

## Strategic report – Wilmington plc 30 June 2021

the consolidation of office space resulted in surplus furniture, fixtures and IT equipment, we worked with a specialist partner to recycle it and prevent any waste going to landfill in line with our resource management policy.

Resource management policy	
Resource use	Resource disposal <sup>1</sup>
<b>Paper</b> <b>Source:</b> a chain of custody certified suppliers to ensure only sustainable raw materials are used in production. <b>Production:</b> at mills with ISO 14001 accreditation and Environmental Management System ('EMS') registration.	<b>100%</b> IT waste managed by ISO 9001:2015 and ISO 14001:2015 accredited, WEEE-compliant recycling partner.  <b>100%</b> redundant PPE recycled or repurposed.  <b>100%</b> office sites provide recycling units for waste, with supporting guidelines to promote workforce compliance.
<b>Printers</b> <b>Supplier standards:</b> major print suppliers are ISO 14001 certified or work to this as minimum. The Forest Stewardship Council is recommended for the Endorsement of Forest Certification. All our printers work digitally facilitating reduced transport, courier and energy utilising activities.	
<b>Packaging</b> Recyclable polythene with a thickness of 25 microns, or exo-biodegradable and potato starch forms of polythene.	

### Energy and carbon reporting

Our reporting on energy use and GHG emissions is in line with the Streamlined Energy and Carbon Reporting ('SECR') legislation. To reflect our commitment to monitor, report and reduce our environmental impact, we have also increased the scope of our GHG reporting to include Scope 1, 2 & 3 emissions.

Energy use and GHG emissions have been assessed following the ISO 14064-1:2018 standard and using the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs ('Defra') and the Department for Business, Energy Industrial Strategy ('BEIS'). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used. All Group entities have been included in the assessment.

Global carbon footprint assessment	30 June 2021 (Tonnes of CO <sub>2</sub> e)	30 June 2020 (Tonnes of CO <sub>2</sub> e)	Improvement in the year
Emissions from:			
Scope 1 – Direct emissions	32	69	54%
Scope 2 – Indirect emissions	164	240	32%
<b>Total scope 1 &amp; 2 emissions</b>	<b>196</b>	<b>309</b>	<b>37%</b>
CO <sub>2</sub> ratio scope 1&2 (tonnes of CO <sub>2</sub> per employee)	0.24	0.36	33%
Scope 3 – other indirect emissions	235	n/a	-
<b>Total (all scopes 1, 2 &amp; 3)</b>	<b>431</b>	<b>n/a</b>	<b>-</b>
<b>Total global energy consumption (kWh)</b>	<b>794,955</b>	<b>1,277,141</b>	<b>38%</b>

The action we have taken in the year to consolidate our office space reflects our intention to continue to reduce our resource use and carbon footprint from offices in the future. We are also assessing our process for managing resource use and emissions from all aspects of our operations, and the conclusions from this work will form the basis for our roadmap to becoming a net zero carbon business. Our aim to further reduce our carbon emissions in FY22 will be initially supported by work to significantly increase the percentage of renewable energy usage across the portfolio. We will also look to further understand our scope 3 emissions, and take steps to reduce these where practicable.

Our work in this area contributes to **SDG 12** Responsible consumption and production, and **SDG 13** Climate action; specifically **12.2: By 2030, achieve the sustainable management and efficient use of natural resources** and **12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse**

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### Taskforce for Climate Related Financial Disclosures

During FY22 we will complete our work to align fully with TCFD requirements, including performing scenario analysis to quantify our climate risks and opportunities. For the year ended 30 June 2021, our alignment with TCFD is summarised below.

Requirement	Progress
1.1 Describe the Board's oversight of climate-related risks and opportunities.	Board level oversight is with the Chief Financial Officer and the Senior Non-Executive Director. See page 17 of the sustainability report.
1.2 Describe management's role in assessing and managing climate-related risks and opportunities.	Management is with the Group Finance and Sustainability Director, reporting to the Chief Financial Officer and working in collaboration with portfolio business and shared service function management.
2.1 Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Consideration of the risks and opportunities that may arise as a result of climate change has been integrated into the Group's risk management framework, as detailed in the annual risk review on page 27. This process considers short, medium and long term outcomes, and is heavily integrated into the Group's broader strategic and financial planning process. Detailed scenario planning to further inform the risk assessment process will be performed in FY22 in preparation for full compliance with TCFD.
2.2 Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
2.3 Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
3.1 Describe the organisation's processes for identifying and assessing climate-related risks.	The metrics used are aligned to the financial and non-financial indicators used in the Group's wider risk assessment process. Further analysis of the most appropriate metrics will be performed as part of the scenario analysis planned in FY22.
3.2 Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
4.1 Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	
4.2 Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks.	We report comprehensively on Scope 1, 2 and 3 GHG emissions in line with SECR guidelines. See page 21 of the sustainability report.
4.3 Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Details of the Group's targets to drive progress are included on page 20 of the sustainability report.

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### Stakeholder engagement

#### Section 172 Companies Act 2006

The 2018 UK Corporate Governance Code highlights the importance of Section 172 of the Companies Act 2006, requiring Directors to act in a way that promotes the success of the Company for the benefit of shareholders whilst simultaneously showing regard for the interest of its other stakeholders.

In discharging their Section 172 duties, the Directors of the Group are required to have regard, among other matters, to the: likely consequences of any decisions in the long term; interests of the Company's employees; need to foster the Company's business relationships with suppliers, customers and others; impact of the Company's operations on the community and environment; desirability of the Company maintaining a reputation for high standards of business conduct; and need to act fairly between members of the Company.

The Board follows a robust decision-making process, which is designed to ensure that any decisions made consistently reflect Wilmington's culture of openness and transparency. The key reference points for decision making by the Board are: the impact on the Group's overall strategic objectives; the effect on its principal risks and uncertainties; and positive alignment with the core values underpinning the Group's sustainability strategy. At the heart of all of these factors is consideration of the Group's stakeholders, because it is these groups who have the most significant impact on creating positive outcomes for the Group as it strives to create long term value. Further details on this process can be found in the corporate governance report on pages 41 to 46.

Stakeholder	How we engage	Further detail
<b>Our people</b>	Employee engagement surveys Global employee town halls Dynamic intranet information portal Bespoke performance development review process	Celebrating our people – page 6 Sustainability report – page 18
<b>Shareholders</b>	Investor roadshows Analyst briefing sessions AGM One-on-one engagements and conference calls	Corporate governance report – pages 41 to 46
<b>Customers</b>	Customer Advisory Groups ('CAGs') Strong and accessible communication channels Product feedback surveys	Strategy - pages 10 to 13 Sustainability report – pages 19 and 20
<b>Suppliers</b>	Strong and accessible communication channels Clear policy guidelines on portfolio websites	Strategy - pages 10 to 13
<b>Communities and the environment</b>	Local charity support initiatives GHG reporting and improvement initiatives	Sustainability report – pages 16 to 22