

Excellence in sustainability reporting

A review of leading UK
companies

Building Public Trust
November 2020



A message from Alan McGill



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2020 will mark the 12th year that PwC have been reviewing sustainability reporting across the FTSE 350, public interest entities (PIEs), and inbound companies, as part of our Building Public Trust Awards.

This year however, we have had to adapt our way of working, just as every company has had to adapt to the new normal. In light of the pandemic, there will be no awards handed out this year, and sadly no awards ceremony will take place. Nevertheless, we have continued to follow our tried and tested review process and have reviewed company reporting in a similar fashion to previous years. This report is the culmination of that effort.

In place of any awards, the Building Public Trust programme is continuing through a series of virtual workshops that are intended to help inspire, collaborate and showcase good reporting.

In previous years, we have reviewed the climate change disclosures of companies as part of the Sustainability Award. This year, we have decided to split out this element into two separate processes.

This reflects the growing importance of the Task-force on Climate related Financial Disclosures (TCFD) as uptake of its recommendations among companies continues to grow. Given the roadmap laid out recently by the UK Government towards mandatory disclosures, its importance will remain high on the agenda. You can find the inaugural companion report '**Excellence in climate change reporting - A review of leading UK companies**' on our [website](#).

In completing this year's review, we looked at the sustainability reporting of over 450 organisations. Our in-depth approach and our long history of these reviews give us insight into what a great report looks like, and how innovation in such reporting is developing.

This year's report of leading practice examples includes three additional chapters. Two spotlight on Covid-19 and Net Zero – our key findings, reporting trends and a range of some good practice examples; and a further chapter highlighting some examples of organisations reporting on their investments in upskilling their workforce - something that will be critical to any efforts towards Building Back Better in a post-Covid world.

Executive summary and key messages



Covid-19

The emergence of Covid-19 was not on any company's radar for 2020, and many of those whose annual reporting periods ended at the beginning of the year reported on it as nothing more than an 'emerging risk' that they would follow with interest in 2020. Given how it has totally reshaped the business environment in such an unprecedented manner, for those companies that have reported meaningfully on the impacts of Covid-19 and their response, we have included a section that showcases action taken to support employees, customers, suppliers, and local and wider communities. As the pandemic has continued to evolve throughout 2020 we expect Covid-19 to feature much more prominently in upcoming annual reporting, with significant consideration given as well to how companies can contribute to Building Back Better in a post-Covid world.

Purpose

The number of companies reporting their corporate purpose continues to grow year-on-year. This year 93% of FTSE 100 companies disclosed a purpose beyond financial returns for shareholders - up from 71% last year. The number of FTSE 250 companies remained slightly less but continued to grow in tandem, to 71% of the companies reviewed - up from 52% previously.

Net Zero

The IPCC's 2018 report on 1.5°C set out the economic and human health impact of exceeding 1.5°C average global warming and the need to decarbonise (become 'Net Zero') completely by 2050 at the latest, in order to have a more than 50% chance of avoiding catastrophic climate breakdown. In response to this many companies have set their own targets - by May 2020, the CEOs of over 210 pioneering companies had committed to achieve net zero emissions across their operations and value chains by 2050. Many more are expected to follow suit during the rest of 2020 and in the future. A small but growing group of the most ambitious companies are going further than Net Zero, and have set themselves the target of becoming 'carbon positive' i.e. removing more carbon dioxide from the atmosphere than they produce.

Risks and opportunities

The number of companies who have identified sustainability-related risks remains as high as last year at 87%, but so too does the disparity between those that identify sustainability-related opportunities (only 20%) as well as risks. As more and more companies begin to make TCFD disclosures, this gap is expected to narrow.

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 3 additional chapters that spotlight reporting on Covid-19, Net Zero, and People.

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](#).



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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.

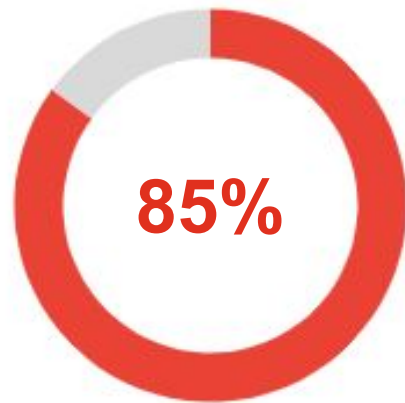
Basic reporting tips	Intermediate reporting tips	Advanced reporting tips
Introduce the reader to your organisation by giving an overview of your size, operations and activities.	Contextualise your sustainability activities in relation to the remit and objectives of your organisation.	Explain both the 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.
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.
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.	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 (e.g. remuneration, employee awards).
Consider the positive and/or negative effects of your supply chain and/or your products and services in your sustainability reporting.	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

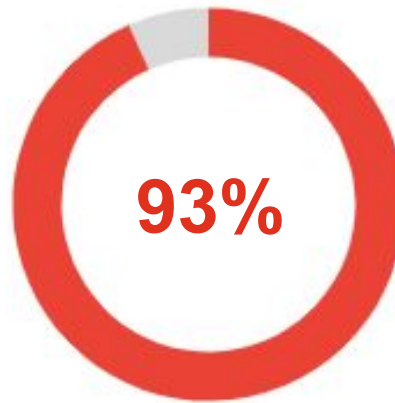
Our analysis of FTSE 100, 250, Public Interest Entities (PIE's) and inbound companies yielded the following statistics across the range of criteria considered by the Purpose and Impact in Sustainability reporting award.

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

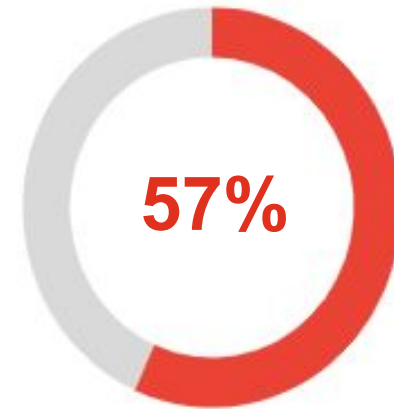
Of the FTSE 100 companies we reviewed:



Describe the company's key business activities and how they link to sustainability
(FTSE 250: 86%)



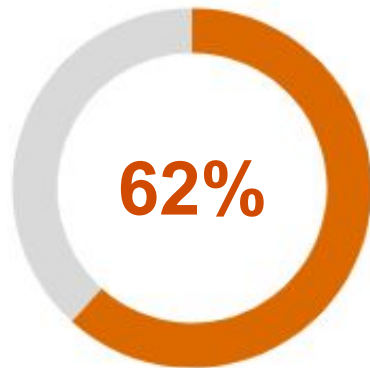
Describe the company's purpose beyond making money for shareholders.
(FTSE 250: 71%)



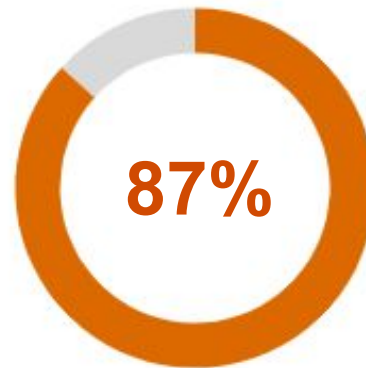
Set out a clear sustainability strategy
(FTSE 250: 48%)

2. How do you consider your priorities?

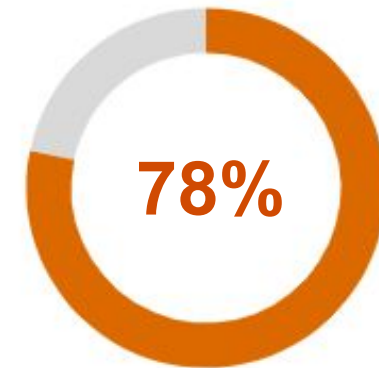
Of the FTSE 100 companies we reviewed:



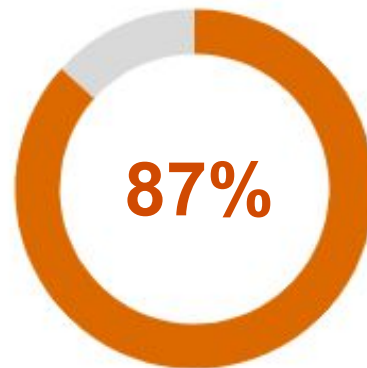
Identify what the company believes are its material issues
(FTSE 250: 43%)



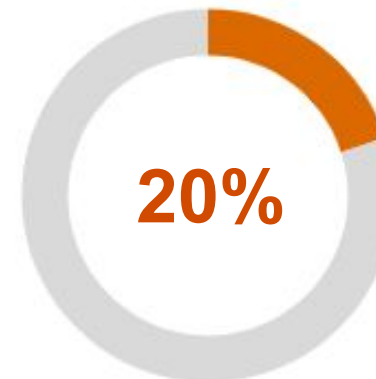
Identify internal and external stakeholders
(FTSE 250: 81%)



Outline actions taken in response to stakeholder concerns
(FTSE 250: 81%)



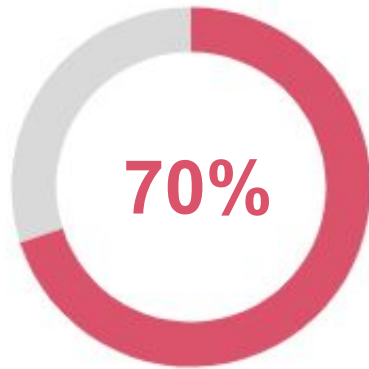
Explicitly identify sustainability risks
(FTSE 250: 86%)



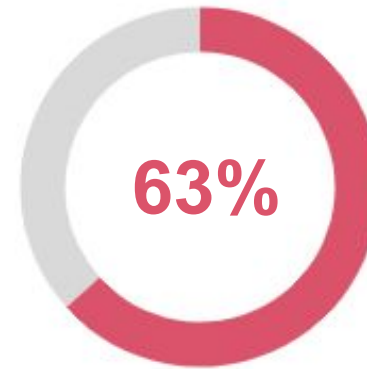
Explicitly identify sustainability opportunities
(FTSE 250: 19%)

3. How do you monitor and manage performance?

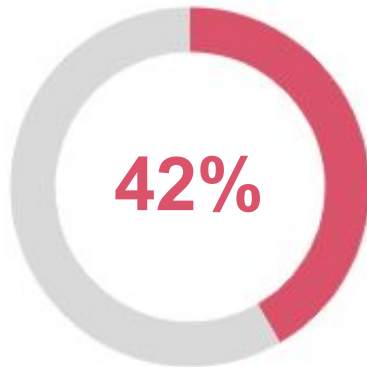
Of the FTSE 100 companies we reviewed:



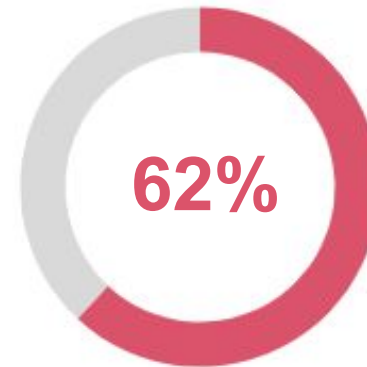
Disclose a range of sustainability KPIs
(FTSE 250: 62%)



Disclose targets for each KPI
(FTSE 250: 33%)



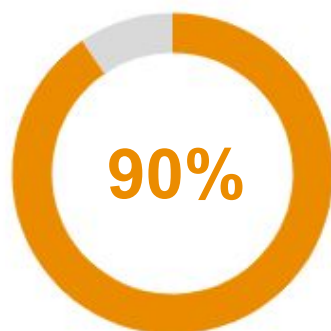
Specifically disclose the environmental
and/or social impacts of the business
(FTSE 250: 43%)



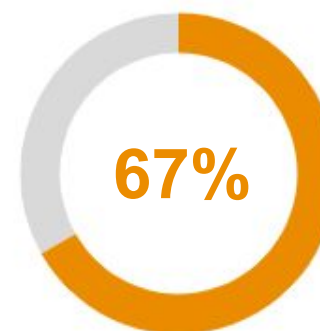
Describe the sustainability
governance structure
(FTSE 250: 33%)

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

Of the FTSE 100 companies we reviewed:



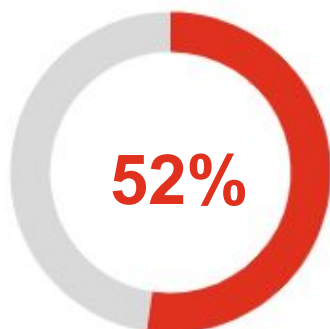
Include upstream and downstream impacts in materiality assessments and/or target setting
(FTSE 250: 33%)



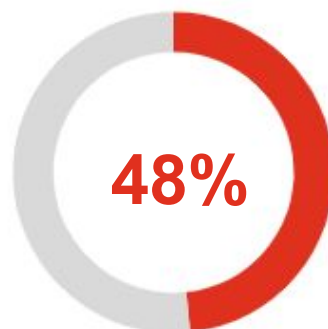
Discuss future constraints on their most important non-financial capitals
(FTSE 250: 33%)

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: 67%)



Have external assurance on some sustainability metrics
(FTSE 250: 48%)



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.

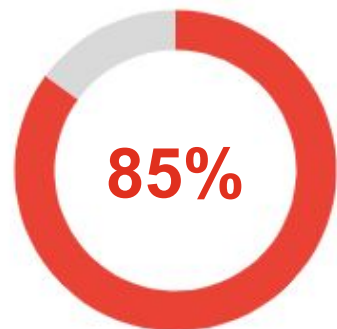
Intermediate

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: 86%)

“ DS Smith provide an outline of their activities over the previous year as well as their global footprint. We like that they have detailed their vision, purpose, and goals together. ”

DS Smith at a glance

Our vision

To be the leading supplier of sustainable packaging solutions.

Our purpose

Redefining packaging for a changing world.

Our strategic goals

To redefine packaging for a changing world.

- To delight our customers.
- To realise the potential of our people.
- To lead the way in sustainability.
- To double our size and profitability.

Our culture

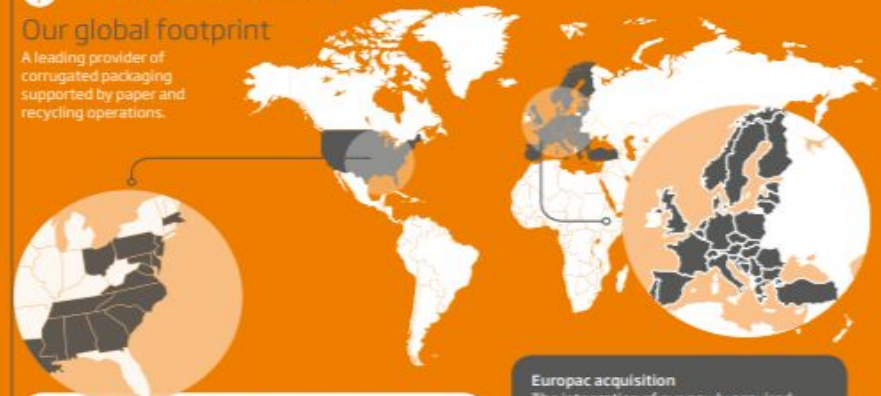
We have a clear set of values that we expect all our employees to own and live by.

- **Be caring:** we take pride in what we do and we care about our customers, our people and the world around us.
- **Be challenging:** we are not afraid to constructively challenge each other and ourselves to find a better way forward.
- **Be trusted:** we can always be trusted to deliver our promises.
- **Be responsive:** we seek new ideas and understanding and are quick to react to opportunities.
- **Be tenacious:** we get things done.

Find out more at ds-smith.com/people/culture

Our global footprint

A leading provider of corrugated packaging supported by paper and recycling operations.



North America Packaging and Paper Integration

The past year has been focused on building the necessary organisational structure, governance and accountability required to embed our sustainability targets. This report contains explanations about the performance of our North American operations. However as they are in the middle of being integrated into our sustainability programme, this year their performance data is not included in our target key performance indicators, only in our full data disclosure on page 44. Greenfield development will be a key growth area in this region. Wherever we explore greenfield sites, we will ensure environmental considerations are embedded into the design and build programme.

Europac acquisition

The integration of our newly acquired, ex-Europac sites in France, Portugal and Spain is ongoing. Therefore they will not yet be included our sustainability reporting. We will include their performance data in our 2020 report.

Plastics division disposal

In March 2019 the sale of our Plastics division was announced. We have included their performance data in our reporting, but it is not focused on in the descriptions.

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.

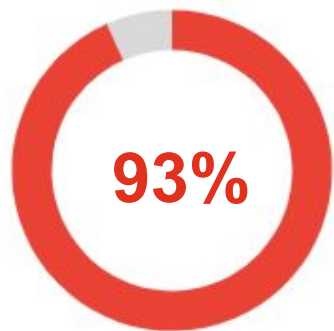
Intermediate

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: 71%)

“United Utilities and SSE both prominently display their Purpose statement throughout all company reporting. We like that Purpose is linked to company strategy and vision.”

United Utilities Annual Report 2020 pg. 18

Delivering our purpose

Providing great water means appreciating the circular nature of the water cycle and interacting with it in a responsible way.

Delivering clean water

We depend on water that we collect from the natural environment in rivers, lakes, open reservoirs and boreholes, but we need to do a lot of work before this water is safe and clean for customers to drink. We maintain covered reservoirs, water treatment works and thousands of kilometres of water pipes across the region in order to collect, treat, store and deliver billions of litres of reliable, clean drinking water to millions of customers 24 hours a day.

Removing wastewater

Once the water goes down customers' drains, or surface water flows into the sewers, our job begins again as it requires separation and treatment before it is clean enough to return to the natural environment. We maintain wastewater treatment works and thousands of kilometres of wastewater pipes in order to collect, transport, treat and return water to begin the cycle again. We waste nothing, turning sludge by-product into compost for farmers and capturing gas to generate renewable energy.

Household retail

We deal with new connections, metering and billing for millions of household customers, and help vulnerable customers with our Priority Services and other assistance schemes.

Cleaning and returning wastewater

566

wastewater treatment works



SSE Annual Report 2020, pg. 6

OUR BUSINESS EXPLAINED

OUR PURPOSE AND OUR STRATEGY

SSE is a purpose-led company involved principally in the generation, transmission and distribution of electricity; and also in the supply of energy and related services to customers.

SSE's **purpose** is to provide energy needed today while building a better world of energy for tomorrow.

Its **vision** is to be a leading energy company in a net-zero world.

OUR FOUR STRATEGIC PILLARS

Focusing on the electricity core



SSE believes that a sustainable company is one that focuses successfully on core businesses; and SSE is clear that its core businesses are economically-regulated electricity networks and provision of electricity from renewable sources, complemented by provision of electricity from thermal sources. It is these electricity businesses, which have crucial roles to play in the transition to net-zero emissions, that form the core of SSE.

In a dynamic and complex operating environment, focusing on the electricity core means SSE is able to deploy effectively capabilities that are key to sustainable business success, such as operation of

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.

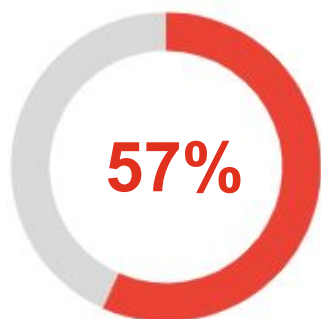
Intermediate

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: 48%)

“Landsec’s sustainability strategy revolves around a detailed Net Zero plan that contains actions taken by every part of the business. They have set themselves a long-term deadline of 2030 to fulfil their strategy.”

We want to ensure our physical assets and infrastructure are designed, built and managed in a way that enhances their value to society and the environment. Here, we review our progress this year.

Climate change Context

Throughout the past decade, Landsec has established itself as a global sustainability leader in its sector. We've set and achieved ambitious carbon targets, invested in renewable energy, and reduced energy use in our buildings.

However, in 2019, the world's carbon emissions continued to increase, and so the coming decade is critical for the world's response to climate change, and the need to limit the worst of its impacts. The independent Committee on Climate Change recommended, and Government accepted, that the UK should aim to be net zero carbon by 2050. It stated that this is technically feasible with known technologies, and those who can, should aim to be net zero carbon sooner than this.

As a leader in our sector, we have committed to become a net zero carbon company by 2030. On the following page, we set out our strategy for achieving this. It is an ambitious but credible strategy with clear actions to support the world to limit global warming to 1.5°C.

Business models need to adapt to stay relevant. Since the launch of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2017, we have been assessing and reporting on the financial impact of climate-related risks to our portfolio. By assessing both physical and transitional risks in various scenarios and timeframes, we can put the appropriate strategy in place.

Our net zero carbon strategy

- 1** Reduce operational energy use in support of our updated science-based carbon reduction target, aligned with a 1.5°C scenario
- 2** Invest in renewable energy through REGO-backed contracts and Power Purchase Agreements and implement on-site renewables across our assets
- 3** Use an internal shadow price of carbon to clearly communicate climate-related risks and opportunities in investment decisions
- 4** Reduce construction impacts through asset retention, efficient design and responsible sourcing

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.

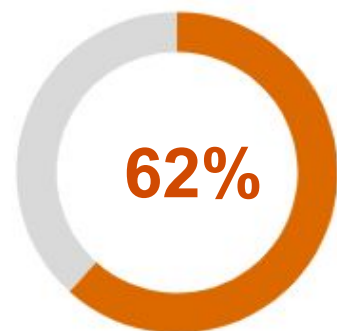
Intermediate

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%)

“ Taylor Wimpey have identified almost 30 issues material to their company, and have provided a comprehensive overview of their methodology for identifying material issues. ”

Taylor Wimpey Sustainability Report 2019, pg. 11 - 12

Identifying our material issues

Our materiality assessment helps us to identify and focus on the sustainability issues and impacts that matter most to our business and our stakeholders, including customers, investors, our people and regulators.

We updated our assessment in early 2020. The assessment considered and ranked a wide range of issues. It took account of how important each issue is to our business strategy, which issues could represent a significant risk or opportunity for the business; how important each issue is to our key stakeholders (including investors, customers, employees, communities and local government); and issues where our business operations could have a significant negative or positive impact on people or the environment.

The results are shown in the matrix on page 12. The most material impacts and issues to both the business and our external stakeholders are found in the top right corner of the matrix.

The assessment showed that issues relating to the sustainability of our homes and developments – such as placemaking, community infrastructure, build quality, fire safety, affordability and environmental performance are among the key issues for our business. Health & safety also remains one of the most highly rated issues.

Compared with our previous assessment in 2016, issues relating to environmental impacts including climate change, biodiversity and air quality have increased in importance.

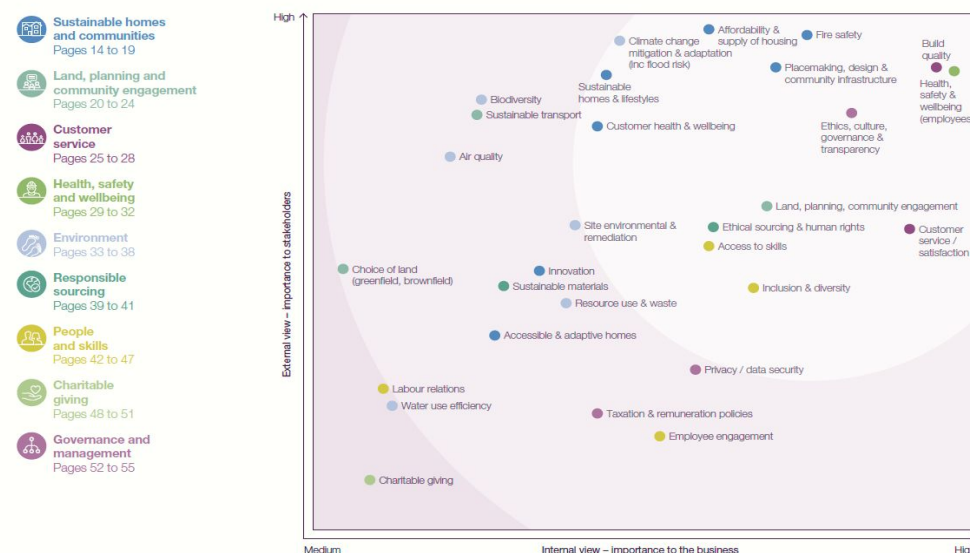
We expanded the initial list of issues considered in the assessment, which means some issues (such as build quality) appear on the matrix for the first time.

We will use the results of the assessment to inform the development of our environmental strategy during 2020.

Our methodology



Our materiality matrix



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.

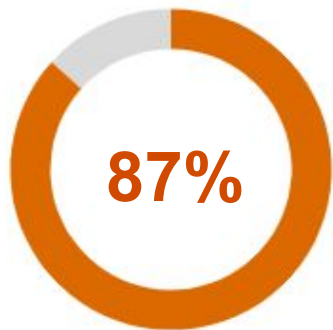
Intermediate

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

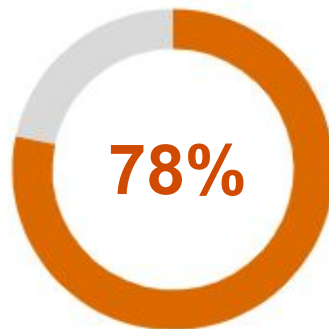
Advanced

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: 81%)



Outline actions taken in response to stakeholder concerns
(FTSE 250: 81%)

QinetiQ Annual Report 2020, pg. 48

Stakeholder	Why they are important to us	What matters to them
Our customers	Our customers are at the centre of our vision and the foundation of our success. We strive to apply our strengths to their advantage and so invest time in understanding and responding to their needs.	QinetiQ customers value the relationships we build with them and the time we invest in understanding their needs. They appreciate the depth and breadth of knowledge we apply to providing them mission critical solutions and the flexibility we show in helping them reach their goals. They expect delivery to be on time, every time and to the highest standards.
Our investors	Our investors' ongoing support is key to enabling us to deliver and sustain our strategy. Their support enables us to invest in our business to support our customers and deliver appropriate returns.	Our investors value sustainable and long-term growth delivered through the successful execution of our strategy. As part of this, they expect us to do business in a sustainable and ethical manner taking in to account other key stakeholders.
Our people	We are a people business and our employees are critical to our success. We want to ensure our people are highly engaged as we know this is beneficial for their personal wellbeing and productivity, which will underpin successful delivery to customers and the growth of our business.	Our people want a safe environment to work in, successful and rewarding careers and to do work that is meaningful. They also want to know that the company will listen to their concerns and feedback.
Partners and suppliers	We occupy a unique position in defence where we are able to build powerful partnerships with a range of small and large companies, academia and customers. Our aim is to be the 'Partner of Choice' as many of our critical programmes are delivered utilising partnership models.	A collaborative environment in which all partners and suppliers can contribute and add value. They also want to be treated fairly regardless of their respective size.
Communities and society	We strive to be a good neighbour in the communities in which we operate. It's where our people live, a source of future talent and local suppliers. We also consider wider society.	Our communities want us to be considerate neighbours but also a source of future employment and opportunities.

“ QinetiQ have provided extensive detail on the importance of their stakeholders, their concerns, how they engage with them throughout the year, and the impacts of their engagement. ”

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.

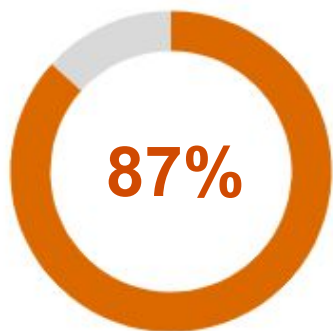
Intermediate

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

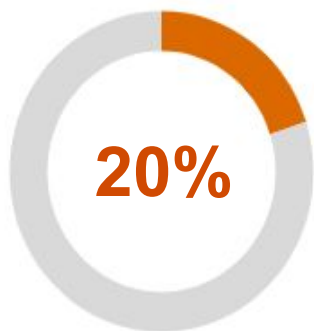
Advanced

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: 86%)



Explicitly identify sustainability opportunities
(FTSE 250: 19%)

National Grid Annual Report 2019/20, pg. 60

Risk/opportunity type	Description	Our response
Transition		
Markets	The operating environment and regulatory framework are rapidly changing in line with the decarbonisation of the electricity and gas networks in the UK and US.	Facilitating the transition to a low-carbon economy is central to our purpose as a business, and certain key actions we are taking in relation to decarbonisation and decentralisation are set out on pages 12 – 15.
Markets	Commercial opportunities from the transition towards net zero (short/medium and long-term).	<p>Development of a strategy to enable the building of charging stations across our US jurisdictions and UK highways and to meet demand for electric vehicles.</p> <p>We have developed a dedicated programme to understand what is required to incorporate hydrogen and renewable natural gas into the gas supply.</p> <p>Acquisition of Geronimo, a leading developer of wind and solar generation assets based in Minneapolis, Minnesota, to help position us to develop and grow a large-scale renewable business in the US.</p> <p>Our interconnectors form an important part of the UK decarbonisation, by allowing us to exchange surplus renewable electricity with neighbouring countries.</p> <p>We are leading the development of Carbon Capture Utilisation and Storage (CCUS) technology in the Humber, UK, to support this area to become the first zero carbon region in the world.</p> <p>Our continuing energy-efficiency programmes across Massachusetts, Rhode Island and New York have reduced CO₂ emissions by more than 725,000 metric tonnes over the past year which is equivalent to the GHG emissions from over 156,000 passenger vehicles driven for one year.</p>
Markets	Changes in supply and demand for existing and new technologies.	<p>Our analysis, underpinned by the ESO Future Energy Scenarios (FES) shows that, even with increased decentralisation of electricity, there is a key role for Electricity Transmission in the UK under a range of scenarios that meet the UK's 2050 climate change goals.</p> <p>As the transition to renewable generation continues, we will work with the Long Island Power Authority (LIPA) to transform our generation fleet by responding to future RFPs. Under our existing contracts which extend through 2028, LIPA determines their reliability and sustainability needs and which units are operated, retired or transformed.</p> <p>Our FES will be aligned to not meeting, meeting or exceeding the 2050 net zero target.</p>
Security and reliability	Electricity grid reliability and peak capacity.	<p>Our principal focus is around ensuring that our electricity network is able to actively support and contribute to a future where demand for and supply of electricity are ever changing.</p> <p>With growth in renewables increasing intermittency on the network, and electrification of transport and heat likely, we are working with our stakeholders to ensure that grid reliability is understood, managed and planned at appropriate levels.</p>
Security and reliability	Facilitating zero carbon operation of the Great Britain electricity system.	<p>In April 2019, the ESO announced its ambition to transform the operation of the electricity system by 2025. Our goal is to be able to operate the system safely and securely at zero carbon whenever there is sufficient renewable generation online and available to meet the total national load.</p> <p>To facilitate this, the ESO has agreed contracts with five parties, worth £328 million over a six-year period, in a world-first approach to managing the stability of the electricity system.</p>



National Grid clearly lay out the action they are taking in response to identified risks and opportunities. We like that they have given equal treatment to considering their sustainability opportunities, and not just the risks.



3

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.

Tips to make your reporting more effective:

Basic

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

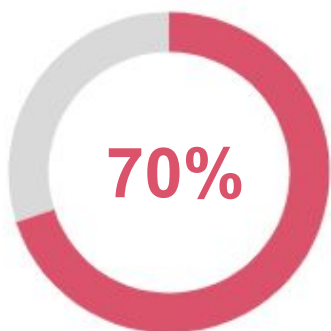
Intermediate

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

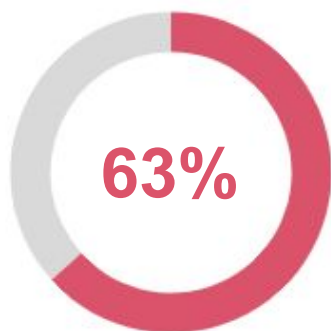
Advanced

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: 62%)



Disclose targets for each KPI
(FTSE 250: 33%)

2019 performance against targets

Goals	Performance
To reach zero fatalities, and to eliminate workplace injuries and catastrophic events	Zero fatalities at managed operations <ul style="list-style-type: none"> All injury frequency rate (AIFR) at 0.42 (target: 0.38), reduced 5% from 2018 (0.44) 1.42 million CRM verifications
All businesses will identify at least one critical health hazard material to their business and will demonstrate a year on year reduction of exposure to that hazard	Reduction: 64.6% (38.5% airborne and 26.1% noise) <ul style="list-style-type: none"> Participation: 11 sites (167 exposed employees and contractors)
24% reduction in total greenhouse gas emissions intensity between 2008 and 2020	29.4% decrease in greenhouse gas emissions intensity since 2008
To reduce the rate of new occupational illnesses each year	<ul style="list-style-type: none"> 34% decrease in the rate of new occupational illnesses since 2018
To disclose for all managed operations by 2023, their permitted surface water allocation volumes, their annual allocation usage and the estimated surface water allocation catchment runoff from average annual rainfall	<ul style="list-style-type: none"> Target statements defined and approved by our Sustainability Committee, a sub-committee of our Board. Assurance milestone schedules have been developed for the water target period (2019 – 23) and performance against these milestones will be tracked and assured annually.
To achieve local water stewardship targets for selected sites by 2023	
To demonstrate local economic benefits from employment and procurement of goods and services by reporting yearly against a locally defined target	90% of assets are on track to achieve their 2020 significant complaints target <ul style="list-style-type: none"> 70% of assets are on track to achieve their 2020 local employment target 84% of assets are on track to achieve their 2020 local procurement target 80% of assets are on track to achieve their 2020 repeat complaints target
To be effectively capturing and managing community complaints and reducing repeat and significant complaints each year	<p>Note: 'On track' means 75% or greater progress towards 2020 targets</p>
To improve diversity in our business by: <ul style="list-style-type: none"> Increasing women in senior management¹ by 2% each year Aiming for 50% women in our graduate intake, with 30% from places where we are developing new businesses 	25% of our Executive Committee were women, consistent with 2018 <ul style="list-style-type: none"> 22.6% of senior management¹ were women, consistent with 2018 18.4% of our workforce were women, up 0.7% from 2018 54% of our graduate intake were women, 4% above target and up 18% from 2018 11.1% of Board roles were held by women. With the new non-executive director appointments announced in February 2020, this percentage has increased to 33% 19% of our graduate intake were from places where we are developing new businesses²

“Rio Tinto present both their sustainability-related KPI targets for the previous year and how they have performed against them. We like that they disclose progress towards meeting future targets and are open with the reader about their definition of ‘on track.’”

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.

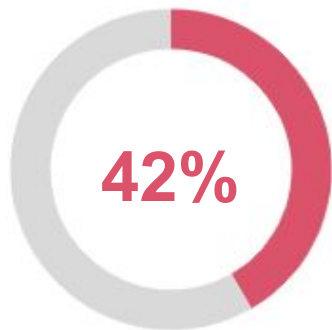
Intermediate

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

Advanced

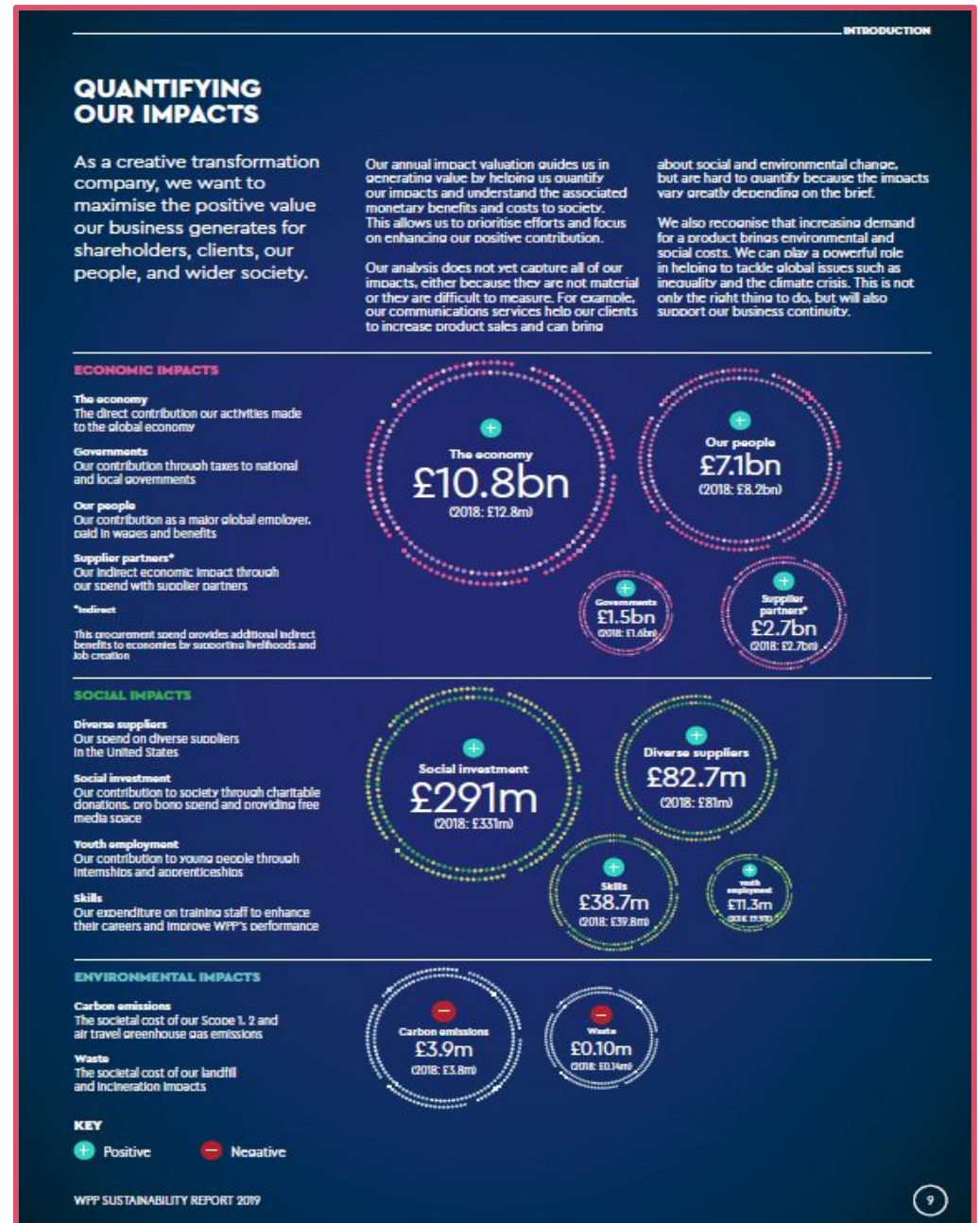
In monetary terms, disclose your impact on society and the environment.

Of the FTSE 100 companies we reviewed:



Specifically disclose the environmental and/or social impacts of the business
(FTSE 250: 43%)

“WPP clearly and prominently disclose quantification of the impacts they’ve had during their reporting year. We like that they report their negative impacts as well as the positive, including the cost to society of their carbon emissions.”



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.

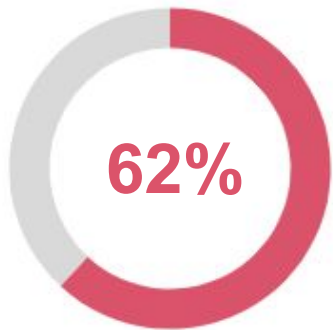
Intermediate

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: 33%)

BP provide a detailed description of their governance framework and how sustainability is linked to remuneration.

BP Annual Report 2019, pg. 105 - 106

Annual bonus

- 112.5% of salary at target, and 225% at maximum.
- 50% of the bonus is paid in cash and 50% is mandatorily deferred and held in BP shares for three years.
- To continue under 2020
- To incentivize delivery of our annual and strategic goals.
- The 50% deferral reinforces the long-term nature of our business and the importance of
- Against our scorecard of safety (20%), environment (10%), reliable operations (20%) and financial performance (50%), our performance score is 135% of target (67.5% of

Performance outcomes

Strong results for the year, beating targets on five out of six measures

2019 Annual bonus

71.5%

Formulaic outcome (% of maximum)

-4.0%

Committee judgement, discretionary reduction

67.5%

Final outcome (% of maximum)

2017-19 Performance

71.2%

Formulaic outcome (% of maximum)

Performance dimensions (% weighting)

Safety (20%)	KPI	15.5/20
Environment (10%)	KPI	7/10
Reliability (20%)	KPI	8.5/20
Financial (50%)	KPI	40/50 ^a

Performance

Financial (80%)
Strategic progress

Annual bonus outcome (67.5% of maximum)

Bob Dudley	\$2,815,763
Brian Gilvary	£1,200,572

Performance

Bob Dudley
Brian Gilvary

KPI This legend denotes remuneration measures that directly relate to BP's key performance

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.

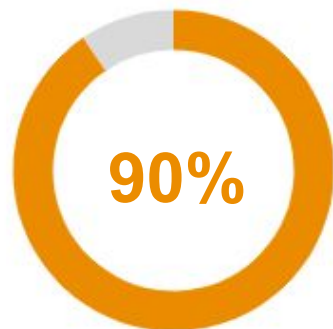
Intermediate

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: 33%)

“Coats detail throughout their reporting the steps they are taking to move towards a circular supply chain. They also demonstrate efforts to align sustainability efforts across their value chain.”

SOCIAL



Responsibility in our supply chain

Our success in the marketplace relies on responsible behaviour and good corporate citizenship. Therefore, it is vital that our relationship with business partners and suppliers is aligned with both our business principles and our sustainability approach.

Our Supplier Code, updated in 2018 and due for update again in 2020, outlines the issues we engaged our suppliers and partners on. It covers labour practices, including specific requirements around human trafficking, forced and bonded labour, environmental management, responsible sourcing of materials/products and business conduct more generally. To engage with them, we have a due diligence and review protocol for our procurement teams to use when assessing supplier credentials. To build on the opportunity for collaborative work with our suppliers we have initiated in 2019 a programme that seeks to ensure that their sustainability activities are aligned with ours. This will lead to much greater transparency on impacts along the whole supply chain and will make it much easier for us to start building a full Life Cycle Assessment for our products and to quantify the upstream Scope 3 emissions attached to our purchased materials. We will continue to develop this programme in 2020.

Our human rights risk assessment, mentioned earlier, also helps us identify the areas of highest risk in our supply chain, initially on a geographic basis. We also assess our supply chains to identify industry/ sectoral risks as well as risks from their geographical location, and will be revisiting this assessment in early 2020 based on the latest geographic review. Based on this assessment, we have a programme of engagement with suppliers, providing support and guidance on our expectations and compliance with our Supplier Code. This includes face to face workshops and supplier audits for 'high risk' suppliers.

Being a part of the communities where we operate

At Coats, we always try to be an active corporate citizen and encourage our teams to engage with their local communities in ways that best suits them and the circumstances. We recognise the prosperity of our business is closely aligned to the health and well-being of the communities in which we live and work. This is why we have a specific target to get all our employees involved in community activities by 2022.

In 2019, to strengthen our approach to community engagement we started to align all our local and global actions toward three areas of focus: 'Education'; 'Health & Wellbeing' and actions related to our 'Business and Textiles'.

During 2019, we ran well over 400 activities in 19 different countries worldwide. We have been developing improved tracking mechanisms to be able to more accurately identify the level of input activity for these projects, and will be able to give more accurate information for 2020.

Measuring the impact of our community activities has always been challenging for us, as it is for other organisations, and we are also conscious that we are not experts in identifying needs and developing solutions, so we have been working during 2019 to develop global partnership relationships with organisations that do have this expertise. We are looking forward to launching the first such partnership in 2020 with the aim being to run pilot projects during 2020 and then to extend the partnership more widely in subsequent years.

MAKING IT HAPPEN!

ALL EMPLOYEES CONTRIBUTING TO COMMUNITY ACTIVITIES BY 2022

Our target is to substantially increase the number of our colleagues who are involved in community engagement projects while also increasing the level of beneficial impact that these have on our surrounding communities. This means increasing the number of projects that we undertake, broadening the opportunities for our employees to get involved and also targeting more precisely the projects to meet community needs and delivering impact. To achieve this we have expanded the scope of our programmes to cover three pillars: Education, Health & Wellbeing and Business & Textiles. We have been working towards establishing global external partnerships to ensure that we maximise the impact of our activities and can measure the results, and we are planning to launch the first pilot projects with an external partner in 2020.



Ialis Iorio
HR Business Partner, South America

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.

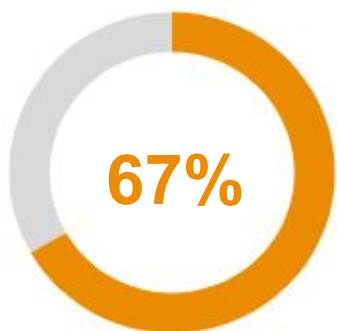
Intermediate

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: 33%)

“Unilever has an extended section within their interactive sustainability website dedicated to natural capital, how to measure their impacts, and how they integrate natural capital into their decision-making.”

Unilever Sustainable Living website - Natural Capital

Approaches to managing natural capital

Natural capital is another term for the stock of renewable and non-renewable resources (eg plants, air, water, soils, and minerals) that combine to yield a flow of benefits to people.

The benefits provided by natural capital include clean air, food, water, energy, shelter, medicine, and the raw materials we use in the creation of our products. It also provides less obvious benefits such as flood defence, the regulation of the climate and pollination of crops.

Studies have shown that as a global population we are depleting natural resources faster than the earth can replenish them, and at an accelerating rate. As a society, we have effectively grown financial capital in large part through the use, exploitation, and degradation of natural capital.

Measuring natural capital impacts

Like many businesses, our first step towards considering our relationship with natural capital has been to consider our principal environmental impacts. We defined these as greenhouse gases (GHG), water and waste – three ‘pillars’ of the Unilever Sustainable Living Plan (USLP).

What sets the USLP apart is that it takes a value-chain approach, seeking to identify these impacts not only within our own operations but also within our supply chain and in consumer use. We developed methodologies for measuring our footprint in each of these areas and set time bound targets for reducing them. Find out more about our [greenhouse gas](#), [waste](#) and [water](#) footprint approaches.

Beyond these three pillars, Unilever also considers broader natural capital issues in a variety of specific contexts related to the USLP.

Natural capital & deforestation

Our efforts to [eliminate deforestation](#) from commodity supply chains are driven in part by the GHG impacts of tropical deforestation, but also through a recognition of the rich natural capital and biodiversity at risk in areas of high conservation value.

Natural capital & sustainable agriculture

Unilever's [Sustainable Agriculture Code \(PDF | 2MB\)](#), includes 11 social, economic and environmental indicators. Many of these relate to natural capital, including soil health, soil loss, nutrients, pest management, and biodiversity.

In our tea supply chain we actively manage the relationship between our tea plantations and the ecosystems that support them, including the Mau Forest in Kenya which borders our plantations and is integral in ensuring a water supply to our site.

Natural capital & water

We routinely consider dependencies on natural capital such as water when considering the location or relocation of manufacturing plants, recognising that without these supplies we may be unable to operate competitively. Additionally, we place extra focus on [water efficiency in water-scarce locations](#).

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.

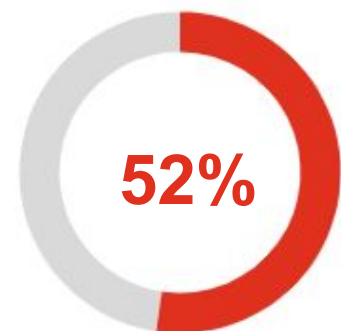
Intermediate

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: 67%)

“Diageo has demonstrated well-balanced reporting by identifying targets which it has met as well as those where they are underperforming.”

Diageo Annual Report, pg. 54

Performance against 2020 targets⁽¹⁾

Water stewardship

2020 target	KPI	Performance	Progress
Reduce water use through a 50% improvement in water use efficiency	% improvement in litres of water used per litre of packaged product	2019 6.0% ^A 43.8% cumulative	87.6% We have made significant further progress this year at our sites, driven by continuous improvement and innovation projects in brewing, maltings and distilling operations worldwide. This year, 16,442m ³ of water were used for agricultural purposes on land under our operational control. We report this separately from water used in our direct operations. The volume of water we recycled or reused in our own production was 1,029,305m ³ , representing 5.2% of total water withdrawals.
Return 100% of wastewater from our operations to the environment safely	% reduction in wastewater polluting power measured in BOD (1000 tonnes)	2019 13.6% ^A 36.0% cumulative	36% While we met all regulatory requirements on wastewater at our sites and have made good progress this year, we recognise we will not achieve our full target by 2020. Over 80% of our sites have achieved the 2020 target. We are now concentrating on our remaining cluster of sites. As part of a range of solutions, we are planning further investment in wastewater treatment together with the use of new technologies to create value from our by-products.
Replenish the amount of water used in our final product in water-stressed areas	% of water replenished in water-stressed areas (m ³)	2019 11.8% 60.5% cumulative	60.5% This year we replenished 11.8% of the total water used in our final product, and cumulatively 60.5% of the water used in water-stressed locations is now replenished. Significant progress will be required in Nigeria, Ghana and Kenya in 2020 to ensure we achieve our ambitious target.
Equip our suppliers with tools to protect water resources in our most water-stressed locations	% of key suppliers engaged in water management practices	2019 86% 86%	86% We engaged 128 suppliers to disclose their water management practices through CDP's Supply Chain Water Programme, with an 86% response rate. We prioritised more than 100 third-party operators for more in-depth water risk assessment and support, and have begun mapping site water performance and rolling out our water guidance for the most water stressed.

Carbon

2020 target	KPI	Performance	Progress
Reduce absolute greenhouse gas emissions from direct operations by 50%	% reduction in absolute GHG (kt CO ₂ e)	2019 5.9% ^A 44.7% cumulative	44.7% We made important progress this year, achieving a 5.9% decrease in carbon emissions. In addition to continuous improvement at our operations and fuel switching, we have purchased energy attribute certificates to support our decarbonisation strategy. As a signatory to RE100, we aim to source 100% of our electricity from renewable sources by 2030. This year 45.4% of electricity at our production sites came from renewable sources such as wind, hydro and solar (2018 – 18.5%). In the United Kingdom, 100% of our electricity came from renewable sources. We use the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol as a basis for reporting our emissions, and we include all facilities where we have operational control for the full financial year. Diageo's total direct and indirect carbon emissions (location/gross) this year were 785,545 ¹ tonnes (2018 – 782,294 tonnes), comprising direct emissions (Scope 1) of 620,573 ¹ tonnes (2018 – 620,608 tonnes), and indirect (Scope 2) emissions of 164,971 ¹ tonnes (2018 – 164,971 tonnes). The intensity ratio for this year was 185 grams per litre packaged (2018 – 186 grams per litre packaged).
Achieve a 30% reduction in absolute greenhouse gas emissions along the total supply chain	% reduction in absolute GHG (kt CO ₂ e)	2019 5.9% 27.1% cumulative	27.1% Our total supply chain carbon footprint this year was 3.165 million tonnes, a 5.9% improvement and important progress towards our target. We engaged suppliers directly on measuring and managing their carbon emissions and made further data analysis improvements. This year we received responses from 86% of the 224 suppliers we engaged through the CDP, and 50% of these suppliers reported that they had emissions reduction targets.
Ensure all our new refrigeration equipment in trade is HFC-free, with a reduction in associated greenhouse gas emissions from 2015	% of new equipment sourced HFC free from 1 July 2015	2019 99.5% 99.5%	99.5% Eliminating HFCs plays a role in reducing our overall carbon footprint. 99.5% of the 48,000 new fridges we have purchased since July 2015 were HFC free.

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.

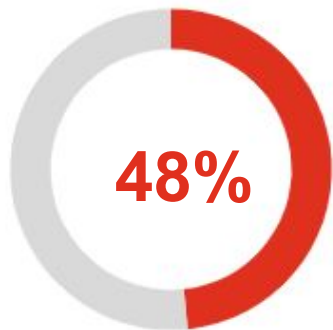
Intermediate

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: 48%)

“ Anglo American disclose an assurance statement, verifying that their sustainability data has been externally assured by PwC to the ISAE 3000 assurance standard. ”

ASSURANCE STATEMENT

Independent auditor's Assurance Report on the selected sustainability Information in Anglo American Plc's Sustainability Report

Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, for the selected sustainability information where limited assurance was obtained, we do not express a reasonable assurance opinion about whether the Company's selected sustainability information has been prepared, in all material respects, in accordance with the accompanying reporting criteria.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- inspected documentation to corroborate the statements of management and senior executives in our interviews;
- tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- performed a controls walkthrough of identified key controls;
- inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected sustainability information; and
- evaluated whether the selected sustainability information presented in the Report is consistent with our overall knowledge and experience of sustainability management and performance at the Company.

Reasonable assurance opinion and limited assurance conclusion

Reasonable assurance opinion
In our opinion and subject to the inherent limitations outlined elsewhere in this report, the selected sustainability information set out in the Subject Matter paragraph above for the year ended 31 December 2019 is prepared, in all material respects, in accordance with the reporting criteria.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out in the Subject Matter paragraph above for the year ended 31 December 2019 is not prepared, in all material respects, in accordance with the reporting criteria.

Other matter(s)

Our report includes the provision of limited assurance on the total number of employees who know their HIV status. We were previously not required to provide assurance on this selected sustainability information.

The maintenance and integrity of Anglo American's website is the responsibility of Anglo American's Directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on Anglo American's website.

Restriction of liability

Our work has been undertaken to enable us to express a reasonable assurance opinion and a limited assurance conclusion on the selected sustainability information to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.



PricewaterhouseCoopers Inc.
Director: Jayne Mammatt
Registered Auditor
Johannesburg
28 February 2020

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 MSA 2015.
(FTSE 250: 100%)

“Imperial Brands disclose a Modern Slavery statement signed by the Chair of the Board that details their policies, an assessment of Modern Slavery risk, the progress made in 2019, and their intentions for 2020.”

Imperial Brands 2019 Modern Slavery Statement

This statement has been published in accordance with the UK Modern Slavery Act 2015. It was approved by the Board of Imperial Brands PLC in February 2020 and is signed on its behalf by:



THERÈSE ESPERDY
Chair
Imperial Brands PLC

OUR COMMITMENT

This statement sets out the steps taken by Imperial Brands PLC and its subsidiaries, during the year ending 30 September 2019, to understand all potential modern slavery risks related to its business and to prevent modern slavery and human trafficking in its business and supply chains. This is the fourth statement produced by Imperial Brands PLC.

As an international business we recognise the importance, influence and duty we have in promoting respect for human rights. Our policy is to respect and support the dignity, wellbeing and human rights of our employees, the workers in our supply chain and the communities in which we operate. We are committed to conducting our business in a responsible and sustainable way, seeking to mitigate the risks and impacts of potential human rights abuses both within our direct and indirect operations.

We recognise that modern slavery can include forced and child labour; bonded labour (work provided to repay a debt); slavery and servitude (a person exercising power of ownership over another); and human trafficking.

Like all businesses, we run the risk of being exposed to modern slavery either within our direct operations or indirectly through our supply chain. We are fully committed to preventing slavery and human trafficking, recognising that the greatest risk of slavery lies within our supply chains; where we undertake procurement activities and where operational and managerial oversight are out of our direct control.

Our commitment to human rights, including forced labour, extends through several Group policies, including our **Code of Conduct**, **Supplier Code** and **Human Rights Policy**. These documents set out the foundations to

KEY PROGRESS IN 2019

ESG Steering Committee

We have further strengthened our governance structures around our environmental, social and governance (ESG) responsibilities to include an ESG Steering Committee, chaired by the Chair of the Board, Thérèse Esperdy. This is a cross-functional committee and includes representatives from Human Resources, Corporate Affairs, Procurement, Investor Relations, Leaf Sustainability, Science, Research and Development, Health and Safety, Governance, Manufacturing, Sales, Group Communications and Group Sustainability. The committee will meet twice a year and report directly to the Board on key sustainability issues including the address of human rights and modern slavery. The Board will continue to receive regular updates on ESG matters throughout the year.

Slave Free Alliance



In 2019 we commissioned a modern slavery gap analysis by the Slave Free Alliance (SFA), an arm of the international charity, Hope for Justice. The purpose of the analysis was to assess and evaluate any potential exposure to the risk of modern slavery, understand whether our mitigation efforts are effective and develop a three-year strategy to address the SFA feedback.

Our response to recommendations made by the SFA are noted throughout this statement.

our approach to human rights, which all our employees, suppliers and business partners are required to adhere to.

In 2019, no incidents of modern slavery or forced labour were identified through our own due diligence processes and no incidents, grievances or concerns relating to modern slavery or forced labour were reported or identified through our whistleblowing procedures or grievance mechanisms. We recognise that whilst no incidents were identified this does not mean issues do not potentially exist, especially further away from our direct sphere of influence. We therefore remain committed to further enhancing our approach and understanding, recognising that this is a continuous, collaborative and evolving process.



For more information on our sustainability strategy and detailed approach to human rights please visit:
www.imperialbrandspc.com/sustainability

6

Spotlight

Covid-19 reporting

Covid-19 Reporting

2020 has been a tumultuous year and no company will emerge unscathed from the ongoing disruption caused by Covid-19.

At the time that many companies finalised this year's reporting period, the impacts of the pandemic and the associated impacts of the international public health response were just starting to make themselves known, with the result that, in most instances, the impacts were not formally reported on.

Some companies however, have included details on how they and their supply chains have been affected, and the action they are taking in response to the pandemic. Many, for example, have committed to not making any redundancies or accept government support to furlough staff. We have included here a selection of those who have reported their actions in a clear and transparent manner.

Johnson Matthey Annual Report 2020, pg. 9

Our COVID-19 commitments

Johnson Matthey has a clear vision – for a world that's cleaner and healthier; today and for future generations.

We have a strong set of values at the heart of our work, and these have guided our COVID-19 response.

That's why we've outlined a number of commitments to support our people, customers, suppliers, shareholders and communities.

Experian Annual Report 2020, pg. 10

10

Experian plc
Strategic report

COVID-19 response

Playing our part during the COVID-19 pandemic

The COVID-19 pandemic is a crisis affecting billions of people around the world. Our thoughts are with the many people whose lives and livelihoods have been upturned by the pandemic, especially those who have lost loved ones. Measures to contain the virus have negatively impacted many economies, with businesses struggling to trade or even becoming insolvent. Consequently, millions of people have lost their jobs or been furloughed, and many are struggling to feed their families and pay their bills.

“

Johnson Matthey manufactures key components used in the production of ventilators. In response to the pandemic they ramped up production and started to manufacture PPE for community medical staff. They have also set up a new science education fund in the wake of Covid-19 that aims to break down the barriers preventing people from choosing to study science.

”

“

Experian have taken action to protect the millions of people financially impacted by the pandemic, including through shielding consumer credit scores that have been adversely affected, and providing free access to credit reports and scores, in the UK and elsewhere.

”

GOVERNANCE IN ACTION

COVID-19 RESPONSE

The Covid-19 pandemic has been unprecedented in scale and pace of impact and has changed the way people around the world live their lives. Significant decisions and adjustments have had to be made by organisations on a daily basis and M&S has been no exception, with quick actions required in each of its family of businesses to respond to a constantly changing and uncertain situation. These pages examine the governance behind M&S's response to Covid-19 to date, focusing on our response to four central issues: Colleagues; Customers and Business Continuity; Supply & Demand; and Balance Sheet Resilience.

UK lockdown begins

23 MAR

Colleagues

● Government Relations Team

After the UK's Coronavirus Job Retention Scheme is announced on 20 March, the GRT reviews the applicability of the scheme to M&S colleagues.

● ● Crisis Management Team & Operating Committee

Following announcement of UK lockdown measures on 23 March and closure of non-essential stores, CMT works immediately to ensure all Outlets are closed from 24 March. All Simply Food stores, standalone Food Halls and distribution centres continue to operate, with new social-distancing measures in place. Full-line stores also remain open, but Clothing & Home sections are packed down, with all colleagues supporting Food teams.

Extended lockdown

20 APR

Colleagues

● Board

In its meeting on 20 April, reviews measures to date on Covid-19, particularly impact on colleagues – agrees that colleague communications should be issued to thank them for their efforts, wish those in hospital quick recoveries, and express condolences for colleagues who have passed away after contracting the virus.

Customers and Business Continuity

● Crisis Management Team

Initiatives to support customers and communities continue:

- Launched a new bag for life design in support of the NHS, with a thank you message and all profits going to NHS Charities Together.
- "All In This Together" T-shirts are launched on 23 April and sell out in the same day, with one sold every second between 1pm and 5pm on launch day and all profits going to NHS Charities Together.

M&S have provided a comprehensive account of the actions taken as the pandemic evolved by their 6 response teams (including the Board and Crisis Management Team). This includes all the efforts made to keep food supply chains up and running, as well as their extensive charitable campaigns and contributions in aid of the NHS and healthcare workers.

HOW THE EVENTS UNFOLDED

Covid-19 emerges and reaches Europe

29 JAN

UK's first two patients test positive

30 Jan

WHO declares a global health emergency

23 FEB

Italy sees a major surge in cases and introduces strict measures to lock down towns in Lombardy

Early UK impact

28 FEB

UK confirms first case of the illness passed on inside the country, and the global stock markets have their worst week since the 2008 financial crisis

11 MAR

WHO declares the virus a pandemic

16 MAR

UK government begins daily press briefings on their Covid-19 response

20 MAR

M&S issues Regulatory News Service (RNS) announcement on its Covid-19 response

UK lockdown begins

23 MAR

UK lockdown measures announced

2 APR

Worldwide cases of Covid-19 passes 1 million

15 APR

Worldwide cases of Covid-19 passes 2 million

Extended lockdown

20 APR

UK lockdown measures extended by another 3 weeks

28 APR

M&S issues RNS announcement on strengthened liquidity

STAGE 1

STAGE 2

STAGE 3

STAGE 4

OUR RESPONSE TO COVID-19

The impacts of COVID-19 are being felt across the globe. As a socially purposeful company, we have carefully considered how we can make a positive impact for the good of our stakeholders but also for wider society.

Severn Trent launched an emergency fund of £1m+ to support vulnerable customers, working with local authorities and community foundations to identify and get help to older people who had no one else to rely on during the pandemic.

GSK had a pandemic preparedness strategy in place and sprang into action during the spread of Covid-19. They made available their vaccine technology to partners including the Coalition for Epidemic Preparedness Innovations (CEPI) to aid the rapid development of candidate vaccines.

Pandemic preparedness

GSK is committed to playing our part to prepare for, and respond to, pandemics. We work with governments to support their pandemic readiness plans, and we support the Pandemic Influenza Preparedness Agreement adopted by WHO member states in 2011. In the event of a declared pandemic, we will provide the WHO with real-time access to our pandemic influenza vaccines and antivirals for the world's poorest countries. These commitments are a combination of donations and tiered prices depending on the country's gross national income (GNI). GSK supports the WHO's pandemic preparedness activities, including the Global Influenza Surveillance and Response System – a worldwide network able to rapidly identify and respond to influenza outbreaks including those with pandemic potential.

In February 2020 GSK announced two new collaborations to make our established pandemic vaccine adjuvant platform technology available to enhance the global efforts to develop a vaccine against the 2019 novel coronavirus (SARS-CoV-2). The use of an adjuvant, which is added to some vaccines to enhance the immune response, is of particular importance in a pandemic situation since it can reduce the amount of antigen required per dose, allowing more vaccine doses to be produced and made available to more people. The first collaboration announced is with the Coalition for Epidemic Preparedness Innovations (CEPI) and the University of Queensland, and the second collaboration is with China-based Clover Biopharmaceuticals.

7

Spotlight

Net Zero

Net Zero Reporting

At the start of 2020, Net Zero was one of the foremost issues on Board agendas, but as the pandemic evolved the attention of companies became diverted.

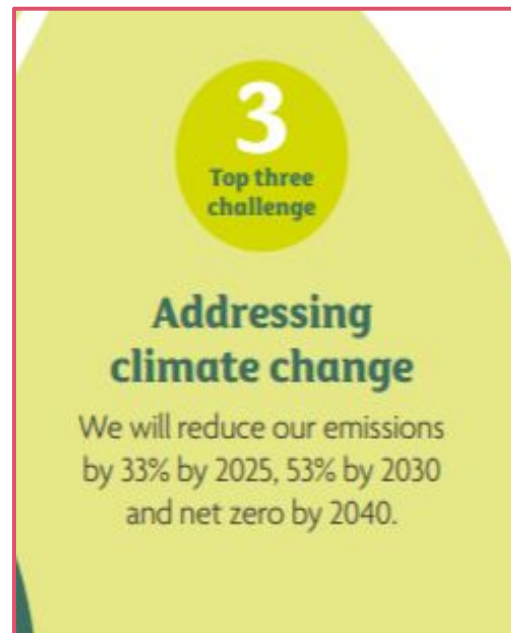
Despite the challenging environment, many companies have this year announced plans to reach Net Zero - at the latest count, 45% of FTSE companies have committed themselves to reaching this target by at least 2050. Corporate leadership on this issue is expected to loom large in the coming year during the run-up to COP26 in Glasgow. The companies featured in this section are some of those that have announced Net Zero ambitions over the course of the previous year.

Morrisons Corporate Responsibility Report 2019/20, pg. 12

Zero UK farming emissions on own brand farms by 2030

Emissions from UK farms currently amount to 10% of UK GHG emissions.

While we support the National Farmers Union's aim to encourage the UK agriculture sector to be net zero by 2040, by working with a smaller group of progressive farmers, we think we can respond to society's need for action and so have set a more challenging target of net zero from our UK agriculture chain by 2030. This will be achieved through working with farmers and supporting the increase of on-farm productivity, farmland carbon storage and renewable energy utilisation.



Thames Water Annual Report 2020, pg. 50

As well as targeting Net Zero by 2030, which they plan to achieve largely through on-site renewable energy generation, Thames Water's ambitions extends beyond this. By 2040 they want to go beyond Net Zero and become carbon negative, placing them in a small group of companies who have announced plans for this.

Protecting the environment

Committing to net zero carbon operational carbon emissions by 2030

Go beyond net zero by 2040

Fully understand natural capital stocks across all our landholdings by 2025

Looking after the health of our rivers with our smarter water catchments initiative

Aiming for zero pollutions and a cleaner Thames

Tackling plastic pollution through customer education and by installing drinking fountains

Investing in nature-based infrastructure

Read more on pages 52 to 54

Our climate targets

Net zero carbon emissions by 2030, and then beyond

In 2019/20, we made an important pledge to reduce our net carbon emissions from our operations to zero by 2030 and we're making headway. And we don't want to stop there – we're committed to going beyond net zero by 2040.

Morrisons are aiming to reach Net Zero by 2040 at the latest, and have set interim targets of 33% and 53% emissions reduction for 2025 and 2030 respectively. They also are setting an ambitious target of reaching Net Zero in their UK agriculture chain by 2030 - well ahead of the National Farmers Union ambition for the sector to reach this milestone by 2040, demonstrating their commitment to these goals.

Our purpose is to enable a zero carbon, lower cost energy future.

Our ambition is to become carbon negative by 2030. Being carbon negative means that we will be removing more carbon dioxide from the atmosphere than we produce throughout our operations – creating a negative carbon footprint for the company

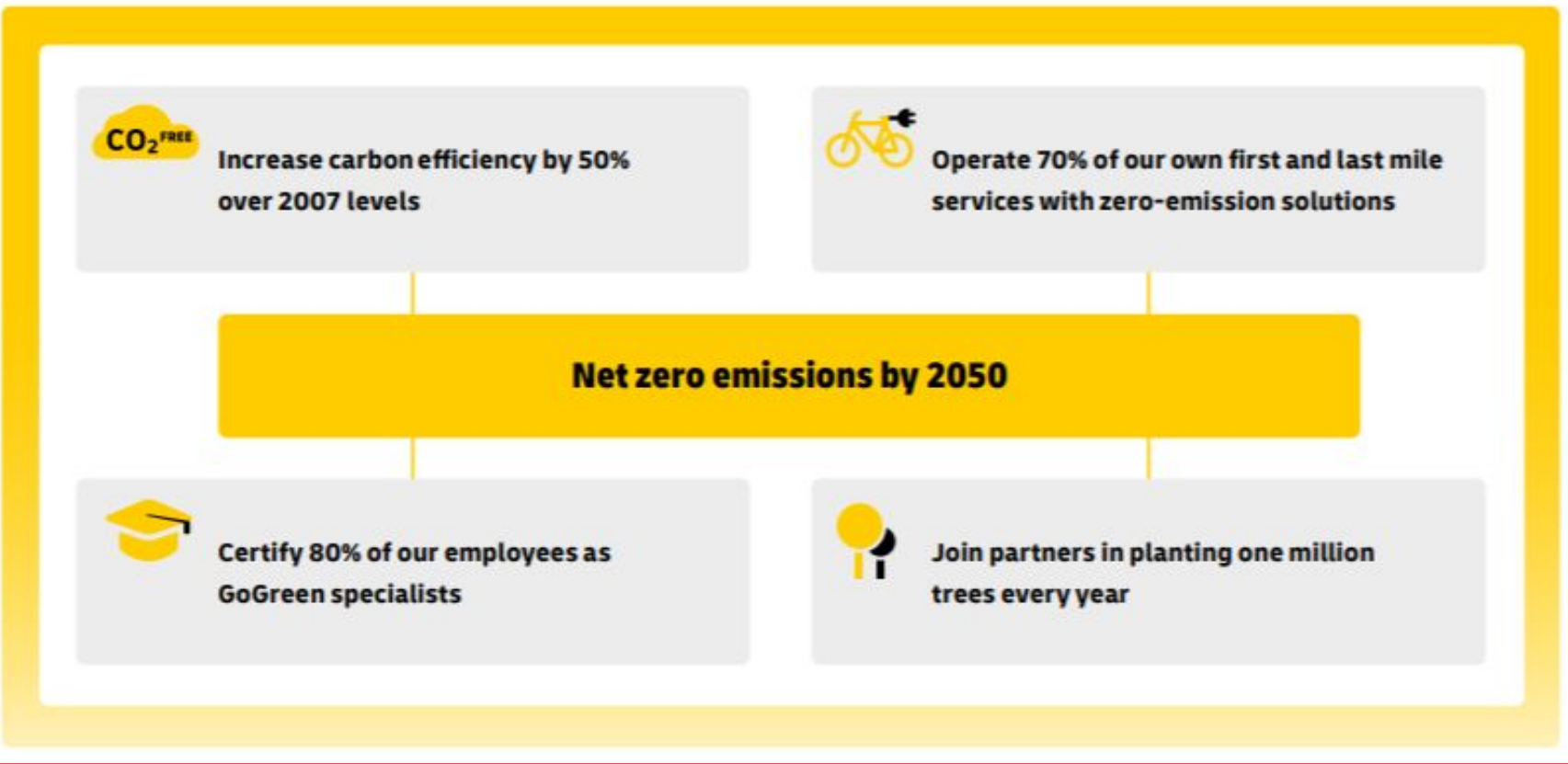
We now want to become a carbon negative company by 2030, which we can do by applying carbon capture and storage technology to our biomass units. This is known as BECCS and, through our BECCS pilot project at Drax Power Station, we have the capability to capture one tonne of carbon a day. With the right investment framework and support mechanisms in place, we believe we could capture 16 million tonnes of CO₂ a year.

“

While many companies were grappling with how to approach the challenge of reaching Net Zero, in December 2019 Drax became the first company in the world to announce a target to become a carbon negative company by 2030. They plan to achieve this through the deployment of Carbon Capture & Storage (CCS) technology, which will enable them to capture and store CO₂ at scale, at a rate of up to 16 MtCO₂ annually. Drax's leadership will likely speed uptake of CCS globally as their investment in the technology will demonstrate its efficacy at scale.

”

Mission 2050 and interim targets for 2025



“

DHL Group have set themselves a target of reaching Net Zero by 2050, and acknowledge their contribution towards the 14% of global emissions linked to the transportation sector. They also have set more immediate interim targets for 2025, including operating 70% of of their first and last mile services with zero-emission solutions.

”

8

Spotlight

People reporting

People reporting: Upskilling

Although the disruption of Covid-19 and the resultant lockdowns proved an unanticipated challenge for many companies, the reporting period prior to this saw many companies invest in upskilling and training for their workforce.

A fundamental transformation in the way we work is underway, and the pandemic has further disrupted established working patterns. Companies can cultivate resilience to better withstand events like Covid-19 through investing in their workforce and providing them with the skills to thrive in a 21st century economy. A selection of companies who have included details of workforce upskilling and training are featured in this section.

E.ON Sustainability Report 2019, pg. 63

Training employees in cyber security

E.ON and innogy operate critical energy infrastructure in a number of countries. This infrastructure – as well as the companies' computer systems generally – could be the target of a cyber attack. Both companies therefore strive continually to familiarise their employees with data protection and cyber security. For example, in June 2019 E.ON, with support from Microsoft, conducted a two-day hackathon involving staff from 17 units and six countries. Participants received intensive training in identifying and thwarting cyber attacks. Similar training is provided at innogy, in which more than 1,100 employees have participated. In addition, in July 2019 innogy launched Cyber-Range-e, multi-day training courses in cyber protection. Training encompasses attack detection, analysis, and defence as well as crisis management exercises. Participants, most of whom are employees of innogy's distribution system operators, also have to put this theory into practice by fending off attacks by professional hackers on critical energy systems under real-world conditions. On 30 October 2019 innogy held – as a highlight of Cyber Security Month – Cyber Security Day 2019, consisting of demonstrations of live hacking and other presentations. All of these programmes are designed to enhance E.ON and innogy's ability to continue to ensure the security of the energy supply in a world in which cyber crime is becoming increasingly prevalent.

Engie Integrated Report 2020, pg. 38

Adapting skills to prepare for the future

The energy transition is causing new business lines in the energy sector to emerge. To deploy the Group's strategy, ENGIE must at all times have skills that are **adapted to a changing market**. For this reason, the Group seeks to **anticipate and identify the needs** of the various BUs and business lines, **develop and adapt skills** to new business challenges and **strengthen its ability to attract**, recruit and retain talent. This policy is structured around three tools:

- **ENGIE Skills** questions and challenges the Group's BUs and entities each year for their three-year projections. Skills mapping carried out using this tool helps to anticipate business needs and ensure appropriate resources. The results of the 2019 survey highlighted the main trends for 2019 to 2021 and made it possible to develop action plans.
- **ENGIE Mobility** seeks to make internal mobility more flexible and strengthen the culture of mobility within the Group. This tool uses a digital space for the construction of professional projects, events and business meetings, as well as for support for international mobility.
- **Engie University** develops programs that help employees to improve their skills in their day-to-day work. In addition, the ENGIE Schools program, deployed in 2019, is an international network of 30 in-house training centers that offers tailor-made technical modules to accelerate the transfer of technical skills around the world.

E.ON and Engie are both energy companies that understand the importance of having a workforce prepared for the emerging energy landscape. E.ON have invested in upskilling their employees in cyber security to reduce the vulnerability of critical energy infrastructure. Engie conduct regular skills mapping sessions for their workforce to position themselves to take advantage of new business lines emerging from the energy transition.



Our Ambition for Colleagues

Building the workforce of the future

We're developing vital skills and a more inclusive workforce to ensure we deliver for our customers.

5 GENDER EQUALITY

Why it's important

STEM skills shortage
Younger generations are not pursuing STEM careers and only a quarter of roles in the UK and US are held by women ⁽¹⁾

+20%
Diverse companies out perform non-diverse companies ⁽²⁾

1 in 7
UK's workforce who are unpaid carers ⁽³⁾

Empower people with future skills

2030 Ambition	2019 Progress (Year 1)
Inspire and develop 100,000 people with essential STEM skills	11,409 ⁽⁹⁾ People 

Key: Progress against Ambitions  On track  Behind

We're developing essential STEM (Science, Technology, Engineering and Maths) skills to deliver for our customers. In 2019, we continued to grow the electric vehicle infrastructure by cross-training a hundred of our engineers to install charging points and we'll ramp up training in this area in 2020. Colleagues also advanced their capabilities by completing courses on a range of topics, including digital and leadership, through specialist Learning Academies, apprenticeships and the Career Development Hub. On top of this, mentoring has empowered colleagues to amplify their personal and professional development – from in-house reverse mentoring that pairs early career entrants with experienced colleagues, to cross-sector mentoring via the 30% Club.

 **working families**
Awarded Working Families' Best in Care and Eldercare Award

 **involve**
Leaders ranked in OUTstanding LGBT+ Role Model Lists

 **The Valuable 500**
Members of The Valuable 500 to champion disability inclusion



Communication and engagement with colleagues is increasingly undertaken digitally, with the majority of our people now using company smartphones and mobile technology to support their development. U+ is Rentokil Initial's highly innovative in-house learning and development 'university' which delivers programmes through various channels including online courses via the U+ portal and bespoke training modules for specific roles.

U+ is accessible globally to all colleagues across Rentokil Initial and is available in over 30 languages. The platform is available across desktops, mobile and the U+ app. Just under a third of all U+ training sessions are accessed via a mobile device.

Centrica have identified a future STEM skills shortage as a risk for their business, and are taking action, for example, through upskilling engineers to be able to install EV charging infrastructure.

Rentokil have invested heavily in digital training and skills sessions (over desktop-based or classroom-based L&D) that their agile workforce can access on the go. This has led to participation rates and the number of training sessions accessed increasing significantly. In the wake of Covid-19, they have also upskilled 7,000 of their employees in deep cleaning and hygiene services to take advantage of this new market created by the pandemic.

Re-skilling and up-skilling for the future

We know that education not only serves to equip individuals with the knowledge and skills to respond to systemic shifts, it also empowers them to take part in creating a more equal, inclusive and sustainable world. We also know that education is critical if we want to embed sustainability into the very foundations of our businesses. So, we're focusing on partnering with universities and academia to ensure that the next generation comes well-equipped to meet the challenges of the future.

We've been driving change through education with a number of initiatives and here are just a few examples:

"Research and education play a crucial role in changing the practices and models of the fashion industry. At Kering, these are key pillars of our sustainability strategy because we believe that it's our duty, as a Luxury group, to address the generations that will craft tomorrow's fashion."

Marie-Claire Daveu
Chief Sustainability Officer
and Head of International Institutional Affairs

— Since 2015, we've had a 5-year partnership with London College of Fashion (LCF). This has been extended until 2023.

— In 2018, Kering and LCF launched the world's first open-access digital course in Luxury fashion and sustainability. Entitled "fashion & Sustainability: Understanding Luxury fashion in a Changing

World", the MOOC aims to strengthen sustainability education in the Luxury and fashion realms in order to promote the wider adoption of more sustainable practices. So far, more than 33,500 learners from 151 countries have participated.

— We also translated our MOOC into Mandarin and launched it at the Shanghai Expo in October 2019 using a leading online platform in collaboration with Tsinghua University and LCF.

— As part of the platform's rollout, Kering and LCF teamed up with the British Fashion Council (BFC) to reinforce the wider adoption of sustainable practices by industry professionals and future talents alike.

— In 2019, we also launched the "IFM - Kering Sustainability Chair" with The Institut Français de la Mode (IFM). The Chair will focus their scientific research on a wide range of topics related to sustainability, from traceability to measurement as well as eco-responsible business models. Aspects of creative ecology will also be studied in order to identify ways in which creative teams can develop ecological fashion and propose new sustainable creative offerings that are highly attractive, while developing tools for measuring and appropriating environmental and social issues.

Up-skilling and empowering



TARGET: Implement a sponsorship program for training and coaching women managers and roll out mentoring programs in all countries. Promote the development of innovative career paths and ensure all genders are always considered for new opportunities.

PROGRESS: Empowering women is a priority at Kering and aligned with our 2025 sustainability strategy we have set up a number of initiatives to do so

Ensuring our people are both inspired to act and equipped with the necessary skills to do so is key to the delivery of Net Positive.

In 2019 we met our target for all new employees in place for more than six months to undertake a sustainability induction.

In order to achieve operational excellence for sustainability we continue to invest in training for on-the-ground teams at our centres. This includes both contractors and direct employees. In 2019, 304 centre employees undertook one or more of the following courses.

1. One Day IEMA Certified Environmental Awareness
 - an introductory course to global macro environmental issues, understanding Hammerson's Positive Places strategy and centre-level targets and projects. The course included top tips for environmental management including drain care, spill management and energy and water reduction. This course is mandatory for all new centre starters at all levels of the business, and is an accessible introduction to environmental awareness.

2. Two Day IEMA Certified Operational Environmental Management
 - an intermediate two-day course that is mandatory for certain roles and managers at centres. Covers greater detail on environmental legislation, Hammerson's obligations and environmental incident management

3. Five Minute Online Environmental Awareness Refresher
 - an online refresher course for colleagues to complete no more than three years after the One Day IEMA course. Designed by Hammerson and updated annually

Hammerson are investing specifically in sustainability training and skills development courses for their employees in order to ensure "operational excellence" and ready themselves for the future.

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



Excellence in climate change reporting 2020 - A review of leading UK companies

<https://www.pwc.co.uk/sustainability-climate-change/assets/pdf/bpta-climate-change-report-2020.pdf>

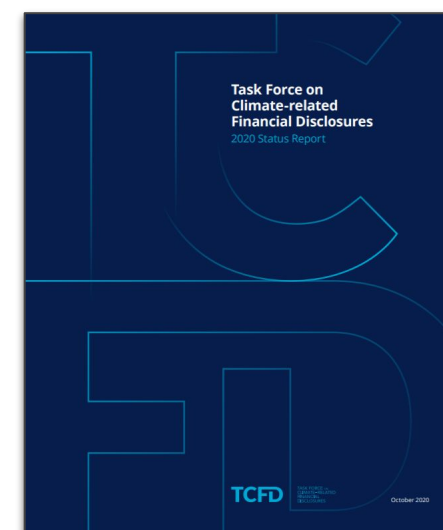


GHG Market Sentiment Survey 2020

<https://www.pwc.co.uk/services/sustainability-climate-change/insights/carbon-markets-trends-2020.html>

TCFD 2020 Status Report and announcement

<https://www.pwc.co.uk/financial-services/assets/pdf/tcfd-calls-for-further-progress-on-climate-related-reporting.pdf>



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