



PwC Building Trust Awards

Excellence in Sustainability Reporting

A review of FTSE 350 companies
October 2025



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This is our 17th year of analysing companies' sustainability reporting, and the 4th year in which we have included an additional focus around climate related reporting, aligned to the recommendations from the Task Force on Climate Related Financial Disclosures (TCFD). Companies entered into this reporting cycle in anticipation that in the year to follow, many of them would be required to report under the EU's Corporate Sustainability Reporting Directive (CSRD). However, in February this year the EU proposed to delay the reporting requirements expected to be required for 2025 for 2 years. This means that for the large majority of UK listed companies that were to be caught under CSRD, their first year of reporting will likely be 2027.

Meanwhile, the UK Sustainability Reporting Standards (UK SRS) are taking shape and we have summarised the more recent developments and consultations below.

With all this in mind, we have taken this 'pause' to think about how we can use AI to enhance our review of UK listed sustainability reporting. We have created a series of AI agents to be able to run AI over all the FTSE 350 companies and their reporting, and this has enabled us to look at reporting trends more holistically, whether on a sector basis, or by corporate size. Further details on this are set out on slide 5. So as well as highlighting best practice examples throughout, the more detailed sections over specific areas of reporting, we have also been able to include two sets of 'top 10s' for both Climate Change and Sustainability reporting, which give a broader appreciation of those companies who are reporting well, and consistently well across the 4 pillars of Governance, Strategy, Risk Management, and Metrics & Targets.

Key findings from our review

Governance: Governance offers the greatest areas for improvement in both climate and sustainability reporting, with average scores of 61% and 51% respectively. This is primarily due to limited disclosures on board and management training related to climate change.

Strategy: The Strategy pillar showed strong performance, with an average score of 83% in sustainability reporting.

There was a significant increase in companies considering double materiality for materiality assessments, many of which would be in advance of CSRD reporting requirements.

Risk Management: Risk Management was the strongest reporting area in climate reporting, driven by strong disclosures on climate-related regulatory requirements and risk management processes. Quantification remains a key areas to develop as future regulations will require this.

Metrics and Targets: Metrics and Targets saw high performance, with 87% of companies disclosing baseline KPIs and 95% setting future targets. However, only 63% provided historical data points beyond current and prior periods.

Sector Performance: The Financial Services sector scored below average on both climate and sustainability assessments, with scores of 74% and 63% respectively. Banks and Insurers outperformed other subsectors in climate reporting.

Energy and Utilities, Consumer Goods, and Industrials and Materials, three other significant sectors within the FTSE350, all performed better than average.

Irrespective of the regulatory environment, stakeholders such as investors, employees and civil society groups want to know how companies are addressing sustainability-related impacts, risks and opportunities. There is more to do but a solid foundation from which to build on from in future years.

Future UK reporting developments

While UK reporting developments have not shaped this year's reporting per se, in the future the evolving landscape of regulations will do, and early adopters can gain competitive advantage and value from the insights it can bring.

In December 2024 the UK Government's Technical Advisory Committee's recommended to endorse the International Sustainability Standards Board's (ISSB) IFRS S1 and S2 standards for UK use. Following this, the Government launched a consultation in June 2025 on the UK Sustainability Reporting Standards (UK SRS), with finalisation expected before the end of the year, for voluntary adoption, followed by further consultation on implementation.

The FCA plans to consult on updates to the Listing Rules for mandatory UK SRS reporting by listed companies, though timing on this remains uncertain. Additional consultations cover transition plans, a voluntary regime for sustainability assurance providers, and assurance over UK SRS.

The Government has said that plans for a UK green taxonomy have been dropped. Lastly the government have said they will consult on broader changes to non-financial reporting regulations, expected later this year.

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, the Task Force on Climate Related Financial Disclosures (TCFD) reports and sustainability reports of the FTSE 350.

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 assessed as a part of this review, organised by pillar (Governance, Risk Management, Strategy, Metrics and Targets), including the top 10 scoring companies in each area of reporting.
- A deeper dive on the quantitative analysis of 4 of the largest sectors, again structured by pillar, with best practice examples highlighted where relevant to the analysis.

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Background

An introduction to our analysis of the Sustainability Reporting of the FTSE 350 and an overview of the review process we have undertaken

Analysis overview

While we have been assessing the quality of companies' sustainability reporting for 17 years, this year the assessment process integrated Artificial Intelligence (AI) to analyse language within reports across the entire FTSE 350, enabling a comprehensive exploration of sustainability reporting across companies. We used a similar set of criteria to those used in prior years, divided into two assessments, the first focusing on Climate Change, the second on Sustainability more broadly. In developing the AI tool, the criteria for several areas of best practice were revised to better align with large language models, involving clearer specification of criteria and a reduction in arbitrary quantitative thresholds for achieving quality. This AI-driven approach provided a much larger pool of data to draw insights from.

To ensure accuracy, the AI methodology was supplemented with human review, particularly for the top 20 companies. Certain areas of assessment deemed unsuitable for AI were assessed manually. This combination of AI and manual assessment helped identify leading reporters and best-in-class examples.

Companies within the FTSE 350 demonstrated a broader focus on sustainability beyond just climate reporting requirements. The Climate assessment, closely aligned with TCFD recommendations criteria, reflected higher averages of 79%, while broader Sustainability averaged lower at 69%. This gap highlights an ongoing prioritisation of climate issues in corporate reporting over broader sustainability considerations, as well as the greater maturity of climate reporting.

Throughout this report, we will look into each section of the methodology to highlight reporting tips, key themes and trends as well as best practice examples noted. Both of our assessments are built around the 4 pillars, originally developed by the TCFD and now also used by the ISSB: Governance, Strategy, Risk Management and Metrics and Targets.



2

Climate reporting tips

From our analysis, we have developed some reporting tips for climate against the TCFD framework recommendations

Good practice climate reporting based on TCFD guidance

		What?	Why?	Basic reporting tips	Intermediate reporting tips	Advanced reporting tips
Governance	Board oversight on climate change	Document the governance structure regarding board-level responsibility for climate change. Where true, disclose that climate change is on the agenda at board meetings and examples are provided for how climate-related risks/opportunities have affected strategic decisions.	This enables the reader to understand how and by whom climate change is considered at board level and shows them how climate is taken into account when making strategic decisions.	Provide a high level explanation of relevant training and relevant competencies of the Board, explain where future training and upskilling is being considered. Mention board-level responsibility for climate change and state that it is included as an agenda item in board meetings.	Outline a more detailed training plan, skills needed, with a timeline and, if applicable, discuss previous training completed. Provide detail on the individual/committee responsible for climate change at board level. Disclose the number and frequency of board meetings with climate change on the agenda, and exemplify how this has affected strategic decisions.	Provide a detailed narrative concerning all board members' climate competencies and their wider skills/experience. Provide detailed examples of how the assessment of climate-related risks/opportunities have affected strategic decisions at board level.
	Management oversight on climate change	Explain the responsibility for climate change at executive level and if applicable, disclose that executive remuneration is linked to climate-related objectives. Provide details on how the executive management team have been upskilled to undertake this role.	This enables the reader to understand how and by whom climate change is considered at an executive level and demonstrates to them how seriously the issue is being taken by linking climate-related objectives to executive remuneration. Providing context on their training allows the reader to understand how the organisation has prepared them to make informed decisions.	Document how climate-related responsibilities have been assigned to executive-level committees or individuals.	Explain the associated organisational structure and how management reports to the board on these matters. Mention that executive remuneration is linked to climate-related objectives. Disclose the climate-related competency of the executive management team.	Provide detailed disclosure on how executive remuneration is linked to climate-related objectives e.g. carbon emissions targets, KPIs, time frames etc.

Good practice climate reporting based on TCFD guidance (continued)

		What?	Why?	Basic reporting tips	Intermediate reporting tips	Advanced reporting tips
Strategy	Identification of material risks and opportunities	Identify and disclose physical and transitional risks and opportunities, with an associated time horizon.	This provides detail on the specific impacts of climate change on your business and contextualises them in the short, medium and long-term.	Disclose the physical and transition risks and opportunities and associate them with different time horizons.	Provide a materiality assessment of the risks and opportunities identified and ensure that the associated time frames align with the long-term nature of climate change (i.e. short term, medium term and long term).	Detail the financial impact (i.e. in terms of cost) and align the time horizons considered with the Paris Agreement i.e. 2030 and 2050.
	Disclosure of impacts on and by the business	Through scenario analysis, identify the impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning and furthermore, disclose the impact of the organisation on the climate.	This makes it clear what the impacts of climate-related risks and opportunities could be across a range of hypothetical futures, including the extent to which the organisation itself is contributing to climate change.	Identify climate-related impacts and provide a brief discussion over the impact of the organisation on the climate.	Provide a detailed discussion on the impact of the organisation on the climate.	Link the climate-related impacts identified to financial performance indicators e.g. costs, revenue, liabilities, assets.
	Business resilience to climate-related risks and opportunities	If applicable, disclose the organisation's commitment to net zero and how the organisation intends to transition their business model and operations to align with net zero.	This illustrates the organisation's commitment to reducing their climate-related impacts and displays that they have a coherent and actionable strategy to mitigate the transition risks associated with the transition to net zero.	Disclose that the organisation has made a net zero commitment.	Explain the detail of the net zero strategy. Disclose the consideration of, and the resilience of the organisation to, one possible scenario. Disclose how the organisation intends to transition their business model and operations to net zero.	Disclose the consideration of, and the resilience of the organisation to, at least 2 different scenarios, one being <2 degrees C and one being a stressed scenario.

Good practice climate reporting based on TCFD guidance (continued)

		What?	Why?	Basic reporting tips	Intermediate reporting tips	Advanced reporting tips
Risk Management	Risk identification and assessment	Describe the process for identifying and assessing climate-related risk and impact.	This allows the reader to understand the process behind the disclosures your company has made with regards to strategy and risk.	Disclose how the identification and assessment of risks and impacts is conducted for your direct operations.	Ensure that the discussion over identification, assessment and management of risks and impacts covers the entire value chain.	Discuss how addressing the financial impact of climate-related risks and opportunities is built into your impact assessment process.
	Risk management	Describe the processes for managing climate-related risks and impact and provide details of the mitigation/management techniques used.	The management techniques enable the reader to understand how the organisation is mitigating the risks it is presented with transparently reporting tools used and the stakeholders they have engaged with.	Provide details on how risks are managed and mitigated, including information on engagement with at least one type of stakeholder.	Provide a more detailed narrative on risk management tools and processes and display engagement with multiple stakeholders.	Provide a detailed narrative on risk management, including the outcomes of stakeholder engagement. Ensure that the financial impacts of the mitigation methods are captured.
	Integration with current risk process	Disclose how the climate-related risk (CRR) management process is integrated into the overall risk management process.	This illustrates how the issue of climate risk is now considered an integral part of the overall risk management process.	If applicable, disclose the operational linkage of climate-related risk management into the overall risk management process.	Provide a detailed description of how climate risk has been integrated into overall risk management.	If applicable, ensure that it is detailed that there is full integration into the overall risk management process, including on a financial level.

Good practice climate reporting based on TCFD guidance (continued)

		What?	Why?	Basic reporting tips	Intermediate reporting tips	Advanced reporting tips
Metrics and Targets	Disclosing climate-related metrics	Disclose the key metrics used to measure and manage climate-related risks and opportunities including core cross-industry metrics listed by the TCFD.	This will provide the reader with the quantitative detail of the company's impact on the climate and climate-related impacts on the company, as well as showing how this has changed through time.	Report predominantly straightforward metrics that are used to assess climate-related risks and opportunities, such as Scope 1 and 2 emissions and those relating to the direct operations of the company.	Increase the sophistication of the metrics reported by providing comparatives, normalised metrics e.g. GHG emissions intensity, and Scope 3 emissions data.	Incorporate metrics concerning the value chain which are sophisticated, forward looking and tailored to the company's sector or operations, such as Implied Temperature Rise and provide a financial context.
	Disclosing Scope 1, 2 and 3 greenhouse gas emissions	Report Scope 1, 2 and 3 greenhouse gas emissions (GHG).	This will enable the reader to understand the current climate-related impact of the organisation and allow them to compare this against their peers.			
	Setting climate-related targets and reporting on performance	Disclose the targets (and related progress) the company uses to manage climate-related risks and opportunities.	This will provide the reader with information on how proactive the company is being with regards to reducing its climate-related impact, and whether they are on track to achieve their interim and long-term targets.	Produce targets accompanied by a qualitative description of progress.	Include targets set over different timeframes, provide quantitative progress and add accompanying analysis.	Ensure that any GHG emissions reduction targets are science-based and whether they have been approved by the Science-based Targets Initiative. Extend the accompanying narrative.

3

Sustainability reporting tips

From our analysis, we have developed some reporting tips for broader sustainability information

An overview of good practice sustainability reporting

		What?	Why?	Basic reporting tips	Intermediate reporting tips	Advanced reporting tips
Governance	Assurance and Reporting	Enhance the credibility of your reported content by obtaining 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 reporting the period. Further, it provides confidence in the integrity of your journey towards your sustainability and other targets.	Obtain external assurance over Scope 1 and 2.	Obtain external assurance against an audit standard, such as ISAE 3000 and/or ISAE 3410, over Scope 1 and 2, as well as wider ESG metrics.	Obtain external assurance against an audit standard over Scope 1, 2 and 3, and wider ESG metrics. Include the assurance opinion, which should clearly state the scope of the work, the standard followed and the work completed, in the report.
	Reference to new and incoming regulations	State your intentions and progress towards incoming regulations that will impact reporting (examples include CSRD and ISSB).	This will allow the reader to understand the future direction of reporting and how the business is adapting to the adoption of these. It will set expectations on when and how reporting will change.	State what incoming regulations will be adopted by the business.	State what incoming regulations will be adopted by the business and give a timeframe. Describe progress towards adopting.	Adopt new regulation and include disclosures reporting against the standards.
Strategy	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.	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 and activities.

An overview of good practice sustainability reporting (continued)

		What?	Why?	Basic reporting tips	Intermediate reporting tips	Advanced reporting tips
Strategy (continued)	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. Sustainability strategy is inter-linked with business strategy. Having short-, medium- and long-term timeframes with sustainability strategy in line with these will help you track your progress towards key sustainability goals in the future.	Demonstrate how your sustainability strategy is integrated into your core business strategy and activities and aligned with core objectives.	Clearly outline the sustainability strategy over the short, medium and long-term.	Report on structures and actions which allow your sustainability strategy to permeate throughout the organisation. Align strategy meaningfully to SDGs and internationally recognised targets such as Net Zero.
	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. Further, this will demonstrate that you are focusing on issues that are material from both a company and stakeholder perspective.	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 reporting on your material issues, linking them to your strategy and metrics. Offer visualisation of your issues e.g. in a matrix. Further, disclosing a formalised annual review process. Consideration of double materiality in materiality assessment performed. Disclosure of review of materiality process on a timely basis.
	Stakeholder engagement	Explain how you engage with all 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.	Identify the key internal and external stakeholders to your organisation and describe how they have been engaged.	Describe the issues identified as important by stakeholders 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 sustainability comms.

An overview of good practice sustainability reporting (continued)

		What?	Why?	Basic reporting tips	Intermediate reporting tips	Advanced reporting tips
Risk Management	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.	List out the risks and opportunities relating to sustainability that the organisation is managing. Consider broader topics than just climate change risks/opportunities. Describe the action plan in place to address these risks and opportunities.	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.	Describe the action plan in place to address these risks and opportunities.
Metrics and Targets	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. Expand disclosures through discussions and quantification of the social, environmental and economic impacts of your business.	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. Discussion of the impacts demonstrates a thorough understanding of your wider impacts on society and the environment.	Disclose sustainability KPIs most relevant to your business, including historic performance data. Discuss which areas of the environment and society you impact through your operations and supply chains.	Set specific and quantifiable short – and medium-term targets for all KPIs. Description of progress towards targets and explanation of future actions regarding targets. SBTi verification of Net Zero targets. Quantifying your impact on society and the environment.	Disclose financial implications behind KPIs. Clear alignment of KPIs to material issues identified, displaying relevance of KPI reporting to stakeholders.

4

Results of analysis

A deep dive into the results of our analysis, noting trends in the reporting of the FTSE 350 and examples of best practice reporting


Climate reporting

01 Governance remains the weakest area in climate reporting with an average score of 61% across the FTSE 350. Disclosure around training on enhancing board members' expertise on climate is a key driver of the lower average score, with only 12% of companies achieving full marks for this area. Similarly, disclosures on management training on the subject of climate change were limited, with an average score of only 13% and only 3% of companies achieving the maximum score.


02 The Strategy pillar was moderately well reported, averaging a score of 81% across the FTSE 350. The Industrials and Materials sector was the strongest performer on this pillar, scoring 85%; this performance was driven by detailed assessment of the impact of climate-related risks on financial planning and strategy. Weir Group excelled in categorising climate risks and financial impacts, detailing time horizons, likelihood, and magnitude (pages 53-54 of ARA).

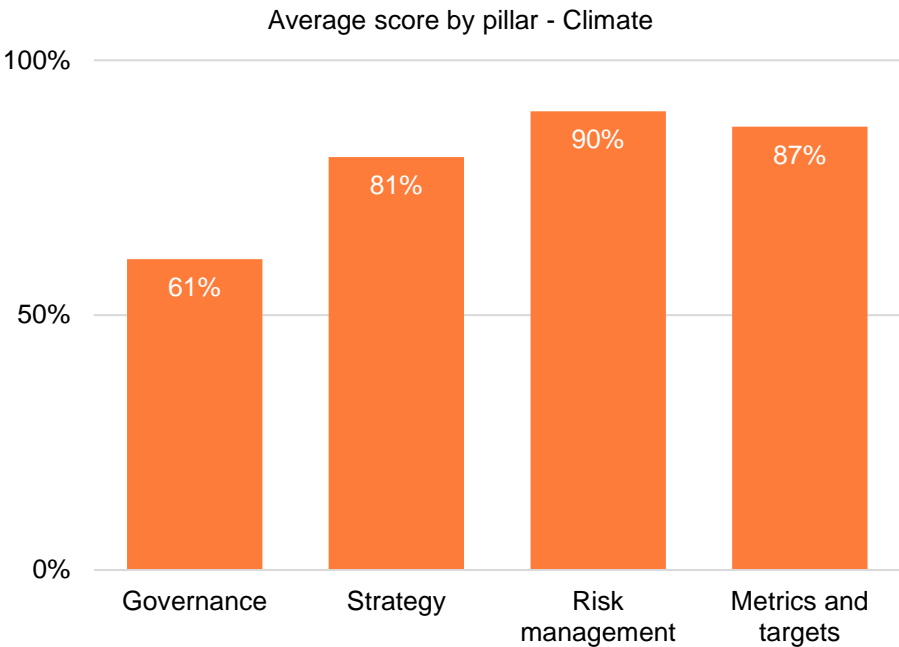
 Weir Group Annual Report 2024 (pg. 53-54)

03 Risk Management was the strongest reporting area across the FTSE 350, which was driven by strong reporting on risks from climate-related regulatory requirements and reporting on the processes for managing climate related risks and opportunities. Disclosures covering how the climate risk management process is integrated into the organisation's overall risk management process were the weakest in this pillar, with an average score of 75% and only 8% of companies achieving the maximum score. Vodafone included detailed narrative around the management of physical and transition risks as well as opportunities, including an extensive disclosure of mitigating actions to address risks identified.

 Vodafone Annual Report 2025 (pg. 60-62)

04 In the Metrics and Targets category, the overall average score was 87%. Consumer Goods sector performed well in this Pillar, averaging a score of 93%, this was particularly driven by good reporting against the key metrics used to manage climate-related risks and opportunities, as showcased by Hilton Food Group (page 75 of ARA). Across the sectors, disclosure of key metrics for measuring and managing climate related-risks and opportunities was a weak area of reporting, with only 57% (for risks) and 54% (for opportunities) of companies achieving the top score.



 Hilton Food Group Annual Report 2024 (pg. 75)



Climate reporting best practice examples


Listed here are some best practice reporters that had exceptional examples of Climate reporting identified through our analysis.

You can find direct links to the reports in the table.


Company	Link to report
J Sainsbury PLC	
Mitie Group PLC	
Haleon PLC	
Derwent London PLC	
Taylor Wimpey PLC	
Hilton Food Group PLC	
Standard Chartered PLC	
Primary Health Properties	
Workspace Group	
Currys PLC	

Sustainability reporting

01 Similarly to climate reporting, **Governance** scored the lowest again, achieving a total average score of 51% in the sustainability assessment. Despite this, 98% of companies outlined a governance structure covering sustainability topics beyond climate. The proportion of FTSE 350 companies obtaining assurance over sustainability metrics remained high, with over 50% securing some form of assurance. Notably more companies are now referencing upcoming standards, with 35% referencing standards such as CSRD and ISSB. Mitie has reported against CSRD requirements within their Annual Report (page 53 of the Annual Report and Accounts 2025).

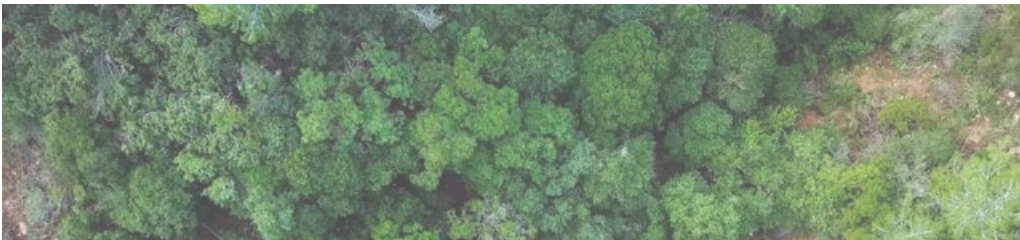
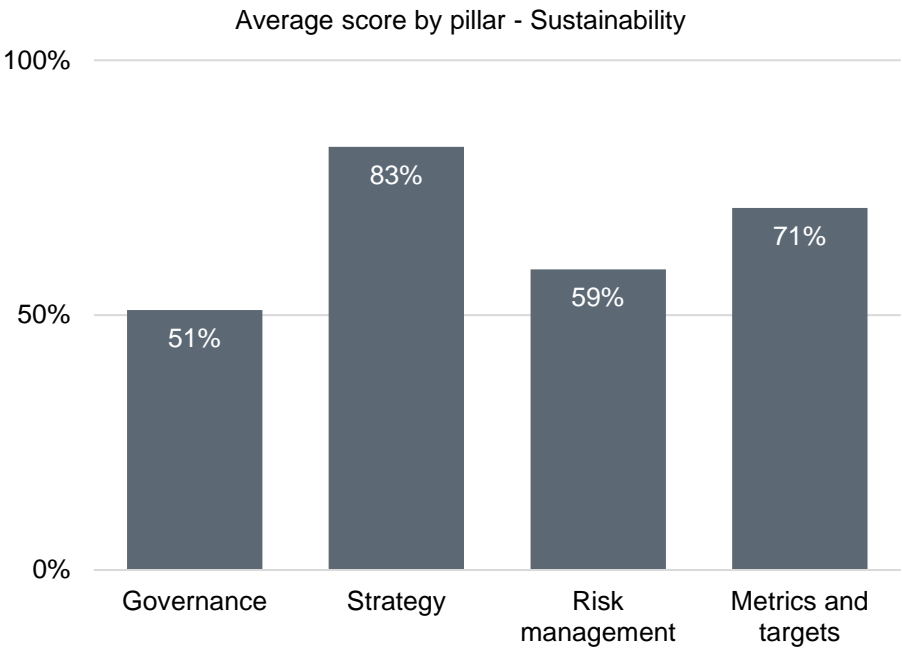
 Mitie Annual Report and Accounts 2025

02 The **Strategy** pillar was the strongest across sectors, with an average score of 83%. There was a significant increase in companies considering double materiality for materiality assessments, with 47% adopting this approach. Croda provided an exemplary outline of their materiality process, offering a detailed narrative about the steps used to identify material IROs, which were mapped against financial and impacts, risks and opportunities within ESRS (Page 4 of the Sustainability Impact Report 2024).

 Croda Sustainability Impact Report 2024

03 Companies addressed **Risk Management** moderately well, with 93% of companies achieving top scores in acknowledging risks broader than climate within their Principal Risks section. A total of 77% disclosed strategies for these key risks, including well-documented qualitative implications and relevance. However, reporting on opportunities for sustainability topics beyond climate continues to be weak, with only 18% scoring points for identifying opportunities for broader sustainability topics compared to 74% for climate, and just 1% reporting quantitative and financial implications of these opportunities.











04 Companies generally performed well in the **Metrics and Targets** section. 87% disclosed baseline figures for sustainability KPIs and 95% set future targets with deadlines. However, only 63% provided 2 or more historical data points. Companies successful in the Metrics and Targets pillar demonstrated strong alignment between sustainability metrics and targets with related risks and opportunities, and their corresponding time horizons.



Sustainability reporting best practice examples

Listed here are some best practice reporters that had exceptional examples of Sustainability reporting identified through our analysis.

You can find direct links to the reports in the table.

Company	Link to report
Croda International PLC	
Admiral	
Mondi PLC	
Rotork PLC	
The Sage Group PLC	
Playtech PLC	
Vistry Group PLC	
PageGroup	
Associated British Foods PLC	
Barratt Redrow PLC	



Sector focus

*A deep dive into the results of some of the largest sectors in the FTSE 350:
Financial Services, Energy and Utilities, Consumer Goods and Industrial and Materials*



Financial services

Financial Services within the FTSE 350 includes Asset Management, Banks, Insurance, Investment Banking & Brokerage, and Private Equity, totalling 53 entities. This sector scored below average on both assessments, achieving an average score of 74% for climate and 63% for sustainability, compared to averages for the entire FTSE 350 of 79% and 69% respectively. Banks and Insurers outperformed the other FS subsectors, especially in climate reporting. This is likely due to the relative maturity of these organisations compared to other FS sub-sectors.

Assessment	FS average %	FTSE350 average %
Climate	74%	79%
Sustainability	63%	69%
Final Score	68%	74%

Climate assessment



The weakest area of reporting for financial services was Governance, with a particular lack of links between executive remuneration and climate-related objectives compared to other sectors, with an average score of 36% vs. the FTSE 350 average of 54%. The risk management pillar was the best performing area, with an average score of 87%; though still lagging behind the FTSE 350 average. Nevertheless, 3i Group stood out by detailing transition risks, and opportunities, alongside a description of their comprehensive risk identification and management processes.



3i Group Annual report and accounts 2024 (pg. 63-64)

Sustainability assessment



The financial services sector had a significantly lower average score for Metrics and Targets vs the FTSE 350 average score, 57% vs 71%. This was driven by limited disclosure of clearly defined future sustainability targets, with an average score of 36% vs the FTSE 350 average of 64%. However, Aberdeen Group plc excelled here by detailing targets and progress as part of their sustainability approach to meeting their Net Zero ambition. They also conducted equity and climate scenario analyses on their fixed income portfolio, connecting them to their future investment strategy.



aberndeen Sustainability and TCFD report 2024 (pg. 48-56)



Energy and utilities

Energy and Utilities, comprising 12 companies in the FTSE 350, performed well, scoring 76% overall, above the overall FTSE 350 average of 74%. This sector marginally exceeded FTSE 350 averages in both climate, scoring 81% which was above the FTSE 350 average of 79%, and sustainability, scoring 70% which was above the FTSE 350 average of 69%. The range of scores within this sector was narrower than for other sectors, with no company scoring below 69% in climate or 53% in sustainability, indicating broader consideration of sustainability beyond climate issues.

Assessment	E&U average %	FTSE350 average %
Climate	81%	79%
Sustainability	70%	69%
Final Score	76%	74%

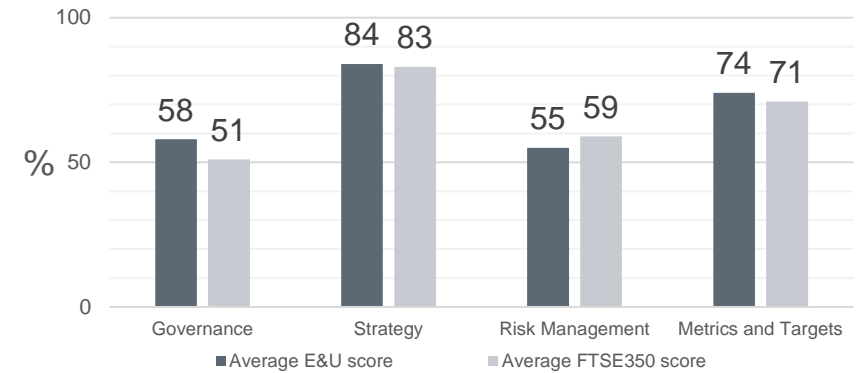
Climate assessment



Within the climate assessment, governance was a notable strength for this sector, which is generally a weaker area of reporting for organisations. National Grid excelled in governance reporting, detailing ESG competencies of Board members and the processes and frequency of Board updates on climate-related issues.

 National Grid Annual Report and Accounts 2024/25 (pg. 60)

Sustainability assessment



The energy and utilities sector outperformed on metrics and targets, scoring 74% compared to a 71% FTSE 350 average. Companies demonstrated consideration for a range of sustainability matters beyond climate, including water, waste, water stress, and biodiversity, and showed strength in setting targets and monitoring progress. Risk management reporting was weakest, with an average score of 55% vs the FTSE 350 average of 59%. This was driven by limited disclosure of strategies to address key sustainability risks and opportunities, with an average score of 57% vs. 77% for FTSE 350 and 43% vs. 63% for FTSE 350, for risks and opportunities respectively.

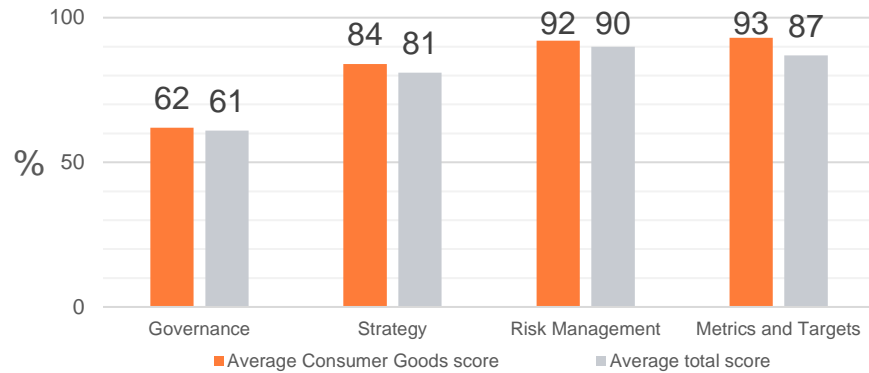


Consumer goods

Consumer Goods, making up the largest number of companies in FTSE 350 with 57, is a broad sector that covers a wide range of products from food and household products to automotive. This sector performed strongly overall, with a total average score of 76%, above the FTSE 350 average of 74%. Notably, it achieved the highest scores in both assessments, achieving 82% on average for climate (vs. FTSE average of 79%) and 71% for sustainability (vs. FTSE average of 69%).

Assessment	CS average %	FTSE350 average %
Climate	82%	79%
Sustainability	71%	69%
Final Score	76%	74%

Climate assessment

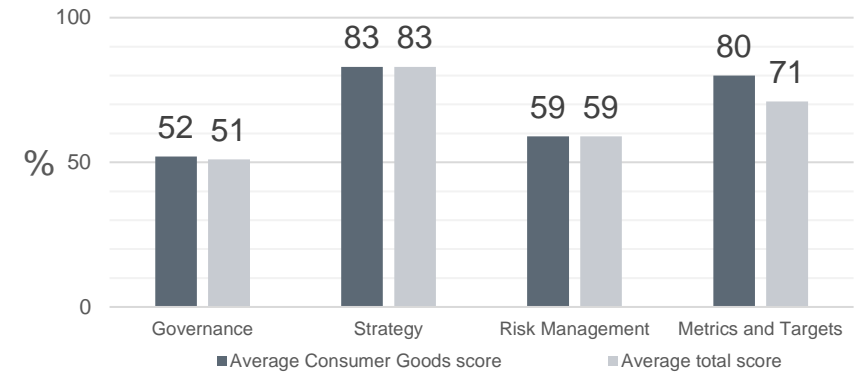


Consumer Goods companies particularly stood out in the Metrics and Targets pillar, scoring 93% for the climate assessment (vs. FTSE 350 average of 87%). An impressive 97% reported their key climate-related targets (vs. FTSE 350 average of 91%). Strong disclosures linked targets to strategy, risks, and opportunities. Hilton Food Group plc excelled by aligning targets with strategy, risks and opportunities as well as reporting progress as “on track/achieved/behind”. Moreover, 95% disclosed performance against climate targets, well above the FTSE’s average of 89%.



Hilton Foods Annual Report and Financial Statements 2024 (pg. 40-42)

Sustainability assessment



In the sustainability assessment, Consumer Goods scored 71%, above the FTSE average of 69%. Strengths were evident in numerical target setting with specific timeframes, scoring 79% vs. the FTSE 350 average of 64%. Additionally, 96% of Consumer Goods companies established a baseline year for metrics to track KPI progress, above the FTSE 350 average of 88%. Under the governance pillar, the sector obtained less assurance over its sustainability reporting compared to the FTSE 350, with an average score of 48% vs. 52%.



Industrials and materials

The Industrials and Materials sector, encompassing companies in construction, engineering, transport, mining, and paper products, includes 49 FTSE 350 companies. This sector scored above average for the FTSE 350 in both climate, scoring 82% which is above the average of 79%, and in sustainability, scoring 73% above an average of 69%.

Assessment	I&M average %	FTSE350 average %
Climate	82%	79%
Sustainability	73%	69%
Final Score	78%	74%

Climate assessment



The Industrials and Materials sector demonstrated strong reporting across all pillars in the climate assessment. We saw excellent Risk Management reporting with clear processes for managing climate-related risks and opportunities. Mondi's reporting clearly outlined their process for evaluating impact and financial materiality against CSRD recommendations. The sector excelled in disclosing Net Zero transition plans, supported by clear linkages between metrics and targets, including actions to support the sector's transition to a low carbon economy. However, we saw limited disclosure of plans post the Net Zero target dates, an issue prevalent across all sectors.



Mondi Integrated report and financial statements 2024 (pg. 31)

Sustainability assessment



Within the Sustainability assessment the Industrials and Materials sector excelled in risk management, scoring 65% in this pillar compared to the FTSE 350 average of 59%. This is a sector that considers broader sustainability issues well. Metrics and Targets were disclosed particularly well in this sector, with a score of 75% vs the FTSE 350 average of 71%. Rotork exemplified this by disclosing three years of incident rate and emission reduction data with a net zero target timeframe, linking metrics to the Science Based Targets Initiative validated targets and executive remuneration.



Rotork Annual Report 2024 (pg. 15)

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Refer to our other relevant reporting and analysis, available online



Pioneering sustainability reporting: our frontline journey with early reporters

Pioneering sustainability reporting



Climate change and TCFD reporting - “Where do I start?” guide

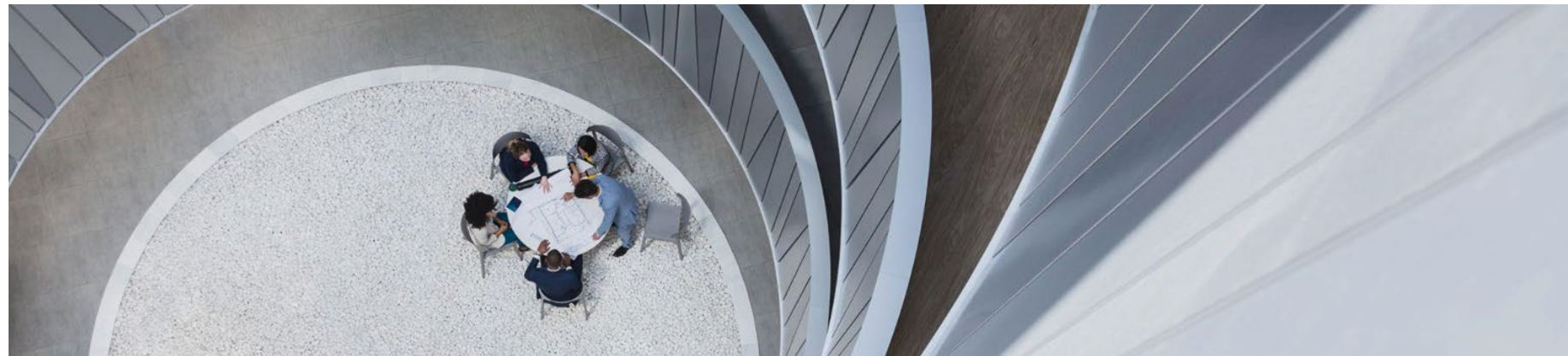
Climate change and TCFD guide



UK Investor Survey 2025



Five trends shaping sustainability in 2025



Thank you

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