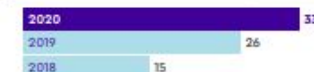
This measures our gender diversity. We believe that diversity drives creativity, so we are working hard to improve in all aspects of diversity, equity and inclusion. We aim to achieve equal representation of women at the Board and all other levels.

Targets and performance

In 2020 the proportion of women in executive leadership roles increased to 40% (2019: 37%). We are committed to achieve parity. To support this goal, we are running a number of leadership development programmes for women.

% of employees in shared Campuses¹

33



Description and rationale

We have 20 world-class, shared Campus workplaces across the globe in low-carbon, energy-efficient buildings. Each location encourages closer collaboration between our agencies, providing clients easier access to our talent and expertise.

Targets and performance

In 2020 33% of our employees were located in Campuses. We expect this to rise to 85% of employees in 60 Campuses by 2025, providing an opportunity to reduce both our office space and our environmental footprint.

SUSTAINABILITY

We aim to be a sustainable business and play our part in protecting the planet. We have made a series of commitments to reduce our environmental impact, which are captured in our KPIs.

Read more on our actions to tackle the climate crisis on page 81

Carbon emissions per person from our owned operations (tCO₂e, scope 1 and 2)²

0.52



Description and rationale

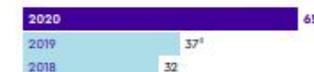
We support urgent action to tackle the climate crisis through the Paris Climate Agreement. We measure carbon emissions per employee, as headcount is closely linked to levels of business activity and this allows us to reflect the impact of acquisitions and disposals without needing to adjust our baseline.

Targets and performance

We are committed to achieve net zero emissions across our value chain by 2030 and to achieve net zero emissions across our owned operations by 2025. In 2020 carbon emissions per employee reduced by 37% compared with 2019.

Share of electricity purchased from renewable sources (%)

65



Description and rationale

We have made good progress in reducing our carbon footprint, but there is more we can do, and we have committed to solely using renewable electricity to support our carbon reduction targets.

Targets and performance

In 2020 we purchased 65% of our electricity from renewable sources (2019: 37%), reflecting progress towards our target of 100% by 2025. We are currently at 100% in the United States, Canada, UK and most European markets.

Impacts

Provide a clear explanation and quantification of the social, environmental and economic impacts of your business.

This demonstrates to the reader that you have a thorough understanding of your wider impacts on society and the environment. This understanding will allow you to make more informed decisions towards being a more sustainable business.

Tips to make your reporting more effective:

Basic

Specifically discuss which areas of the environment and society you impact through your operations and supply chains.

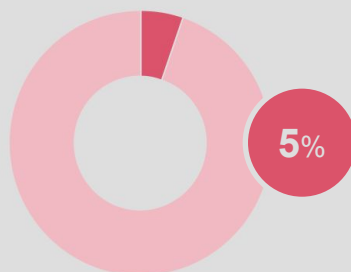
Intermediate

Disclose quantitative indicators of the relative size of your impact on society and the environment.

Advanced

In monetary terms, disclose your impact on society and the environment.

Of the FTSE 100 companies we reviewed:



Specifically disclose the environmental and/or social impacts of the business
(FTSE 250: 0%)

Standard Chartered Sustainable Finance Impact Report 2020, pg.9

Standard Chartered give in-depth detail on the impact that their business operations are having on a variety of sustainability indicators. We liked the level of detail provided for each, and that the importance of these issues to Standard Chartered is clearly communicated in the publication of a standalone report.

Green Project Financing: USD 625m

Category	Type of Project	Country	Number of Projects	Bond asset portfolio amount (USD m)	GHG Emissions Avoided (tonnes CO2 emissions) ^a
Renewable Energy	Wind	Australia	1	276	84,721.16
		India	2		44,028.13
		Jordan	1		25,102.85
		Taiwan	3		313,000.59
		UK	2		124,707.13
	Solar	Bangladesh	1	90	22,053.10
		China	1		25,043.85
		Hong Kong	1		56,030.32
		India	1		28,571.79
		Jordan	1		8,375.17
		Malaysia	1		1,164.04
	Grid Expansion ¹⁰	Angola	1	30	203
	Waste to Energy	UAE	1	1	372
Energy Efficiency	Green Buildings	Singapore	2	99	5,625.59
Total:			19	496	738,998.90

Governance

Provide a clear explanation of the company's sustainability governance structure and explain how directors and staff are incentivised to deliver on the sustainability strategy.

This gives the reader confidence that the necessary framework and resources are in place for the strategy to be delivered. Having senior staff members listed in the governance framework further demonstrates your commitment to the strategy.

Tips to make your reporting more effective:

Basic

Identify the board member responsible for sustainability issues and outline your sustainability governance structure.

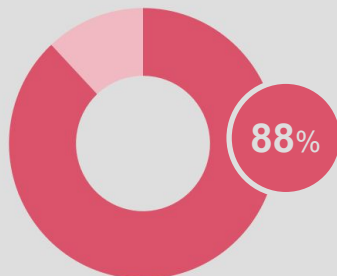
Intermediate

Showcase how sustainability governance permeates throughout your business.

Advanced

Report on how staff are incentivised (financially & non-financially) to deliver on the sustainability strategy throughout the company.

Of the FTSE 100 companies we reviewed:



Describe the sustainability governance structure
(FTSE 250: 88%)

Royal Mail Group reports on the oversight and responsibility for sustainability within their corporate governance framework, making clear how each sub-committee reports into the RMG Board.

Royal Mail Group Corporate Responsibility Report 2020-21, pg. 7

PLC BOARD

The Royal Mail plc Board receives regular updates on CR activities, including monthly health and safety briefings. Maria da Cunha is the designated Non-Executive Director for engagement with the Royal Mail and GLS workforces. The Governance section, on pages 83 to 137 of our 2020-21 Annual Report and Financial Statements, describes in detail how the Group manages its risks at Board level, via subcommittees, and throughout the organisation.

CR COMMITTEE

The CR Committee oversees the Group's ESG agenda and monitors the Group's performance across a number of key metrics. The CR Committee is Chaired by Rita Griffin, Non-Executive Director.

The CR Committee membership also includes Non-Executive Directors Maria da Cunha and Baroness Hogg, the CEOs of Royal Mail and GLS, and, as required, the Director of Corporate Affairs, members of the Royal Mail CR team, the Chief HR Officer, the Global Compliance and Sustainability Director and GLS Compliance and Directives Officer.

The Committee has focused its activities of the year on the following areas: health, safety and wellbeing, culture and diversity, environment strategy, and enhancing the understanding of stakeholders' ESG expectations and performance. The Terms of Reference for this Committee can be viewed here:

→ www.royalmailgroup.com/en/about-us/management-and-committees/corporate-responsibility-committee/

Further information about the CR Committee's activities during 2020-21 can be found on pages 106 to 107 of the Annual Report and Financial Statements.

ROYAL MAIL UK EXECUTIVE BOARD (EB)

The Chief Executive Officer has overall responsibility for CR within Royal Mail. Individual members of the EB are responsible for strands of CR activity, as follows:

- Jenny Hall, Director of Corporate Affairs, is responsible for shaping and implementing our CR strategy, including our environment and community investment strategies.
- Matt Newman, Chief HR Officer, is responsible for the people strands of our CR strategy, including health, safety and wellbeing.
- Achim Dünwald, Chief Operating Officer, is responsible for ensuring the implementation of CR -related strategies across fleet and operations.

GLS EXECUTIVE BOARD

CR activities are a regular agenda topic for the GLS Executive Board as part of the Accelerate GLS strategy. All country managers are responsible for implementing the sustainability initiatives in their country. An executive sponsor has been appointed to drive the initiatives across GLS.

4

How do you consider the
broader viability of the
business?

Value Chain

Consider relevant upstream and downstream value chain aspects of your business in order to take account of all environmental, social and economic impacts, both positive and negative.

This demonstrates you understand the wider influence you have on sustainability issues in society. By thinking holistically you may identify areas that create a greater positive impact than you can by changing your core operations.

Tips to make your reporting more effective:

Basic

Consider the positive and negative impacts across your value chain and your products and services.

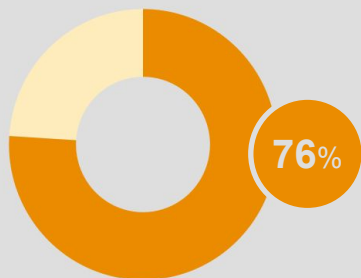
Intermediate

Report quantitatively on both positive and negative impacts across your value chain, and strategies in place to address these.

Advanced

Set specific and measurable targets for material value chain impacts and report on progress towards them.

Of the FTSE 100 companies we reviewed:



Include upstream and downstream impacts in materiality assessments and/or target setting (FTSE 250: 25%)

“SSE defines material issues aligned to each stakeholder group, including both upstream impacts (e.g. management and mitigation of health and safety risks on sites) and downstream impacts (e.g. "decarbonisation, net-zero transition).”

SSE Sustainability Report 2021, pg. 11

Energy customers

SSE directly and indirectly serves customers across GB and the island of Ireland, who all expect a quality service they can rely on.

How we engaged in 2019/20

SSE has well established customer engagement channels in each of its customer-focused businesses, ranging from dedicated panels to ensure perspectives of vulnerable customers are considered, to forums to engage with large business customers. Customer-facing businesses also maintain a wide range of indicators of performance and customer sentiment. A significant part of SSE's engagement with government and regulators relates to the maintenance and development of reliable and sustainable energy systems for the benefit of energy customers across GB and the island of Ireland.

Material issues raised

- Affordable energy
- Responsiveness to need and vulnerability
- High-quality customer service
- Using energy efficiently
- Impact of industry change

Employees

SSE directly employs over 12,000 employees in the UK and Ireland, who have a direct stake in the sustainability of its business.

How we engaged in 2019/20

SSE has ongoing, two-way channels for engaging with its employees, including: structured career conversations; annual all-employee engagement surveys; internal social media platforms; employee forums; and structured engagement with trade unions. Over the year calls and townhall events held by the Chief Executive and members of the Group Executive Committee (GEC) were held for SSE's senior leadership team to provide updates on key financial milestones and strategic matters. As the coronavirus pandemic struck, the regularity and reach of employee engagement was stepped up, to ensure employees were coping with the new working arrangements both at home and in the field.

Material issues raised

- Opportunities for development and progression
- Flexible, agile and family-friendly working patterns
- Inclusion and diversity
- The opportunity to have a say and make a difference within SSE
- Being supported to make decisions centred around doing the right thing

Shareholders and debt providers

SSE's large and diverse shareholder and debt provider base is increasingly focused on environmental, social and governance (ESG) performance.

How we engaged in 2019/20

SSE undertook its regular engagement programme which included: the financial reporting cycle; investor roadshows; the AGM; and attendance at investor conferences. Meetings were held with investors with particular interest in SSE's ESG performance and SSE responded to letters from investor groups on issues as diverse as climate change and employee mental health through the coronavirus pandemic. SSE actively engaged with four of the main ESG ratings agencies and participated in a trial for the development of a new ESG ratings product.

Material issues raised

- Financial performance, credit rating and dividends
- Political and regulatory risk
- Investment and capex plans, including focus on networks and renewables
- Environmental, social and governance (ESG) performance

Government and regulators

SSE works constructively with government and regulators in the UK and Ireland, who play a central role in shaping the energy sector.

How we engaged in 2019/20

SSE has dedicated teams who work to communicate its business strategy and help to develop long-term sustainable policy positions with government and regulators. Over 2019/20 SSE undertook meetings with senior ministers, key politicians and regulatory officials and responded to all material government and regulator consultations. Areas of SSE's businesses also held workshop events when setting out new business or project plans, regularly attended by representatives from regulators and government.

Material issues raised

- Cost-effective delivery of infrastructure
- Fair treatment of energy customers
- Security of supply and critical infrastructure
- The RIIO-T2 and RIIO-ED2 networks price controls
- Economic impact of investments
- The UK's future relationship with the EU

Suppliers, contractors and partners

SSE has around 10,000 suppliers and contractors and several joint venture partners who are crucial to its successful operation.

How we engaged in 2019/20

SSE worked closely with suppliers to ensure its values on issues such as environmental protection, safety and modern slavery were upheld. During 2019/20 engagement included meetings with strategic suppliers, onsite training for contractors, and quality and health and safety audits. SSE adopted a new Group Policy designed to help ensure that all joint ventures should be structured, governed and operated in a way that is consistent with the company's goals and culture.

Material issues raised

- Fair expectation in the delivery of projects
- Management and mitigation of health and safety risks on sites
- Deliver economic opportunities to local supply chains
- Ensure social and environmental impacts are managed and mitigated
- Effective JV structures, governance and operations

NGOs, communities and civil society

SSE works in partnership with many third-party organisations that bring specialist perspectives on social, environmental and energy- and business-related issues.

How we engaged in 2019/20

Throughout 2019/20, SSE held community consultation events to gather feedback on projects and business plans, and progressed partnerships with NGOs which deliver additional social and environmental benefits for communities. SSE's senior leaders supported key NGO partnerships through publicly raising awareness of their initiatives, including promoting them to other businesses and organisations. SSE also actively promoted the UN's Sustainable Development Goals, contributing to many events and participating in working groups.

Material issues raised

- Environmental protection and decarbonisation
- Customer vulnerability and fuel poverty
- A just and fair net-zero transition
- Employment standards including the real Living Wage and the gender pay gap
- How SSE shares value with local communities and wider society
- Responsible behaviour of large businesses

Future Proofing

Disclose that you have considered the future resource constraints that might affect your business e.g. non-financial capitals including natural capital and human capital.

This shows the reader that you are monitoring and minimising any resource risks in order to prevent disruption to your organisation in the future.

Tips to make your reporting more effective:

Basic

Disclose any significant use of non-financial capitals in your value chain e.g. water, land, timber.

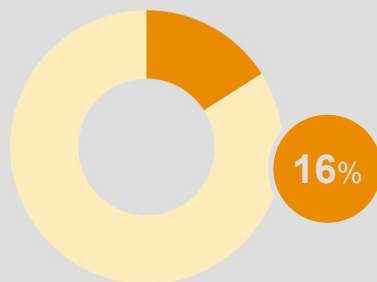
Intermediate

Explain whether you expect that the availability of any non-financial capitals might be restricted in the future.

Advanced

Describe your strategy for managing your risks. Consider the resilience of your business to climate change by undertaking scenario analysis, as recommended by TCFD.

Of the FTSE 100 companies we reviewed:



Discuss future constraints on their most important non-financial capitals
(FTSE 250: 13%)

Mondi has a detailed section that details the impact of climate change that includes non-financial capitals such as access to raw materials and supply chain impacts. Further detail is also provided on the impacts on the business, and management and mitigation efforts in response.

Mondi Sustainable Development Report 2020, pg. 47

Understanding what the climate crisis means for our business		
Our climate-related risks ⁴	Risk description and impact	How we manage and mitigate the risk
GHG regulatory changes Regulatory induced costs for GHG emissions may increase due to carbon tax and emission trading schemes. Timeframe: medium-term	Nine of Mondi's 15 pulp and paper mills fall under the EU Emissions Trading Scheme (EU ETS). While most of these mills have sufficient ETS allowances, there is potential that four will face a deficit in the period beyond 2020. In addition, the South African government charges a carbon tax on emissions from fossil fuels, which includes fossil fuel combustion at our Richards Bay and Hlabisa operations. 16 million tonnes or 45% of Mondi's total Scope 1 GHG emissions are covered by carbon tax or emission trading schemes. We estimate the potential impact of carbon or similar taxes on our business to be around €10 million per annum.	We collect detailed information on GHG emissions from our mills and ensure the cost of carbon is factored into our investments. Our science-based GHG reduction target is based on the energy efficiency (e.g. modernisation of our manufacturing and energy generation equipment) and low carbon energy investments we expect to implement to reach our targets by 2025. Our ongoing investment in low carbon technology and energy efficiency will reduce the regulatory risk of insufficient CO ₂ allowances, especially at our EU-based operations.
Chronic changes in precipitation Water supply must be maintained to sustain operations in water scarce regions. Timeframe: long-term	Extended water shortages are a concern as they could disrupt production at our operations. This is relevant in water scarce regions such as South Africa. Water supply to our Richards Bay mill is already under pressure from urban development. The potential effect of reduced production due to water shortages at our Richards Bay mill is estimated at up to €10 million per annum.	During the recent drought in South Africa, we significantly reduced specific contact water consumption at our Richards Bay mill by implementing closed loops and recycling water used in our processes. We are working with local authorities and other industries to identify solutions to enhance water stewardship across the entire water catchment surrounding Richards Bay. We have conducted water stewardship assessments at our Richards Bay mill and two plantations in South Africa to understand their water use and impacts. We are now using the outcomes to investigate cost-effective improvements to local water management systems.
Supply chain impacts Climate change may result in fibre yield losses in Mondi's forests. Timeframe: medium-term	Increased severity and frequency of extreme weather events may result in disruptions and decreased harvesting capacity of our managed forests. Extreme weather conditions may impact forests and plantations through sustained higher temperatures, which can lead to stronger winds and increased wildfires. Plantations may be vulnerable to changes in rainfall patterns and erosion. Higher temperatures may increase vulnerability of forests to pests and diseases. Exacerbated by drought conditions, fire remains a challenge for our South African plantations, which we believe are more vulnerable to fibre yield losses than our Russian forests. We estimate the financial impact due to potential yield losses in our South African plantations could be up to €35 million per annum.	Our tree improvement programme aims to produce stronger, more robust hybrids that can resist disturbances such as drought, pests and diseases. We mitigate the risk with naturally vegetated open corridors acting as fire-breaks between forest plantations. We have invested in a firefighting fleet at our South African plantations. We also minimise combustible material that remains behind at logging sites after harvesting operations. We have improved pre- and post-burn assessments at harvesting sites. These assessments aim to mitigate the risks of erosion and nutrient loss after prescribed burning to ensure healthy soils, which are critical for productive plantation forests.
Supply chain impacts We may face higher costs for externally procured fibre. Timeframe: long-term	Temperature increase, changes in rainfall patterns and windstorms can result in large-scale forest damage in central Europe. At lower altitudes, fibre losses from bark beetle damage to spruce stands are expected to continue unless precipitation increases. Our mills in Europe are sensitive to the economic development of the sawmill industry. A reduction in the cutting capacity of the sawmilling industry due to a lack of spruce saw logs could lead to a change in the mix of available pulwood and sawmill chips. Increasing competition for wood is being driven by demand for renewable raw materials and timber for green energy generation to achieve EU GHG reduction and Net Zero targets. At the same time, there is a call to increase forest areas set aside for conservation. All of this may contribute to increased pricing for wood, resulting in a potential risk of €20-70 million per annum in the long term.	In mountainous regions, we expect an increase in yearly forest growth due to rising temperatures. At lower altitudes, spruce will be mainly replaced with other softwood species. We are investigating alternatives to support flexibility in species mix for our future pulp production. We invest in research and development (R&D) projects and are building strategic partnerships with forest owners and industries, NGOs and scientific institutions to foster sustainable forest management. This is supported by the sustainable working forest model and fit-for-purpose certification concepts, which we developed and promote with our partners. We have started to explore approaches to climate-fit forestry to enhance forest ecosystem resilience. We also promote the cascading use of wood rationally and via Cepto on a European level.
Risk of flooding Stricter flood protection needed according to revised flooding plans. Timeframe: long-term	Our mills use large volumes of water and are often located close to rivers. The risk of flooding may increase due to surface water flooding (e.g. after extreme rainfall or rapid snow melting) or flooding of low-lying coastal regions (due to sea level rise). We have invested to mitigate the potential impact of flooding and have assumed we should not have a prolonged shut. In the event of flooding at one of our mills which are in higher risk areas, the cost is estimated at up to €10 million.	Our mills have revised their flood prevention plans and invested in flood protection, in some instances with government and energy companies running hydropower plants in adjacent areas. Detailed flooding plans consider potential flooding events caused by relevant sources of water and the topography and hydrogeology of the mills. Current assessments show the measures taken are generally sufficient and only a few additional smaller measures are required (e.g. elevation of motors and vulnerable equipment, additional pumps, water level sensors).
Stricter regulation Evolving requirements on effluent water temperature. Timeframe: medium-term	Climate change may increase annual mean temperatures and the temperature of river water. We use surface water, including river water, in production and for cooling at our mills and energy plants. Higher water temperatures increase the amount of water needed for cooling and may lead to critical temperatures in the wastewater treatment plants. Our mills have permits for water withdrawal. In most cases, the permits contain water temperature limits for water discharge. We see a potential impact of €5 million per annum for measures to prevent exceeding water permission limits.	To mitigate the risk of increasing administrative expenses and fines, we are investigating investments in additional water-cooling equipment (e.g. cooling towers, heat exchangers) at some of our mills. For example, we are considering the construction of wastewater cooling towers at some of our mills.
Changing customer behaviour Trend towards recyclable, low carbon, renewable (biore-based) products instead of plastic. Timeframe: short- to long-term	The drive to replace plastic packaging with fibre-based alternatives is a significant opportunity for our business. However, certain plastic-based products within our portfolio could face lower demand due to this shift from plastic to paper. A significant proportion of the Group's flexible plastic-based packaging is focused on value-added segments, serving mainly food, pet food and other consumer end-users. There are currently limited paper-based alternatives for a significant proportion of these products, which contain barrier properties (such as moisture, grease, gas properties, etc.) to preserve and protect products. We estimate the potential operating profit impact due to loss of some commodity plastic business at around €5 million per annum.	We're leading the industry in researching innovative design for our products, including flexible plastic-based sustainable packaging solutions. We believe in using paper where possible, plastic when useful to create high-quality products with a focus on circularity. A significant proportion of our flexible plastic-based packaging products is focused on value-added segments, mainly serving food, pet food and other consumer end-users, where packaging requires barriers or functionality to protect the product from farm to fork and avoid food waste. We are developing a range of recyclable barrier paper solutions to replace plastic, as well as a range of recyclable flexible plastic solutions for applications requiring plastic barrier functionalities.
Our climate-related risk	We estimate the potential impact of climate change risks on our business could be up to €125 million per annum	

5

How do you report with clarity
and transparency?

Balanced Reporting

Disclose reporting in a balanced and transparent fashion and explain where and how improvements will be made.

Acknowledgement of not only your successes but also your negative sustainability impacts gives the reader confidence that you are a self-aware organisation. One that is honest and transparent about progress towards sustainability goals. Describing the actions you will take to address poor performance and maximise good performance demonstrates that your organisation is committed to achieving the sustainability targets that have been set.

Tips to make your reporting more effective:

Basic

Report progress against all targets, whether performance has been good or bad.

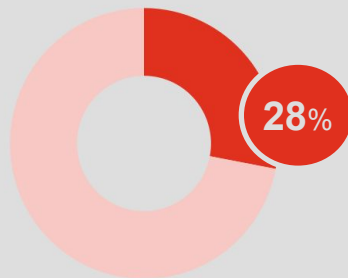
Intermediate

Explain poor performance and how you will address it going forward.

Advanced

If you reach targets ahead of schedule, set more challenging targets going forward.

Of the FTSE 100 companies we reviewed:



Give adequate attention to reporting negative and positive performance
(FTSE 250: 13%)

Taylor Wimpey provides a narrative on progress against sustainability-related targets and KPIs, detailing where their performance has allowed targets to be achieved and also where it has fallen short. Detail is also given on how to address and improve poor performance.

Progress against targets

Target	Progress	Achieved?
Test our new standard house type range ahead of a full roll out and develop a range of standard apartments	Roll-out of the new house types was delayed due to the pandemic. We built our first prototypes in late 2020 and roll-out will begin in 2021. We are also developing a standard apartment range.	
Complete our connected community trials at two sites and assess the findings	We launched the pilot at Pennington Wharf in Manchester and assessed the initial impact using customer research. Early findings suggested that the approach can help to foster connections. The final research and a second pilot did not take place due to the impact of the pandemic.	
Run our third internal placemaking competition with a focus on sustainability and update our Design Academy training	We ran our third internal placemaking competition, which received 26 entries. We will introduce additional sustainability categories into our 2021 competition. We rolled out six online masterclasses as part of our Design Academy training.	
Increase the number of schemes rated green on our placemaking self-assessment	We have seen an increase in green rated schemes, reflecting an improved understanding of placemaking best practice among our regional businesses following training and engagement.	
Develop a more energy-efficient build specification to improve performance for customers and comply with updated building regulations	We have undertaken initial modelling work to develop the specification. This is being finalised inline with the published details of the Future Homes Standard and changes to Building Regulations Part L and F.	

Assurance

Enhance the credibility of your reported content by referencing, for example, independent studies, external benchmarking, expert assessment panels or external third party assurance.

This gives the reader confidence in the data and confidence in the integrity of your sustainability reporting. It also gives management and shareholders confidence in the company's performance over the reporting period.

Tips to make your reporting more effective:

Basic

Include reference to independent benchmarking data, to ensure credibility of your reporting.

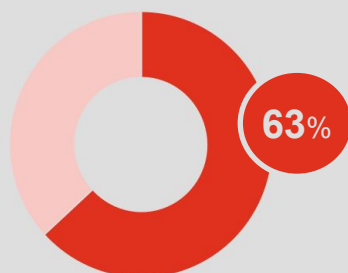
Intermediate

Obtain internal or external assurance over the sustainability data in your report.

Advanced

Include the assurance opinion, which should clearly state the scope of the work, the standard followed and the work completed, in the report.

Of the FTSE 100 companies we reviewed:



Have external assurance on some sustainability metrics
(FTSE 250: 43%)



Aviva disclosed an assurance statement, verifying that their sustainability data has been externally assured by PwC to the ISAE 3000 and 3410 assurance standards.



Aviva's Sustainability Summary 2020, pg. 34-35

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Independent Limited Assurance Report to the Directors of Aviva plc

The Board of Directors of Aviva plc ("Aviva") engaged us to provide limited assurance on the information described below and set out in the Sustainability Summary Report and Annual Report and Accounts for the year ended 31 December 2020.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2020 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of our report.

Modern Slavery

Disclose your slavery and human trafficking statement in accordance with the Modern Slavery Act of 2015.

In line with the UK Modern Slavery Act 2015, all companies with i) a global turnover of over £36 million and ii) operations in the UK, are required to comply by publishing a modern slavery statement annually. The statement demonstrates that you understand the potential risks associated with modern slavery.

Tips to make your reporting more effective:

Basic

Publish a signed Modern Slavery statement on your website, signed by a company director (or equivalent).

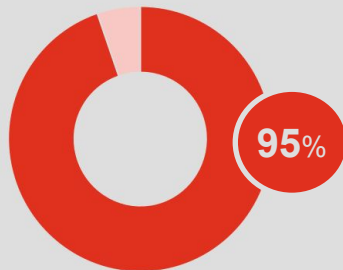
Intermediate

Disclose a statement that includes information on the overview of the business, related policies, and MS risk assessments.

Advanced

Ensure your Modern Slavery Statement includes information against each area that the government guidance 'Transparency in Supply Chains' recommends.

Of the FTSE 100 companies we reviewed:



Disclose a slavery and human trafficking statement in accordance with the Modern Slavery Act 2015.
(FTSE 250: 100%)

The Kering Group disclose a Modern Slavery statement. We liked how the Group's sustainability strategy follows directly afterwards, suggesting prevalence of the principles from the statement are embedded throughout the sustainability strategy.

Kering Group Modern Slavery Statement 2020, pg. 2

MODERN SLAVERY STATEMENT

2020

This statement is made pursuant to the Australian Modern Slavery Act (No. 153) 2018, the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act of 2010. It sets out the steps which the Kering Group and the companies in that group have taken up to and during the financial year 2020 to identify and prevent Modern Slavery, including forced labour, human trafficking and the worst forms of child labour from taking place in our supply chains or in any part of our business activities.

Starting in 2021, the Compliance Department will enact all procedures necessary to ensure a global and coordinated approach worldwide with respect to Modern Slavery, and Human rights more generally, for most efficient efforts both in our operations and in our supply chain.

"Kering SA", refers to the French public limited company ("société anonyme"), registered with the Paris Trade and Company Register under number 552 075 020, registered office at 40 rue de Sèvres, 75007 Paris, listed at the Paris Stock Exchange and member of the CAC 40 index.

"Kering Group" refers to Kering SA and all the entities directly or indirectly controlled by Kering SA.

Kering Group is global luxury group managing the development of a series of renowned houses in fashion, leather goods, jewellery and watches: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. In 2020, Kering had over 38,000 employees and revenue of €13.1 billion.

6

Spotlight

Diversity & Inclusion

Diversity and inclusion

2021 has seen diversity and inclusion matter (D&I) propelled into sharp focus for companies following the murder of George Floyd in May 2020, and subsequent Black Lives Matter activism.

Diversity focuses on the diverse range of people within a company, reflective of the society in which it exists and operates. Inclusion focuses on enabling and encouraging a diverse workforce to work together effectively.

It is usual for Gender, Ethnicity and Disability to form important areas of D&I focus. However, the tragic events of last summer have concentrated company efforts towards seriously considering the role of structural racism and inequality within their business and beyond, and developing D&I measures in response. For some companies, the pandemic provided a point in which priorities could be realigned in order for them to become champions of D&I.

We have included a selection of companies in this section that have demonstrated enhanced transparency and consideration for the topic.

Legal & General Group Annual Report 2020, pg. 54
LGIM Investment Stewardship Diversity Plan 2020, pg. 3

The horrifying killing of George Floyd and so many others has led many institutional investors to think much more seriously about structural racism and inequality. At LGIM, we believe asset managers must go further – now is the time for action.

We have been longstanding advocates for cognitive diversity in the companies in which we invest, and have spent a lot of time [improving the gender balance of those companies](#), through both engagement and voting, with great success in the UK and in the US. In the FTSE 350 index, women now hold 32% of board seats on average, up from 9.5% in 2010.¹ In the US, there are no longer any all-male boards in the S&P 500 index. Institutional investors are only one voice, yet we are confident that with intentional and focused action it is possible to bring about additional, sustainable change at companies and we will use our experience to broaden our engagement and voting strategies.

“While Legal & General reports against other important D&I measures (including Gender and Disability), their investment arm also provides a separate report on their corporate engagement plans to advance ethnic diversity. We appreciated their acknowledgement that their racial diversity advocacy must increase going forwards, and their commitments to improve this both internally and with the companies they invest in.

D&I actions in 2020

To reflect the importance of creating a diverse and inclusive business, we established a new Global Diversity and Inclusion council. The Council reports to the Group Board and is chaired by Laura Mason, Chief Executive of our institutional retirement business and our Global D&I sponsor.

We acknowledge that we have not advocated strongly enough on racial diversity to date. We therefore intend to expand our diversity strategy and corporate engagement – **including through strengthened proxy voting policies and a focused outreach campaign regarding diverse board member representation** – over the coming months and expect many other investors to formulate new policies in this area.

It is incumbent on companies to improve the ethnic diversity within their organisations – and on us as investors to demand more transparent disclosure on ethnic diversity, require explicit policies on ethnic diversity and inclusion, and hold companies accountable for these policies.



1. Increasing diversity on ITV's Management Board and senior leadership teams
2. Commissioning to ensure ITV better represents contemporary British life on-screen within the next 12 months
3. Improving diversity and career progression in TV production
4. Recruitment – taking positive action at entry-level as well as middle and senior leadership
5. Educating and developing ourselves so everyone understands racism and their role in creating an inclusive culture

Off-screen Diversity Data (based on disclosed population at 31 December 2020)

Characteristic	Senior Leadership Team (SLT)*		Managers		All colleagues	
	2020	2022 Target	2020	2022 Target	2020	2022 Target
Colleagues who are female	45.3%	50.0%	49.3%	50.0%	52.9%	50.0%
Black, Asian & minority ethnic	10.6%	15.0%	10.1%	15.0%	12.9%	15.0%
LGBT+**	4.9%***	7.0%	7.2%***	7.0%	7.3%***	7.0%
Colleagues with a disability or long-term health condition	11.6%	12.0%	9.2%	12.0%	11.0%	12.0%

* Senior Leadership Team (SLT) includes management board –there is no separate target for the Management Board as the numbers are too small, however there is an expectation that this will also be representative in terms of diversity.

** This target is based on estimated working population data in these communities.

*** This number is based on LGB disclosure only (trans/non-binary data is too small to report).

Understanding their responsibility as a commercial public service broadcaster, ITV has included Diversity & Inclusion as one of their priorities for their Social Purpose, which centres it within the company's strategy. ITV also report their intention to publish their Diversity Acceleration Plan, with 5 central commitments. Since the end of our review period process, this has now been published. We liked how ITV gives equal consideration to both their broadcasting (on-screen) activities, along with their internal, operational (off-screen) activities, reporting D&I metrics for both.

Progress against Targets¹

BAME

We have increased our off-screen BAME representation in the year, being 12.9% of all colleagues, 10.6% of SLT and 10.1% of managers. On-screen we surpassed our BAME target, with 17.6%² representation.

LGBT+

We have surpassed most of our targets for LGBT+ representation, with on-screen at 14.8%², and off-screen being 7.3% for all colleagues and 7.2% for managers. We are working to improve SLT representation which is currently at 4.9%.

Gender

We have surpassed most of our female representation targets, with on-screen being 53.8%², and off-screen being 52.9% of colleagues and 49.3% of managers being female. Our SLT representation of 45.3% is ahead of most of the FTSE 100, however are still working to reach 50%.

Disability

In 2020, disability representation amongst all colleagues was 11.0%, exceeding our previous 2022 target of 8%. We have subsequently increased our 2022 target to 12.0%, with the aim to review again at the end of 2021. On-screen disability is 11.2%², which is the highest of all the UK broadcasters.

The 2020 Hampton-Alexander report ranked ITV tenth in FTSE 250 for female representation in our combined Executive Committee and direct report roles, and second within the FTSE 350 Media sector.

1. Data as at 31 December 2020
2. Source: 2019-20 Diamond: The Fourth Cut report published by the Creative Diversity Network

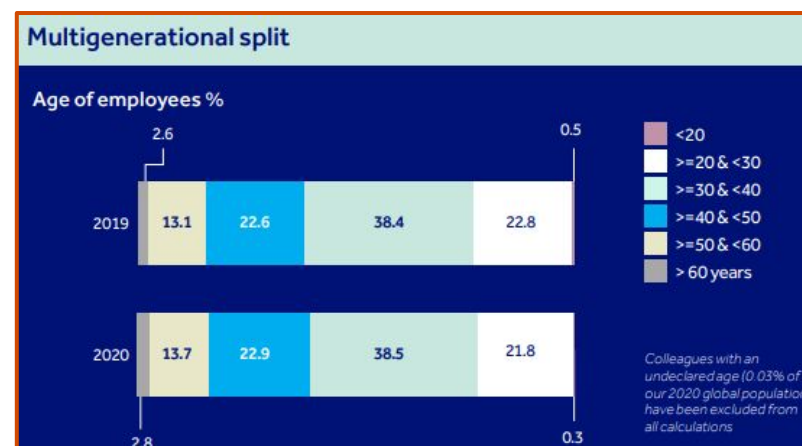
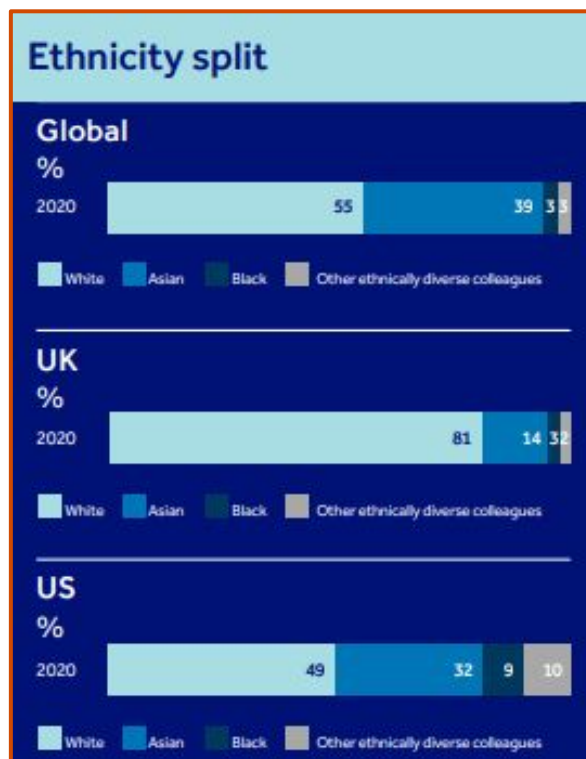
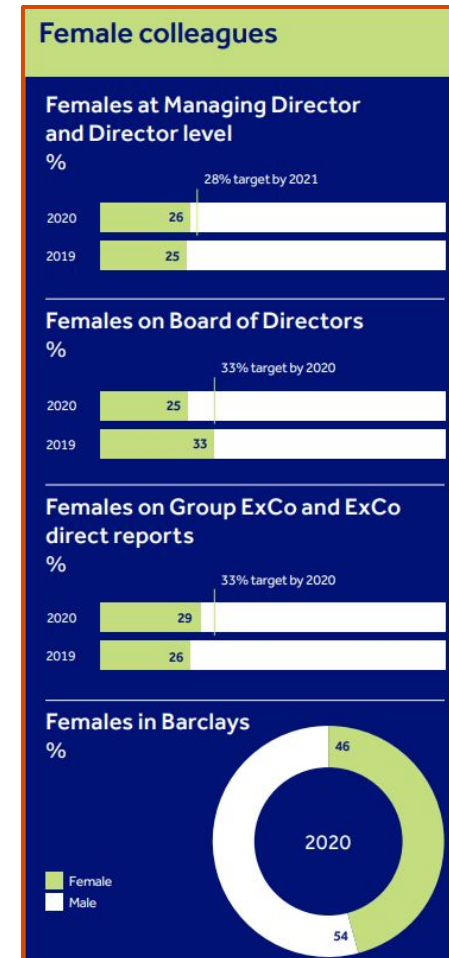


Pride

Barclays has been a headline sponsor of Pride in London since 2014, where we first turned a number of our cash machines along London's Pride route into rainbow decorated 'GAY-TMs'.

In June this year, we marked Pride month across the globe, and in particular the 50th anniversary of the Pride traditions in the US. We came together virtually to mark a different kind of Pride – which we called Pride Inside. Pride Inside highlighted our commitment to challenging homophobia, biphobia and transphobia inside or outside the office, and to champion inclusion for all, while also enabling us to lean on the strength of our community to stand up, not just for the LGBT+ community, but for all minority communities.

Our social media campaign on Pride generated 25 million impressions.



Barclays has provided a separate, comprehensive Diversity and Inclusion report providing an overview of the Group's approach to building a more inclusive company, including a progress report on each of their five pillars of diversity and inclusion.

7

Spotlight

Sustainability
Benchmarking and
Standards Reporting

Sustainability Benchmarking and Standards Reporting

Companies use a range of sustainability disclosure and benchmarking standards to meet investor and other capital market participants information needs.

COP26 saw the announcement of the International Sustainability Standards Board (ISSB), which will provide a comprehensive global baseline of high-quality sustainability disclosure standards. The ISSB will consolidate the Climate Disclosure Standards Board (CDSB—an initiative of CDP) and Value Reporting Foundation (VRF, which includes the Integrated Reporting Framework and the SASB Standards).

The companies featured in this section are some of those that have effectively aligned their reporting to existing standards.

Diageo has provided a clear overview of the Sustainability Accounting Standards Board (SASB) information included in their Sustainability & Responsibility Performance Addendum 2020. We liked that this report provides specific disclosures aligned with multiple sustainability benchmark and standard frameworks. We also liked how relevant sector-specific standards have been included by them.

Diageo Sustainability & Responsibility Performance Addendum 2020, pg. 84-85

Our response to the Sustainability Accounting Standards Board (SASB)

The US-based SASB sets out sustainability reporting standards for various sectors. The following table summarises our response to the sector-specific standard for alcoholic beverage companies.

ENERGY MANAGEMENT	
SASB metric	Our response
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable energy	See GRI 302 in this document
WATER MANAGEMENT	
SASB metric	Our response
(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with high or extremely high baseline water stress	See GRI 303 in this document See page 42 of the Annual Report
Discussion of water management risks and description of management strategies and practices to mitigate those risks	See GRI 303 in this document See 28-29 and 42-43 of the Annual Report See our Water Blueprint
RESPONSIBLE DRINKING AND MARKETING	
SASB metric	Our response
Percentage of advertising impressions made on individuals above the legal drinking age	All advertising impressions are targeted to those above the legal drinking age; see the Diageo Marketing Code for more details See page 25 of the Annual Report for breaches of our Marketing Code
Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	See GRI 417-03 in this document See page 25 of the Annual Report
Total amount of monetary losses as a result of legal proceedings associated with labelling and/or marketing practices	See Note 18 of the Financial statements, pages 163-166 of the Annual Report, for details of contingent liabilities and legal proceedings See page 25 of the Annual Report for details of breaches of marketing practices
Description of efforts to promote responsible consumption of alcohol	See pages 24-25 of the Annual Report See www.diageo.com
PACKAGING LIFECYCLE MANAGEMENT	
SASB metric	Our response
(1) Total weight of packaging, (2) percentage made from recycled or renewable materials, (3) percentage that is recyclable or compostable	See GRI 301 in this document See pages 32-35 of the Annual Report
Description of strategies to reduce the environmental impact of packaging throughout its lifecycle	See GRI 301 in this document See pages 28-37 of the Annual Report See the sustainable packaging section of our website

SASB index

We have produced our first Sustainability Accounting Standards Board (SASB) index to illustrate how our reporting aligns with the Biotechnology and Pharmaceutical Industry guidelines. We will continue to align our reporting to SASB in future reports.

Data and information is reported via a range of sources including our public policies, the 2020 Annual Report, this 2020 ESG Performance Summary and on gsk.com. This Index signposts to the relevant source.

For their first SASB Index report, GlaxoSmithKline provides three pages of detailed SASB Index data, with clear reference to where further information can be found for each indicator. We liked that this information is collated in a standalone ESG Performance Summary 2020 report, which also details other standards which GSK reports against alongside ESG assurance statements.

SASB indicator		Where to find the information
Safety of clinical trial participants		
HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	⊕ Clinical trials policy
HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Not reported
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Not reported
Access to medicines		
HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	⊕ p.35-36 Annual Report
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	⊕ p.15-16 of this document
Affordability & pricing		
HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	Not reported
HC-BP-240b.2	Percentage change in: (1) average list price and (2) average net price across US product portfolio compared to previous year	⊕ p.2 of this document
HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	⊕ p.2 of this document
Drug safety		
HC-BP-250a.1	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Available via FDA Adverse Event Reporting website
HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	Available via FDA Adverse Event Reporting website
HC-BP-250a.3	Number of FDA recalls issued, total units recalled	⊕ p.10 of this document
HC-BP-250a.4	Total amount of product accepted for takeback, reuse, or disposal	Not reported
HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	⊕ p.10 of this document

2020 SASB Index

Our 2020 Integrated Annual Report (IAR) is the first time that Coca-Cola HBC AG has reported to the Sustainability Accounting Standards Board (SASB) framework. The majority of the information is included in the 2020 IAR and 2020 GRI Content Index. Part of the information refers to our public website <https://www.coca-colahellenic.com/>

Table 1. Sustainability disclosure topics & accounting metrics

Topic	Accounting metric	Category	Unit of measure	Code	Response
Fleet fuel management	Fleet fuel consumed	Quantitative	Gigajoules (GJ)	FB-NB-110a.1	1,060,629
	Percentage renewable	Quantitative	Percentage (%)	FB-NB-110a.1	0%
Energy management	Operational energy consumed	Quantitative	Gigajoules (GJ)	FB-NB-130a.1	6,495,806
	Percentage grid electricity	Quantitative	Percentage (%)	FB-NB-130a.1	40%
	Percentage renewable	Quantitative	Percentage (%)	FB-NB-130a.1	14%
Water management	Total water withdrawn	Quantitative	Thousand cubic metres (m³)	FB-NB-140a.1	23,069
	Total water consumed	Quantitative	Thousand cubic metres (m³)	FB-NB-140a.1	13,939
	and percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%)	FB-NB-140a.1	34%
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	n/a	FB-NB-140a.2	2020 IAR, Securing water availability, and Risk sections pages 47-54-59 2020 GRI Content Index (Water and Effluents standard). CCHBC website, Sustainability section, Water stewardship
	Revenue from zero- and low-calorie	Quantitative	EUR	FB-NB-260a.1	€890.3 million (14.5% of total)
Health & nutrition	no added sugar beverages	Quantitative	EUR	FB-NB-260a.1	Only from sparkling soft drinks portfolio
	artificially sweetened beverages	Quantitative	EUR	FB-NB-260a.1	Not reported.
		Quantitative	EUR	FB-NB-260a.1	CCHBC website, Sustainability section, Nutrition
Product labelling & marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	Quantitative	Percentage (%)	FB-NB-270a.1	Not reported. As a member of both the Coca-Cola System and UNESDA, we abide by the respective responsible marketing guidelines. In addition, our approach towards marketing to children is covered by our health and wellness policy. CCHBC website, Sustainability section, Responsible marketing tab UNESDA, Marketing to children statement
	Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Reporting currency	FB-NB-270a.2	(1) None – we don't produce/sell GMO products. (2) non-GMO: €6,131.8 million (100% of the portfolio). CCHBC website, GMO Policy
	Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	Quantitative	Number	FB-NB-270a.3	Zero incidents of non-compliance in 2020. Refer to the 2020 GRI Content Index (417-2 and 417-3).
	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labelling practices	Quantitative	Reporting currency	FB-NB-270a.4	Zero incidents of non-compliance in 2020. Refer to the 2020 GRI Content Index (417-2 and 417-3).
		Quantitative	Reporting currency	FB-NB-270a.4	Zero incidents of non-compliance in 2020. Refer to the 2020 GRI Content Index (417-2 and 417-3).

Coca-Cola HBC AG 2020 IAR has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, Core level. It has been independently assured by denkstatt. Independent assurance statement is on pages 234-236 of the 2020 IAR.

Currently, we do not track all metrics included in the Non-Alcoholic Beverages Standards and will work towards including more data in the future.

Table 1. Sustainability disclosure topics & accounting metrics (continued)

Topic	Accounting metric	Category	Unit of measure	Code	Response
Packaging lifecycle management	Total weight of packaging	Quantitative	Metric tonnes (t)	FB-NB-410a.1	704,445
	(2) percentage made from recycled and/or renewable materials	Quantitative	Percentage (%)	FB-NB-410a.1	8.2% recycled PET; 34.5% glass; 50.6% aluminium
	(3) percentage that is recyclable, reusable, and/or compostable	Quantitative	Percentage (%)	FB-NB-410a.1	99.9%
Environmental & social impacts of ingredient supply chain	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and analysis	n/a	FB-NB-410a.2	CCHBC website, Sustainability section, World without waste
	Suppliers' social and environmental responsibility audit: non-conformance rate	Rate	n/a	FB-NB-430a.1	2020 GRI Content Index (205-2, 308-1, 407-1, 408-1, 409-1, 414-1) CCHBC website, Sustainable sourcing and Our suppliers sections
	and associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	n/a	FB-NB-430a.1	CCHBC website, Sustainability section, Sourcing CCHBC website, Supplier Guiding Principles
Ingredient sourcing	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	FB-NB-440a.1	3.9% of suppliers locations are in high water-risk as per our assessment by using WWF Water Risk Filter.
	List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations	Discussion and analysis	n/a	FB-NB-440a.2	CCHBC website, Sustainability section, Sourcing 2020 GRI Content Index (205-2, 308-1, 407-1, 408-1, 409-1, 414-1) CCHBC website, Sustainable sourcing and Our suppliers sections
		Discussion and analysis	n/a	FB-NB-440a.2	CCHBC website, Sustainability section, Sourcing 2020 GRI Content Index (205-2, 308-1, 407-1, 408-1, 409-1, 414-1) CCHBC website, Sustainable sourcing and Our suppliers sections

Table 2. Activity metrics

Activity metric	Category	Unit of measure	Code	Response
Volume of products sold	Quantitative	Millions of hectolitres (Mhl)	FB-NB-000.A	126.38 (total CCHBC, excluding N Macedonia and Multon from May 2020 onwards).
Number of production facilities	Quantitative	Number	FB-NB-000.B	56 manufacturing sites, 54 of them producing beverages.
Total fleet road miles travelled	Quantitative	Kilometres	FB-NB-000.C	331,157,846

Coca Cola provides good detail presented across two pages on their alignment with the SASB index, in addition to their alignment with the GRI, IIRC, and TCFD disclosure and reporting standards. We like how their response indicates towards their responses to the other standards.

FRAMEWORKS AND ASSURANCE CONTINUED

GLOBAL REPORTING INITIATIVE STANDARDS/SUSTAINABILITY ACCOUNTING STANDARDS BOARD AND GLOBAL COMPACT CONTENT INDEX

This table provides GRI, Global Compact and SASB content inclusion references to assist those who wish to use this Plan A Report for benchmarking purposes.

Description	GRI Standards [^]	Global compact	SASB	Page
General disclosures	102	–	–	p04 and AR
Additional material topics	–	–	Health & nutrition	p42
Economic performance	201	–	–	AR
Market presence	202	–	–	AR
Materials	301	Environment	Materials/chemicals	p36
Energy	302	Environment	Energy	p32 and AR
Water	303	Environment	–	p36
Biodiversity	304	Environment	Materials	p18
Emissions	305	Environment	Refrigeration & fleet	p34 and AR
Effluent and waste	306	Environment	Food waste	p35
Supplier environmental assessment	308	Environment	Environmental & Social Impacts in the Supply Chain ^{^^}	p26
Labour/employment	308/401	Human rights/Labour	Labour	AR
Diversity/non-discrimination/freedom of association/child labour/forced labour	405/406/407/408/409	Human rights/Labour	Labour	AR and MSS
Communities	413	Human rights/Labour	–	p41
Supplier social assessment	414	Human rights/Labour	Labour	p40
Political donations	415	–	–	AR

[^] Please refer to our 2018 GRI index for more detail on which standards apply.

^{^^} The relevant SASB material Topic relating to raw materials sourcing in the production of clothing covers potential negative impacts in resource conservation, water, fair labour; in response we use the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM), as well as its Facility Social & Labour Module (FSLM), along with other assessment frameworks, in evaluating performance at our suppliers' processing facilities.

AR 2021 Annual Report

MSS Modern Slavery Statement



Marks & Spencer clearly identifies content inclusion references for SASB, GRI and Global Compact reporting standards, communicating the information clearly and in alignment with the relevant standards for benchmarking purposes. We like how the descriptions provided are applicable across all of the standards, with page references for the report itself as well as other relevant material e.g. 2021 Annual Report and Modern Slavery Statement.



For more information contact...



Alan McGill

E: alan.d.mcgill@pwc.com
M: +44 (0) 7711 915663



Gordon Wilson

E: gordon.x.wilson@pwc.com
M: +44 (0) 7901 670585



Katherine Murphy

E: katherine.l.murphy@pwc.com
M: +44 (0) 7483 935999



Enda Doherty

E: enda.doherty@pwc.com
M: +44 (0) 7483 448508

...and refer to our other relevant reporting and analysis, available online



Excellence in climate change reporting 2021 - A review of leading UK companies



GHG Market Sentiment Survey 2021

<https://www.pwc.co.uk/sustainability-climate-change/pdf/ieta-ghg-market-sentiment-survey-2021.pdf>

TCFD 2021 Status Report

<https://www.fsb.org/wp-content/uploads/P141021-1.pdf>





This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2021 PricewaterhouseCoopers LLP. All rights reserved. 'PwC' refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.