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Mind the Gap

A characterisation of UK corporate sustainability through reporting by FTSE 100 listed companies

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Abstract

As a de facto leader in corporate governance and sustainability reporting (SR), this study provides a thorough and comprehensive characterisation of SR among the UK's leading companies. A content analysis was undertaken of key corporate communications across a sample of 66 constituents listed on the London/ Financial Times Stock Exchange (FTSE) 100 index. Through a systematic analytical framework made up of sustainability/ corporate responsibility (S/CR) indicators, and additional performance variables, the '*20/20+*' model allocated up to 40 points to each company. This approach represented a distinctive scoring model to benchmark company SR quality by illustrating a gap between what companies say they will do on sustainability issues (talk) and what they have actually done (walk). The S/CR indicators helped reflect the focus of current disclosures, the diffusion of best practices recognised in SR literature, give insight into how integrated sustainability activities appear to be to core company operations and show how aligned activities appear to be with societal goals as defined by the UN Sustainable Development Goals. The research finds on aggregate, a clear negative gap between 'talk' and 'walk', with only handful of companies appearing to 'walk the talk'. In addition to *minding the gap*, the study also revealed a significant variation in sustainability practices overall. Common themes characterising UK SR were also identified. These include the underutilisation of disclosure enhancing tools, the fragmentation and omission of relevant information as well as a tendency to be more descriptive than measurable. The findings have implications for UK policy-makers, business organisations and researchers; the current reliance on voluntary disclosures and third-parties is failing to diffuse best practices, which not only improve sustainability but offer strategic benefits to companies.

Keywords: Sustainability reporting; corporate governance; corporate social responsibility; UK; FTSE 100; scoring model; content analysis

Executive Summary

Purpose

Sustainability reporting (SR) is a critical vehicle by which companies communicate how they are actively contributing to society and addressing stakeholders' existing needs, without placing future needs in jeopardy. The UK is regarded as a leader in SR as well as corporate governance disclosures in general, which is at least in part due to the emphasis successive Governments have placed on reporting. However, besides mandatory requirements for reporting on specific environmental and social issues, the focus of corporate disclosures, as well as the general format of SR, remains largely uncoordinated and voluntary. This is despite SR being widely understood by researchers and policy-makers as presenting tangible benefits for companies, if pursued sincerely. These benefits go beyond increasing legitimacy among stakeholders such as investors and customers, to improving a company's strategic direction, risk management and resource efficiency.

However, three inter-related problems exist in understanding SR in the UK: 1) SR practices in the UK are incompletely characterised despite its leadership status. Third-party benchmarks lack transparency or look only at trends in SR, and not the broader context. Meanwhile, academic studies tend to focus on smaller samples or specific sustainability aspects such as climate change; 2) in lacking a large cross-sectoral characterisation of SR practices in the UK, we do not know whether companies actually document follow-up of their *intentions* with *actions*, i.e. showing what they have done not just will do. Nor do we know how in line companies are with SR best practices highlighted by researchers – let alone whether companies are aligning their actions to common societal goals; and 3) in research, there is no single universal approach to characterising SR. As such, there emerges an imperative to develop frameworks which can constructively score, index and benchmark companies' SR performance, while also drawing out rich, qualitative detail for a thorough characterisation.

Approach

The objective of this study was to offer a thorough characterisation of sustainability and corporate responsibility (S/CR) communications of leading UK companies. In realising this objective, this study sought answers to the following two research questions:

RQ1. To what extent does a gap exist between what leading UK companies *say they will do* on sustainability and corporate responsibility issues (talk) and what *they say have done* to address them (walk)?

RQ2. What is the rate of diffusion of sustainability reporting best practices among leading UK companies?

The study employed a combined deductive and inductive approach and developed a '*20/20+*' talk/ walk scoring model, based on a framework created by the Mistra Center for Sustainable Markets (Misum 2015; 2017). The *20/20+* model incorporates a range of indicators reflecting best practice in SR. These relate to the communication of S/CR governance, strategic direction, targeting and accountability tools as well as focussing on specific issues such as supply chain and anti-corruption. Significantly, the model also distinguishes between company 'talk' and 'walk' by scoring them separately. Through a content analysis of publicly available key SR materials (unit of analysis), a total of 20 points were awarded for specific 'talk' key performance indicators (KPIs) and a further 20 points for 'walk' KPIs. Additional '+' variables were noted including sector and company association with the FTSE's own ethical reporting index, FTSE4Good. The study also inductively looked at greenhouse gas (GHG) emissions reporting and targeting, total annual donations, and use of the UN Sustainable Development Goals (SDGs) (as an indicator of societal alignment). Key SR materials used were: each company's annual report, any standalone S/CR report as well as the corporate website and code of conduct. A large sample was adopted covering the top two-thirds (by revenue) of FTSE 100 index constituents – 66 companies across 12 sectors. The index is considered the amalgamation of leading UK companies chiefly for three reasons: 1) on aggregate, it controls the lion's share of FTSE market capitalisation (81%) and has a global outlook/ reach; 2) FTSE companies are recipients of investments by pension trusts and insurers, thus their longevity directly impacts the UK public and the economy at large; and 3) companies are consequently revered as leaders in SR due to the oversight imposed upon them by company law and stakeholder influence.

In total, over 17,000 pages of material were reviewed through the use of NVIVO software. In addition to note-taking and annotations, 4,172 different sections of text were coded as part of awarding points to companies under talk/ walk KPIs, and 1,000 sections of text were coded to inform + indicators. Within the analysis phase companies were scored for talk (/20) and for walk (/20), afterwards a three-step reliability process was incorporated into the approach to address self-identified limitations and improve measurement validity. This involved: 1) a review of company scores by indicator to ensure consistency; 2) keyword searches of SR materials to identify any relevant information missed; and 3) a transparent elaboration of how points were allocated during the breakdown of results.

Findings and conclusions

A significant gap exists between what the majority of companies say they will do (talk) and what they say they have done (walk). Companies on average scored 16.5 out of 20 points in talk KPIs, and only 12.6 out of 20 points in walk KPIs – a negative gap of 3.9 points (RQ1). Only eight companies across the sample appeared to have 'walked the talk.'

This research also revealed a significant variation in sustainability practices overall, as well as across and within sectors. No sector unilaterally walked the talk, but most sectors exhibited clear 'leader' and 'laggard' companies. The potential institutional drivers of SR (collected as + variables), do not appear to influence the talk/ walk gap or guarantee better performance significantly. While better performers in the study were more likely to be associated with FTSE4Good, there was a noteworthy number of underperformers also gaining undue legitimacy from these tools. The same applies to the inclusion of the UN SDGs within SR. The wildly-varying, scattered approach and seemingly superficial alignment with company objectives shows their inclusion in SR is still very elementary. The limited detail and comparability of all the +variables, in term of their presentation within SR, is also a finding in itself.

A more detailed breakdown of talk/ walk performance by KPI, illustrates further the sometimes-wild variation in SR practices. It shows the talk/ walk gap among FTSE 100 companies would be likely even wider, had a less lenient interpretation of many indicators been applied. Significantly, the study also devised a loose four-tiered classification for the walk KPI, *Sustainable offerings*, through interpreting how companies frame their products/services as adding value to society (see *Table I*).

Table I *'Sustainable offering (SO) by grouping'*

Offering	Definition	No. of companies
Poor	*Offer made by company is not obviously focussed on sustainability or is simply not very good at explaining how they contribute to societal goals/ challenges.*	2
General	*There is a clear commitment to sustainability, including mention of efficiency practices but not specific enough on product/ services that are offered and their outcome.*	15
Selective	*Example(s) which indicate a sustainability offering are cited, but they are specific and do not demonstrate how the SO fits in with the company's impact as a whole.*	27
Embedded	*Companies outline products/services on offer that demonstrate sustainable practices and are contextualised within the wider operations of the company/ or externally recognised by a third party.*	22

Drawing on these findings, the study determines that SR best practices have not diffused significantly (RQ2), and as such, FTSE 100 companies' S/CR communications can be characterised by three cross-cutting themes. These are: 1) a clear underutilisation of SR enhancing tools; 2) the fragmentation and omission of relevant S/CR information; and 3) a tendency to be descriptive rather than measurable.

As such, leading UK companies are collectively missing opportunities to reap strategic benefits associated with quality sustainability reporting. The weak diffusion of SR best practices can at least in part be attributed to the voluntary nature of SR. Among *20/20+* indicators in which companies appeared to perform consistently well in there was a clearly identifiable regulation which involved some-level of mandatory disclosure. Improving the transparency and measurability of activities could help drive S/CR performance. Until such a time that significant improvements are made, the worth of sustainability reporting - and thereby the ability for stakeholders to identify corporate contributions to society - will remain limited.

Recommendations

There are significant implications for business organisations, policy-makers and the research agenda. For business organisations, the characterisation of SR provides clear lessons on which to draw from. Regarding policy, the current direction of travel, towards greater non-financial disclosure is correct, but a step change is necessary to ensure sustainability is not an add-on, but a fully integrated aspect of companies' strategies. A clear, substantive sustainability reporting framework could enable this and should be introduced within the strategic and directors report sections of the annual report. Some suggestions on what the framework could include are as follows: 1) a S/CR risk register; 2) disclosures around S/CR governance and oversight structure; 3) a S/CR-stakeholder materiality matrix; and 4) a clear requirement for external assurance of S/CR disclosures. The evident regulatory mismatch between general corporate governance reporting and sustainability reporting should also spark a reassessment over the wider remit of the reporting regulator, the Financial Reporting Council (FRC). Specifically, whether corporate sustainability could and should be recognised more explicitly alongside the FRC's existing mission of promoting transparency and integrity.

Future research around SR can be guided towards four distinct areas: 1) further application and/or finessing of the *20/20+* talk/ walk analytical framework to cross-sectional or longitudinal samples of companies; 2) more in-depth case studies exploring internal processes of best/ worst practice as revealed in this study; 3) implications of specific SR phenomena observed in greater details, such as SR through websites and linking executive pay with S/CR performance; and 4) evaluating the efficacy of S/CR activities and their outcomes disclosed - not just the communication of them.

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Abbreviations

AR	Annual report
CEO	Chief Executive Officer
CFO	Chief Financial Officer
The Code	Corporate Governance Code, Financial Reporting Council
Defra	Department for Environment, Food and Rural Affairs, UK Government
FRC	Financial Reporting Council
FTSE	Financial Times Stock Exchange
KPI	Key Performance Indicator
Misum	Mistra Center for Sustainable Markets

RQ1	Research Question 1
RQ2	Research Question 2
S/CR	Sustainability/ Corporate Responsibility
SDG	United Nations Sustainable Development Goal
SR	Sustainability Reporting

1 Introduction

The sheer scale of challenges facing mankind - the human-induced transgression of several planetary boundaries (Rockström et al., 2009) as well as the deep social inequalities heightened by globalisation (Guterres, 2016) - require a concerted effort if they are ever to be mitigated. As such, the central role of non-state actors, especially the private sector, is not a question but a critical reliance for any transition (Averchenkova, Crick, Kocornik-Mina, Leck, & Surminski, 2016; Dyllick & Muff, 2016; Guterres, 2016; 'World Economic Forum', 2017). This is neither a new nor an unfounded premise, after all based on World Bank data, two-thirds of the world's largest economies are companies not countries (Green, 2016). It is not only their financial power that is significant, but in drawing on resource-based theory (Barney, 1991), the human, knowledge and natural resources which companies rely upon for competitive advantage are essential levers for shifting, on a practical level, mindsets and the production and consumption habits which are exacerbating societal challenges. In the pursuit of sustainable development, business organisations are consequently well positioned to help shape innovative, efficient, dynamic and cost-effective solutions for society (Averchenkova et al., 2016). However, in being an active contributor, businesses must also show it.

"Business needs to be an active contributor to finding the solutions that have an impact on society… [a]fter all, if business cannot show what positive impact it has, why should the citizens let this business be around?"
– Paul Polman, CEO, Unilever (Feloni, 2018).

Sustainability reporting (SR) is a primary way in which companies can demonstrate recognition of their role as well as operationalise meaningful contributions to overcome consumption and production-related challenges. Whether such information is integrated into the company's Annual Report, on their website or in a stand-alone Sustainability/ Corporate Responsibility (S/CR) report (Helfaya & Moussa, 2017; Robertson & Samy, 2015), communicating sustainability performance is effectively a precondition for large businesses in the 21st century (Dyllick & Hockerts, 2002). It is a tool for companies to legitimize themselves with stakeholders including customers and investors (Belal & Owen, 2007; Engert, Rauter, & Baumgartner, 2016; Gray, 2006). Increasingly SR is also driving cultural change and strategies to support sustainable company transitions. Both the academic literature and policy-makers recognise a clear and positive trend in SR take-up and the spillover benefits that effective reporting can enable, such as strategic direction, risk management, and reputation (BEIS, 2016; Engert et al., 2016; Higgins & Coffey, 2016; Morioka & de Carvalho, 2016).

By no means is SR, in and of itself, an exact proxy for verifying effective sustainable transitions, but it can be a fair indicator of a company's sustainability intentions and activities towards a transition. The Mistra Center for Sustainable Markets (Misum, 2015; 2017) conducted two such characterisations of corporate sustainability communication among companies listed on the Swedish Nasdaq OMX index. Through distinguishing what companies say they *will do* (talk) in regard to sustainability, and what they say they *have done* (walk), they found a majority still talk about sustainability in general rather than describe detailed, specific actions. Few companies appear to have 'long-term' goals beyond 2020 let alone towards 2030 or 2050 (Misum, 2017). These findings highlight a key conceptual challenge for SR, despite it having the potential to be a tool to raise company ambition, shape strategy and contribute to sustainable development, it also continues to be a tool to repackage business-as-usual with short-sighted targets. If society is right to depend on companies to lead us "down a path of sustainable development, then (a) our companies must have data to support such a life-affirming conclusion and (b) they should share it with the rest of us" (Gray, 2006).

This issue has implications for societies everywhere – and is especially relevant for the UK, which has long been viewed as a leader in sustainability reporting (Coombes, 2017; Haque & Ntim, 2018; KPMG, 2017). Improving disclosure and reporting has been the preferred approach of successive UK Governments to promote better corporate governance and long-term value in large and listed-companies for over quarter of a century (BEIS, 2017; FRC, 2017). This includes a comprehensive reform completed this year to the Corporate Governance Code - the UK's primary source for corporate reporting. Yet despite the supposedly quality reporting, public trust in institutions including business, politicians and the media has stagnated at a historic low for two years (Edelman, 2017, 2018).

At the same time, industry has lacked a thorough academic characterisation of what being a leader in reporting actually looks like. Nor is it clear to what extent UK companies appear to be in line with the SR best practices validated within the academic literature. This includes the need to identify whether businesses are actually focussed towards societal goals (Engert et al., 2016; Morioka & de Carvalho, 2016). The global consensus achieved and articulated through the Paris Climate Change Conference as well as the launch of the Sustainable Development Goals, means that businesses should be making strides towards this (KPMG, 2017; PWC, 2017). Benchmarking how UK companies communicate their sustainability intentions and activities will also help grasp the challenge facing the rest: not only businesses in the developed world but in developing countries, which suffer from much less favourable social, political and environmental conditions (Dissanayake, Tilt, & Xydias-Lobo, 2016).

The next sections provide a short synthesis of the UK's reporting regime, before the research problem is defined. Objectives and the resulting research questions are presented after which the study's approach and intended audience are introduced. A disposition then outlines the rest of the study's order.

1.1 Regulatory underpinning of Sustainability Reporting

As alluded to above, the UK's reputation as a leader in both corporate and sustainability reporting (Coombes, 2017; KPMG, 2017) corresponds with the emphasis placed on disclosure by successive Governments. The view being that increasing transparency and accountability of companies in turn improves corporate standards.

Through the publication of the Cadbury Code in 1992, the UK is not only a leader but an instigator, revered as the first country to have introduced a clear standard for corporate governance (Cuomo, Mallin, & Zattoni, 2016). The Corporate Governance Code (hereafter 'the Code') as its latest reincarnation is now known, is part of a bigger corporate governance regulatory picture. According to The Reporting Exchange ('The Reporting Exchange', n.d.), a WBCSD[1] initiative to promote and inform practitioners of national reporting requirements, the UK currently has 38 provisions. Based on a review of standards up to 2014, that is more than any other country in the world (BEIS, 2016, 2017; Cuomo et al., 2016). It includes 11 mandatory regulations as well as three 'comply or explain' provisions and 24 voluntary guidelines. Some of these are distinct and specific for certain industries, while some crossover one another. There are several provisions that directly address corporate sustainability aspects but none specifically on the processes around their oversight. Relevant provisions are outlined below by the associated level of obligation.

[1] World Business Council for Sustainable Development, a CEO-led organisation of 200+ leading businesses, https://www.wbcsd.org/Overview/About-us.

Mandatory provisions

Overviewing mandatory regulations firstly, corporate reporting is underpinned principally by the UK Companies Act 2006, which is the primary source for UK company law. The Act provides the legislative basis for most of the functions and powers of the Financial Reporting Council (FRC), the UK's delegated authority for auditing and also drafts and sets the Code (Financial Reporting Council, 2017). Specifically, two key reforms to the Act in 2013 and 2016 are most significant for shaping corporate and sustainability reporting as it is presently.

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, aims to raise standards on corporate governance. The regulations require companies to include within their Annual Report, a 'Strategic Report' explaining the firm's business model, strategy, performance and outlook. The company must also produce a 'Directors' Report' which outlines how the company is managed. This includes disclosing the balance of skills, experience, independence, activities and checks and balances of CEO and Chairs roles, as well as remuneration of company executives. This reform also tightened requirements on listed companies to publish their annual Greenhouse gas (GHG) emissions categorised within the three scopes as outlined by the GHG Protocol.[2]

The Companies, Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016, is rather more sustainability-focussed, implementing the EU Non-Financial Reporting Directive (2014/95/EU) among other items. The regulations require all companies with over 500 employees to publish a statement to show an understanding of the company's development and impact of its activities relating to (as a minimum) the environment, company employees and social matters including respect for human rights, anti-corruption and anti-bribery measures.

Beyond the Companies Act and reforms to it, listed-companies must also observe several other regulations on specific environmental social and governance (ESG) topics. These include the reporting of health & safety data (The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013); the Modern Slavery Act 2015 requires listed companies disclose actions taken to ensure there is no slavery in their business; and through a 2018 revision to the Equality Act 2010, companies must now publish gender pay gap data.

Comply or explain provisions

The three 'comply or explain' provisions, refer specifically to the key codes published by the FRC setting out standards required by the Companies Act and elsewhere. Companies are permitted to *not comply* with elements but *must explain* the rationale for non-compliance. This refers to the Code, as well as a Stewardship Code, which promotes shareholder engagement; and the London Stock Exchange (LSE) Listing Requirements which govern the composition and operation of Boards for listed-companies specifically. As mentioned in *1. Introduction*, in July 2018 the FRC published an updated Code. The new Code is intended to be shorter and sharper. It requires Boards to describe more actively how they have considered stakeholder interests when performing duties. Companies must also state how they promote a healthy corporate culture; greater Board diversity and remuneration of executives must explicitly consider workforce pay (Financial Reporting Council, 2018).

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[2] Scope 1 and 2 cover direct emissions sources (e.g. fuel used in company vehicles and purchased electricity), Scope 3 emissions cover all indirect emissions due to the activities of an organization. See: https://ghgprotocol.org/

Voluntary provisions

The remaining 24 provisions are voluntary guidelines which support either: a) compliance with requirements stated above, such as how to measure and report emissions; or otherwise b) dissemination of good practice, e.g. improving narrative or ensuring clear and concise reports. They come from a range of sources including various UK Government Departments and executive agencies as well as the FRC and the LSE. To support the new Code, the FRC has also recently updated guidance on the Strategic Report element, encouraging companies to take a more integrated approach to reporting when thinking about the resources and relationships required for value creation ('IIRC', n.d.).

In summary, this section details UK reporting provisions for listed-companies to highlight the institutional framework underpinning the UK as a leader in reporting. It shows listed UK companies follow a very thorough and robust set of provisions aimed at improving transparency and accountability on their core operations. In recent years, disclosure has spilt-over to cover ESG. There have been new mandatory requirements for companies to disclose more information on specific non-financial impacts in a more coordinated and structured way. However, beyond the focus on specific issues, there seems little else in the way binding company sustainability or corporate responsibility reporting like there is on core operations. There are no provisions for companies to disclose the internal governance of environmental or social aspects, and only for health and safety and environmental aspects are their mandated measuring approaches. Nevertheless, the stated provisions underline how all listed-companies have a common framework to base their reporting on. This is useful for comparability as well as to identify varying levels of emphasis companies claim to place on sustainability within their core operations on their own initiative. In characterising how, companies communicate intentions on sustainability and activities to match them, the study can draw on this background to guide further improvements and policy interventions.

1.2 Problem definition

This research seeks to address three distinct yet interrelated problems that give justification for an up-to-date and wide cross-sectional characterisation of sustainability reporting in the UK.

The first problem is that despite the UK being regarded as a leader in sustainability and corporate reporting, this does not appear to be based on a thorough characterisation. As *Chapter 2* highlights, benchmarks and rankings of sustainability reporting have been left to the market via grey literature or third-party organisations which focus on trends or specific aspects in reporting rather than looking at a range of tools and characteristics all at the same time (Carbon Clear, 2016; Carbon Disclosure Project, 2012; KPMG, 2017). The same goes for most academic studies which are also reductive to specific aspects or sector profiles (Bini, Bellucci, & Giunta, 2018; Hammond & Miles, 2004; Robertson & Samy, 2015; Yekini, Adelopo, & Adegbite, 2017). Moreover, in placing a characterisation of UK SR within its wider corporate governance regulatory context, (Cuomo et al., 2016) observes that while the UK was the primary focus for empirical studies before 2003, since then much greater focus has been on governance in continental Europe and emerging economies. Given how much the reporting landscape shifts, there is a need for a fresh take.

The second problem stems from the need above for a characterisation generally – to specifically explore how listed-companies are aligning what they say and do on S/CR with a) best practice; and b) societal goals. As highlighted in *1. Introduction*, the literature on SR has been able to recognise the drivers, barriers and characteristics of quality reporting (and the benefits emanating from them). So too, have the UN Sustainable Development Goals been increasingly subscribed to (KPMG, 2017). Yet the extent to which these practices have diffused across listed-companies meaningfully is not clear. If leading companies are failing to draw on these practices in communication, there is a need to rethink the worth in benchmarking the UK as a leader; indeed, the worth of third-party benchmarks themselves; as well as the thorough, but light-touch, disclosure approach.

This leads to the third, more academic problem which is knowing *how* best to characterise SR. Indeed, there is no universal accepted means of evaluating SR (Escrig-Olmedo, Muñoz-Torres, Fernández-Izquierdo, & Rivera-Lirio, 2014, 2017). The Misum studies (2015; 2017) referred to in *1. Introduction*, frame reporting differently to most scoring criterion, eliciting the sustainability intentions and demonstrable activities of a company. In doing so, this helps to pronounce a 'talk/ walk gap' which is implied in several studies but not measurably shown across a wide sample (Aras & Crowther, 2009; Bini et al., 2018; Crilly, Hansen, & Zollo, 2016a).

In summarising the problem in short, the literature on SR has so far recognised the drivers, barriers and characteristics of quality reporting which lead to strategic company benefits. However, an academic characterisation of the diffusion of these characteristics and current best practices, has not been applied to a large sample of leading UK companies - despite its reputation as a leader in the SR. It also stands that there is no one common framework yet which can help with this characterisation let alone tangibly distinguish between saying and doing.

1.3 Objective and research questions

In response to the identified problem, the overriding objective is to offer a thorough characterisation of sustainability and corporate responsibility communications in the UK. This includes ascertaining the focus of disclosures, how diffused best practices in sustainability reporting appear to be among leading UK companies and whether sustainability is a driving force in corporate strategies. As such this study seeks to realise this objective by answering the following two research questions:

RQ1. To what extent does a gap exist between what leading UK companies *say they will do* on sustainability and corporate responsibility issues (talk) and what *they say have done* to address them (walk)?

RQ2. What is the rate of diffusion of sustainability reporting best practices among leading UK companies?

This research *describes* the state of leading UK businesses with regards to their sustainability communication and *characterises* the extent to which companies appear to be systematically addressing sustainability.

1.4 Research approach & scope

Working on the assumption that corporate communications are a meaningful indicator of sustainability activities, this paper offers a sustainability snapshot of UK businesses listed on the FTSE 100 index. The project will overview the extent to which leading companies are adopting good quality SR practices, not only in rhetoric but through tangible actions. This will be achieved through employing a combined deductive/ inductive research approach using, the '*20/20+*'; an updated and enhanced version of the analytical framework originally developed by Misum (2015; 2017). This allows an analysis of how firms communicate their sustainability performance through their principle corporate reporting materials, the annual report, the S/CR report and the corporate website. In doing so, this study will determine any gap between what companies say and what they say they have done, on a range of management aspects and issues relating to sustainability and corporate responsibility (S/CR). This is therefore an attempt to unpack through reporting how leading UK companies are systematically addressing sustainability challenges.

This study uses a sample of 66 of the top 67 largest companies by revenue last financial year, listed on the FTSE 100 index. Three key reasons provide the rationale for the selection of this sample. Firstly, the index is weighted by and hosts the largest public and listed-UK companies, its share prices are therefore regarded as an indicator of economic and international events. Secondly, on a more micro level, although most people do not directly invest in shares, most likely their pension fund holders and insurance brokers do (these funds themselves may also be listed-companies) as such their performance and sustainability directly affects the UK public. Thirdly, FTSE 100 companies are also considered to represent the pinnacle of reporting standards, due to pressure for transparency from UK company law as well as key stakeholders, namely investors (Gürtürk & Hahn, 2016; Robertson & Samy, 2015). Regarding the exact size of the sample, the rationale was to address the glaring research gap in the literature, which tends to only look at smaller samples, specific sectors or specific elements of S/CR (Fifka & Drabble, 2012). Analysing the material of 66 companies achieves this, capturing a wide range of sectors as well as represents the bulk of UK market capitalisation. This is elaborated upon further in *3.2 Unit of analysis and sample selected.*

1.5 Intended audience

Through revealing the extent and nature of sustainability reporting among the top two-thirds of the FTSE 100, this study offers important value to several audiences including academia, business and sustainability practitioners as well as the public and policy-makers.

Academic contribution

This research contributes to the literature and debate around sustainability reporting (SR) in general, and more specifically in two distinct areas. Firstly, through differentiating between communicated intentions and activities, the study offers a distinctive scoring framework for characterising sustainability reporting going forwards. It can be used as a platform for a longitudinal assessment of UK reporting or other cross-sectional studies. This would help track reporting changes at a time a) new reporting standards are taking effect or soon to be (revised FRC's revised Code and the EU non-financial reporting Directive); and b) a global sustainability consensus has formed in part due to Paris and the launch of the UN SDGs. Alternatively, the framework, or an evolved version of it, could be applied to a more diverse cross-sectional sample of businesses defined by size or location. Secondly, through the benchmarking of companies the study identifies a rich landscape of practices and variables to inform further studies. It highlights top performers (as well as underperformers) that could form the basis of a rich series of case studies. Further avenues of research are also presented in *5.4 Shaping the research agenda*.

Business intelligence

The study also has significant implications for businesses and policy. For the sampled businesses themselves the study provides a useful benchmark for comparison with competitors and elite business in other sectors. It highlights not only where, individual or collectively, companies may need to close a gap, but signals to many companies of need to review their internal sustainability processes and target-setting more generally. The benchmarking of companies as well as the discussion of best practice is also valuable for the wider business community, investors and sustainability professionals seeking lessons for communicating sustainability in practice.

Policy direction

Similarly, understanding the nature of any gap and the extent to which best SR practices are utilised, informs the case for a measured response from policy-makers as well. Whether it is necessary through further mandatory reporting regulations or alternatively, more integrated guidance, there is a case for regulators to become more active in a field dominated by third-party benchmarks. Ensuring companies have the correct tools to deliver - and are effectively communicating their activities – on what they have pledged to do, is vital for restoring low public trust.

1.6 Disposition

This study is structured into six chapters. *Chapter 1* above outlines the background and significance of reviewing sustainability reporting among leading UK companies. After providing an overview of the UK regulatory context underpinning the reporting, the research problem is defined. The project's aim and two distinct research questions are outlined before the study's approach and wider relevance stated.

Chapter 2 follows with a synthesis of the relevant literature and concepts. It places sustainability reporting within the context of corporate sustainability and provides appropriate definitions for the study. Then the study highlights the range practices existing within SR, as well as findings from UK-focussed studies and the significance of third-parties in shaping and benchmarking S/CR activities. In all, this chapter emphasises research gaps and important elements that are incorporated into the study's analytical framework.

Chapter 3 presents the research's combined deductive/inductive approach in detail. This includes a thorough outlining of the distinctive analytical framework, *20/20+*, which is an updated version of the scoring model originally put forward by Mistra Center for Sustainable Markets (Misum, 2015; 2017). Subsequently, the methods for data collection and analysis are set out step by step. The study then qualifies this approach by emphasising further steps taken to improve reliability and measurement validity.

Chapter 4 presents the main findings in three parts: 1) providing an overview of FTSE 100 talk/ walk performance, which includes visually benchmarking scores; 2) talk/ walk performance is cross-examined with a number of other variables collected as part the '+' element of the *20/20+* analytical framework; 3) company performance is explored in more detail through a breakdown of each talk/ walk indicators within respective 'focus areas' which make up the framework.

Chapter 5 elaborates on the findings further, firstly in addressing the research questions directly and their significance. The wider implications and measured recommendations for policy-makers, industry and research are revealed. Limitations to the study are also acknowledged.

Chapter 6 concludes, recapping the approach briefly before summarising the main findings and suggestions for policy, industry and research.

2 Advancing corporate sustainability through reporting

This chapter overviews key literature relating to corporate reporting of sustainability and corporate responsibility (S/CR). It is broken into four sections which highlight research gaps and inform this study's research approach and analytical framework. The sections address: 1) the spectrum of corporate approaches to SR, and definitions for corporate sustainability which provide a clear direction for the research approach. Specifically, the need to consider SR's capturing of internal company processes and alignment with societal goals; 2) the drivers and barriers to improving SR which inform the analytical framework; 3) what is known already SR in the UK context which reveals gaps and useful approaches to research that have been drawn from; and 4) the important (but limited) role third-party benchmarks as well as other academic studies make at scoring SR - this also provides lessons and justifications for this study's analytical framework.

2.1 A spectrum of approaches to SR

This study uses the term sustainability reporting (SR) as it is frequently used in academic literature to refer to the materials through which companies communicate their sustainability/ corporate responsibility (S/CR) activities to stakeholders (Robertson & Samy, 2015). This includes: the annual report, a stand-alone S/CR report or a corporate website. As stated in *1. Introduction*, SR is widely accepted to offer companies many beneficial strategic outcomes (Higgins & Coffey, 2016). Benefits can extend beyond simply satisfying stakeholders and enhancing a company's reputation to include tangibly improving the management of risks and highlighting strategic opportunities (Engert et al., 2016). However, despite these potential benefits, it is important to recognise that the motivations behind utilising SR vary from company to company.

What sustainability means for a company can become a fiercely debated topic in itself and reflects the spectrum that corporate sustainability has evolved across – from ad-hoc philanthropic activities, to corporate social responsibility (CSR) to becoming a more integrated activity shaping an organisation's strategy and core purpose (Morioka & de Carvalho, 2016; Robertson & Samy, 2015). However, it is simplistic to view this spectrum as inevitable pathway which companies progress through. With no universal definition for corporate sustainability existing, a number of different concepts such as CSR, sustainability and the Triple Bottom Line have in fact converged and are now used interchangeably (Hahn & Kühnen, 2013; Isil & Hernke, 2017). This has made assessing what constitutes good S/CR challenging. The knock-on effect for SR is that many corporate reports which were once designated 'environmental' or CSR reports are now labelled as 'sustainability' reports, even though SR is used solely for reactive legal compliance, or while not cynically intending to deceive customers (i.e. 'greenwash'), use S/CR for promotional purposes (Aras & Crowther, 2009; Dissanayake et al., 2016; Shabana, Buchholtz, & Carroll, 2017). In simple terms, the concept of sustainability still means "different things in different places to different people and at different times, so we must be careful in how we use the concept and how we define it" (Campbell, 2007, p. 950). This study is also mindful of the common assumption made that quality reporting at firm-level equates with planetary sustainability (Isil & Hernke, 2017).

As a useful starting point, through drawing on the Brundtland Commission 1987, Dyllick & Hockerts (2002), refer to corporate sustainability as an organisation meeting the needs of its present stakeholders without compromising the ability to meet the needs of future stakeholders. The need to safeguard future needs has become a widely utilised definition by recent studies (Dissanayake, Tilt, & Xydias-Lobo, 2016; Engert et al., 2016), however for this study it is not explicit enough as to prescribe how meeting future needs should be interpreted by companies. Instead, this study followed Misum's (2015; 2017) research approach by operationalising S/CR through the analytical framework (which is fully elaborated on in *3. Research approach*). Along with the original Misum indicators, this study takes note of research that is more prescriptive about what best practice S/CR and SR should broadly entail. This involves connecting S/CR activities with the internal operations of a company and as well as with societal goals.

Dyllick & Muff (2016) highlights 'the big disconnect' currently existing between actual S/CR strategies and societal sustainable development. To resolve this, they cite three shifts needed among business: 1) a broadening of business concern from purely economic to starting with sustainability; 2) expanding value creation from investors to the wider common good; and 3) achieve an 'outside-in' organisational perspective. Other researchers also reflect these shifts, emphasising the need to go beyond reducing negative impacts or eco-efficiency (Dyllick & Hockerts, 2002; Isil & Hernke, 2017) and positively contribute to global sustainable development (Averchenkova et al., 2016; Engert et al., 2016; Gray, 2006; Morioka & de Carvalho, 2016). Consequently, "critical evaluations of [SR] must not be limited to its reporting aspects but must also encompass its larger sustainability rhetoric" (Isil & Hernke, 2017, p. 1238).

In response, this study used the term SR to include internal company policies and codes of conduct, to achieve a better picture of day-to-day activities. The need to engage with stakeholders and observing new business models employing life-cycle thinking and circular principles, as encouraged Morioka & de Carvalho (2016) are also highly relevant for gaining an organisational perspective. Notably, so far only limited evidence exists of circular principles being adopted among large companies (Ritala, Huotari, Bocken, Albareda, & Puumalainen, 2018). This study also used the UN Sustainable Development Goals (UN SDGs) as a foothold in understanding how firms are aligned to global sustainability challenges. The SDGs are 17 targets that make up the United Nations Agenda 2030 sustainable development plan introduced in 2015. Thus, are widely considered the "closest thing the world has to a strategy for future success… [driving] policy and regulation of every government" (PWC, 2017, p. 6). However, despite their promise, their use by business on aggregate remains elementary. Recent guidance documents indicate companies are cherry-picking targets which align with existing company activities. This means SDGs risk being used to enhance SR superficially, rather than improve them sincerely (KPMG, 2017; PWC, 2017; UN Global Compact, 2018).

In highlighting the spectrum of approaches to SR, this study cannot and should not be interpreted as a direct proxy for assessing corporate sustainability outright. However, by incorporating practical elements also identified above into the analytical framework, including the need to connect S/CR with internal company processes as well as societal goals, this study is a fair indicator of companies' intentions and activities on S/CR. Other important characteristics and best practices associated with SR that were incorporated into the framework are presented in the subsequent sections of this Chapter.

2.2 Identifying best practices: drivers and barriers

Existing literature is also plentiful in identifying the drivers and barriers to effective SR practices. These characteristics are discussed below, and some are consequently used as indicators for this study's analytical framework (presented in *3. Research approach*).

Among the barriers identified, a lack of managerial commitment, weak institutional culture, company size and sector can all hold a company back (Campbell, 2007; Engert et al., 2016; Fifka & Drabble, 2012; Higgins & Coffey, 2016). Meanwhile using a range of reporting standards, guidelines and other tools – of which there are over 900 (Fonseca, McAllister, & Fitzpatrick, 2014) – can improve reporting. Transparency and robust metrics are considered essential to improve the effectiveness and efficiency of company sustainability (Dyllick & Muff, 2016). Such tools include frameworks such as the Global Reporting Initiative (GRI), the UN Global Compact, and environmental management systems which help plan and monitor targets e.g. ISO 14001 (Siew, 2015).

However, researchers must also be cautious about interpreting the use of GRI and other accountability tools as a guarantor of meaningful corporate sustainability. An analysis of 6 exemplary cases of SR according to two such tools, GRI and the Dutch Government's Transparency Benchmark initiative, Thijssens, Bollen, & Hassink (2016) found both tools failed to distinguish between firms simply good at reporting but had not integrated sustainability as part of normal business practices, and those that had. As such they provided a distinction of decoupled ('improvisers' & 'reporters') and integrated ('reformers' & 'performers') sustainability types. This emphasises the need for greater transparency in SR around the types of value creation and business focus as discussed in *2.1 A spectrum of approaches to SR.*

Fortunately, the use of integrated reporting, another mainstream framework advocated by the International Integrated Reporting Council (IIRC), focuses on the communication of value creation. IR is also regarded as driver of integrating sustainable development within core company processes (Robertson & Samy, 2015; 'IIRC', n.d.). Other best practices and attributes associated with quality reporting include, using quantitative key performance indicators, third-party verification and stakeholder accessibility (Bini et al., 2018; Dissanayake et al., 2016; Hammond & Miles, 2004). Legal compliance within a competent regulatory context as well as the natural socialisation of businesses/ copying competitors can also ensure widespread and higher quality sustainability reporting (Dissanayake et al., 2016; Haque & Ntim, 2018; Shabana et al., 2017).

2.3 The UK corporate sustainability context

A number of relevant studies looking at SR among UK companies offer important context and also highlight the value in conducting a wide cross-sectional, cross-sectoral study of FTSE 100 companies.

FTSE-listed companies are often a focal point of studies (Bini et al., 2018; Robertson & Samy, 2015). The businesses comprised of the FTSE 100 are considered stable, well-established companies and represent about 81% of market capitalisation of the London Stock Exchange. They tend to perform in line with the economy and as such are used as a health gauge for UK business ('FTSE Futures| About', n.d.). As the 'elite' of UK businesses, they are considered lean and robust to recognise the benefits of SR, and unhindered by organisational constraints (Robertson & Samy, 2015).

According to institutional theory (Campbell, 2007), the conditions around the FTSE 100 should be conducive to effective reporting. The long-established regulatory regime underpinned by the Code has allowed good practices to evolve over time (Cuomo et al., 2016). Studies have identified the impact of board composition and independence, that have resulted from the Code, have led to better governance practices and SR (Cuomo et al., 2016; Haxhi, van Ees, & Sorge, 2013; Helfaya & Moussa, 2017). The impact of board members engaging in specific S/CR activities has also been observed as a decisive factor in transparent S/CR (Helfaya & Moussa, 2017). Robertson & Samy (2015) argue that the (institutional) regulatory approach is so positively received by companies, the introduction of a mandatory SR framework would most likely welcome. However, in its continued absence, they anticipate the introduction of the Strategic Report in 2013 (Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013), will help the spread of good SR practices such as integrated reporting.

Beyond regulation, Fifka & Drabble (2012) note other institutional conditions, specifically size and sector-affiliation, also influence reporting in the UK, while media and NGO criticism are a proven potent risk to companies acting inappropriately and thus also influence reporting (Yekini et al., 2017).

However, stating intentions in SR are distinct from proving actions. A review of all FTSE-listed mining companies found sustainability does not relate to competitive strategies and that SR included little evidence to suggest initiatives in a range of areas including raw material, waste and recruitment, were fully implemented (Bini et al., 2018). This suggests there may be a talk/ walk gap not yet observed beyond the mining industry. The finding that external assurance of SR appears to lack credibility and offer little value for internal organisational use (Gürtürk & Hahn, 2016) also supports the notion that a talk/ walk gap may be prevalent.

Moreover, with few large cross-sectoral characterisations existing, understanding of the extent to which companies perform in line with SR best practices remains fragmented in a number of ways: 1) issue e.g. environmental/ SDGs/ stakeholder disclosures only (Carbon Clear, 2016; Carbon Disclosure Project, 2012; Corporate Citizenship, 2017; Helfaya & Moussa, 2017; KPMG, 2017; Yekini et al., 2017); 2) by sector (Bini et al., 2018; Money & Schepers, 2007); 3) restricted to a small sample (Money & Schepers, 2007; Robertson & Samy, 2015); or 4) is in need of updating, given shifts in both the SR and regulatory landscapes over the last five years (Hammond & Miles, 2004; Haque & Ntim, 2018).

In summary, the literature identified offers important lessons this project will build on. Corporate sustainability has wide interpretations which leads to varied expectations on the application of reporting, but the literature agenda is clear that performance must be aligned with global sustainable development. Sustainability reporting is an important tool to improve performance, offering tangible internal benefits to companies while contributing to societal goals. A number of drivers such as SDGs and GRI can support implementation, but in isolation do not account for other factors such as top-level commitment or core business alignment that are also essential. There seems to be no recent academic attempt at comprehensively evaluating large UK companies' sustainability communications across numerous sectors. As such this project is justified by: 1) filling the research gap for a cross-sectoral study; 2) offering a timely snapshot of SR in the context of changes in UK regulation and ever-improving SR practices; and 3) applying a novel scoring model which distinguishes between what companies say and actually do on sustainability.

2.4 Third-party and empirical benchmarks of sustainability reporting

Both in practice and academia, much attention has also been devoted to assess, benchmark and score SR performance. For over a decade, comparing SR performance by competitors, be it internal or external, is a fundamental element of S/CR for companies themselves as well (Hammond & Miles, 2004).

Of those identified, each has important lessons for this study. Notably it shows there is no one fixed method for evaluation – and what is actually measured in each varies according to the differing objectives (Escrig-Olmedo, Muñoz-Torres, Fernández-Izquierdo, & Rivera-Lirio, 2017). Siew (2015) offers a slightly dated but important review of leading third-party ratings and indices for evaluating companies' reporting including the FTSE4Good and the DJSI. Such schemes are considered important drivers of CSR, encouraging continuous disclosure (Hammond & Miles, 2004; Siew, 2015). Nevertheless, these indices above however disclose very limited information about criteria and struggle to distinguish between leaders and laggards (Siew, 2015). The opacity of these third-parties and lack of accessible datasets is an affirmed hindrance to SR research (Crilly, Hansen, & Zollo, 2016b).

This can partly be attributed for the differing objectives of indices. For example, FTSE4Good, the FTSE's official investment tool, does not aim to be a 'best in class' index, rather a tool to inform investors on environmental, social and governance (ESG) disclosures (FTSE Russell, n.d.; Siew, 2015). Another example KPMG (2017), the global accountancy firm, produces a SR ranking every two years, which claims to be the most comprehensive in the world. While its scope covers the top 100 countries in over 40 countries, scores are based on just four trends alone including the enthusing but young SDGs. Notwithstanding these indices offer value from a practical standpoint which this project hopes to build on, by identifying progress among companies on key tools.

Drawing on other academic scorings of SR, attempts at distinguishing between saying and doing, as the Misum study (2015) does, remains fairly novel. Dissanayake et al. (2016) applied a content analysis of 60 Sri Lankan firms using several metrics each on a 4-point scale which drew out - meaningful actions by companies. Bini et al. (2018) reviewed business model disclosures of FTSE all-share mining companies and scored companies along three tiers: intentions, programs and labels, representing a new means of investigating sustainability performance. The Bini et al. study (2018) especially successfully observed a gap through the model, but each showed the need to draw richer qualitative data that is difficult to score and as such has informed revisions to the Misum model which this project will use.

3 Research approach

This chapter outlines the study's research design and methodology. After introducing the method of reasoning, further sub-chapters present the analytical framework, then, the unit of analysis (sustainability reporting, SR) and the associated sampling. A step-by-step of the study's data collection and data analysis employed to address the respective RQs is detailed, before finally, the relative validity of methodology is explored.

As the method of reasoning, this research takes a hybrid, deductive and inductive approach (Schulz, 2012). To answer RQ1, as to whether there is a gap in what is said and what is done (talk/ walk), the author has developed a deductive '*20/20+*' framework based on Misum's original model (2015; 2017). RQ2, takes a more inductive approach, informed by the coding process and existing literature.

3.1 Framework

The analytical framework is based on the Misum's robust model that characterizes many important elements of corporate sustainability and successfully distinguished between what Swedish companies say and do in reporting. The distinction enabled companies to be mapped along a 17x17 point axis to reveal a 'talk/ walk' gap (Misum, 2015; 2017). For this research, the Misum model has been critically-reviewed and developed through the conducting of a preliminary study on four listed general retailers (Newton, 2018). The new '*20/20+'* model finessed several existing indicators and added new elements based on best practices identified within the ever-evolving SR literature. Using the indicators presented in *Table 3-1*, companies were scored up to a maximum of 20 points on 'talk' key performance indicators (KPIs), which records how sustainability is talked about in core company communications. Up to another 20 points were awarded on 'walk' KPIs (*Table 3-2*) which recognise how companies follow-up and tangibly action commitments on sustainability.

New or finessed indicators, which have been added following the preliminary study are starred in their respective tables. As can be observed the framework retains the '*Principled commitment*' features which correspond to key items promoted in the EU Non-Financial Reporting Directive (2014/95/EU). Revisions are intended to improve the model in observing firstly, how activities are integrated within companies' normal practices, *not* in addition to (Engert et al., 2016; Morioka & de Carvalho, 2016; Thijssens, Bollen, & Hassink, 2016); secondly, how in line activities are with best practice in SR (KPMG, 2017); and thirdly whether activities are aligned to global sustainable development (Gray, 2006). Notwithstanding, as with the original framework, trade-offs between rich detail and simplicity are necessary in order to enable collection and scoring over a large sample (L. Lerpold, Misum Director, email communication, February 2018). The array of pre-existing SR tools show there is no perfect and exhaustive means to evaluate reporting and through which, performance (Escrig-Olmedo et al., 2017; Fonseca, McAllister, & Fitzpatrick, 2014). Consequently, additional *'+' variables* have been added to the analytical framework - something which the original model does not do systematically. These variables were derived from the literature discussed above, or otherwise inductively added during the coding process, as outlined and justified in *Table 3-3*. These variables not only enable a richer characterisation of SR, but their association with company talk/ walk performance can be assessed.

Table 3-1. 20-point 'talk' variables

Focus area	KPIs (Points)	Description
Communicated Sustainability/ Corporate Responsibility (S/CR)	Website (0-2)	The website is a key communication tool. S/CR must be at least part of the website (1pt); and have a major part with a range of materials (2pt).
	CEO statement (0-1)	The CEO statement in the annual report reflects areas of most important to stakeholders. S/CR should be included.
	Chair statement (0-1)*	S/CR should be included in the Chair's statement to demonstrate the Board understands its long-term importance.
	Corporate (mission, vision and core value) statements (0-2)*	These three concepts show how a company defines its identity, beliefs and values, but are presented in different ways. Highlighting S/CR in these statements depict a strong signal for a company's concern for the matter. 1pt for inclusion within one statement, 2pt if observed in at least two statements covering these aspects.
Strategic direction	S/CR in corporate strategy (0-3)*	Serves as a plan for the upcoming reporting period, S/CR must at least be referred to in general (1pt) or is clearly a critical part forming own theme (2pt). Specifically refers to global agenda or key concepts e.g. life-cycle thinking or circular principles in strategy (3pt).
	S/CR in risk mgt (0-2)*	Risk management identifies company's key risks and how it plans to mitigate them. S/CR could be identified in general (1pt) or pref. linked to specific principal risk (2pt).
	Defined S/CR targets (0-2)*	To take responsibility for their operations many companies develop sustainability strategies and define S/CR targets on a range of dimensions (1pt). Targets are aligned with SDGs (2pt).
Principled commitment	Code of conduct (0-1)	A CoC is a set of principles issued to its employees and forms the basis for what is expected from them, must be public.
	Supplier code of conduct (0-1)	A set of rules outlining the social norms and responsibilities of, or proper practices for a company's suppliers, must be public.
	Human rights policy (0-1)	A Human Rights Policy encompasses a company's stance on Human Rights issues, must be public.
	Employee health & safety policy (0-1)*	Encompasses a stance on employees' health & safety at work.
	Company culture (0-1)*	A stated position about well-being, staff development and role in company.
	Anti-corruption (0-1)	Describes how a company handles the problem of corruption, must be public.
	Environmental policy (0-1)	An Environmental Policy describes a company's philosophy, intentions and objectives regarding the environment.

**Indicators new or revised which diverge from Misum (2015; 2017) talk/ walk scoring model.*

Table 3-2. 20-point 'walk' variables

Focus area	KPIs (Points)	Description
Reporting Accountability	Integrated reporting (0-1)	A practice that concisely communicates strategy, governance, performance and prospects, in the context of its external environment. Must refer to IIRC or apply IR.
	External assurance (0-1)	Provides credibility, must be externally assured.
	Environmental mgt system (0-1)*	EMS enables effective monitoring system to inform management and reporting. Must show adoption of recognised standard e.g. ISO 14001.
	GRI reporting (0-1)*	GRI 4 covers a wide range of different aspects of material importance.
	Stakeholder engagement (0-2)*	Long-term sustainability rests on satisfying needs of groups with interest in activities (shareholders, local/civic community, customers, employees and suppliers) participation of 2 or more should be in explicitly mentioned (1pt), preferably 4 or more (2pt).

Follow-up (FU) actions	Defined S/CR targets FU (0-3)	Sustainability/ Corporate Responsibility (S/CR) targets need to be defined in a quantifiable way, with regard to scope and time frame (1pt). Status towards meeting targets is important (2pt). Should be embedded within longer-term strategy (3pt).
	Sustainable offerings (0-1)*	The products or services offered by company consider sustainability and practices such as embracing life-cycle thinking or circular principles (e.g. Product System Services), are embedded or externally recognised (1pt).
	Supplier CoC FU (0-2)*	There is information on number of audits and prefer as a share of all suppliers (1pt). Also reports level of compliance & issuance of follow-up actions (2pt).
	Human rights Policy FU (0-1)	There is information regarding follow-up.
	Employee H&S policy FU (0-1)	There is reporting of injuries and fatalities involving company.
	Employee development (0-1)*	There is information regarding follow-up.
	Anti-corruption FU (0-1)	There is information regarding follow-up.
	Environmental policy FU (0-1)	There is information regarding follow-up.
Top-level commitment	CoC signed by CEO (0-1)	Shows importance of document and accountability of top-level management.
	S/CR executive in group mgt (0-1)*	Important to ensure an individual at top-level has responsibility and is level with other main organisational functions.
	Gender balance on board (0-1)	Progressive companies promote gender balance – boards must have a 40-60% share.

**Indicators new or revised which diverge from Misum (2015; 2017) talk/ walk scoring model.*

Table 3-3. Additional '+' variables

'+' Variable	Description	Further justification
Donations (£)	*Stated total amount of money donated to S/CR initiatives and charity causes.*	*Inclusion was inductive, to consider whether S/CR performance correlates with charitable investment made by company.*
Emissions statement Target? Science-based?	*Mandatory item to be disclosed, target shows a company's attitude towards climate change.*	*Highly relevant issue that may induce broader strategic response to sustainability by company, to consider correlation.*
FTSE4Good association	*Inclusion within official FTSE investment tool promoting S/CR disclosure.*	*Identifying FTSE investment tool association will reveal influence of market forces on talk/ walk performance.*
Mental health	*'Mental health' key-word search on all materials analysed.*	*Inclusion was inductive, proxy for company response to employee well-being beyond health & safety data.*
Number of stakeholders	*Record/ tally instances when new stakeholder group is explicitly mentioned.*	*Supplements 'Stakeholder engagement' walk KPI, helps determine whether total number appears to relate with talk/ walk performance.*
Number of defined S/CR targets	*Record the number of targets explicitly mentioned.*	*Supplements 'Defined target follow-up' walk KPI, higher number suggests a more thorough approach to S/CR.*
Number/ type of SDGs linked to targets	*Record SDGs explicitly mentioned to observe their integration within S/CR communications.*	*Supplements 'Defined targets' talk KPI, helps reveal level of alignment companies have with societal goals.*
Sustainable offering information identified	*Record statements and/ or evidence of how companies frame social and environmental value creation.*	*Corresponds with 'Sustainable offerings' walk KPI, reveals approaches and trends in how companies consider and communicate, their societal contribution.*

3.2 Unit of analysis and sample selected

In order to achieve a characterisation of how leading companies communicate their S/CR practices, this study used sustainability reporting (SR) as the unit of analysis. SR material consisted of the annual report, any available S/CR report covering 2017 activity, as well as the company's website and code of conduct. Rarely does the literature go beyond the annual and/or S/CR report (Bini et al., 2018; Engert et al., 2016). However, the additional review of codes of conduct and a sweep through firms' websites provides greater insight into how sustainability has diffused within a firms' core operations and practices, than just by reviewing reports alone.

As qualified in 1.*4 Approach and scope*, FTSE 100 listed-UK corporations are the focus given their central role within the UK economy. As many are market leaders within respective sectors not only in the UK but internationally, they are integral for shaping the necessary sustainability transition. Given also the UK's position as the financial centre of Europe – as well as being regarded as a leader in SR, attention on UK listed companies will act as a bellwether for the wider business community. Their publicly-listed status also means all SR materials are publicly available and are thus accessible for this study's purpose. Moreover, this sample allows for easier comparability with the literature identified that routinely focus on listed-companies.

Table 3-4. 'Breakdown of sample by sector'

Sectors defined by NACE 2	No. of companies
Accommodation and food service activities	2
Administrative and support services	2
Construction	3
Electricity, gas, steam and air conditioning supply	1
Financial and insurance	13
Information and communication	5
Manufacturing	14
Mining and quarrying	7
Professional, scientific and technical activities	1
Public administration and defence	1
Transportation and storage	6
Wholesale and retail trade	11

Source: 'Calculated from dataset obtained via House of Commons Library, email communication, May 2018'

Following a small preliminary cross-sectional study which critically evaluated the Misum framework using four general retailers listed on the FTSE 100 index over 2016/17 (Newton, 2018), this project draws on a much larger sample from the same index; the top two-thirds by revenue or 66 companies for the financial year 2017/18. In doing so, the study follows the logic of theoretical sampling. As shown in *Table 3-4*, the sample is drawn from a dozen different sectors using the NACE 2 economic activity classification (Eurostat, 2008)[3] and constitutes the largest number of companies used in any academic study found, exceeding the 50 companies used by Fifka & Drabble (2012). The breadth of the sample captured at a specific point in time (Bryman, 2012; Walliman, 2006) helps the study achieve its intended aim of providing a snapshot characterisation of leading UK companies, by exceeding 65% of FTSE's market capitalisation and turning over £1.5 trillion in revenue last year.[4]

[3] NACE 2, the official classification set by the European Commission, has been employed instead of the International Classification Benchmark (ICB) used by Misum (2015; 2017), because ICB is a product sold by FTSE International Ltd.

[4] Calculated using reported figures in dataset, retrieved from House of Commons Library, 31 May 2018.

3.3 Methods for data collection and analysis

This section provides a detailed breakdown of the method for collection and analysis which is applied to answer the research questions. *Figure 3.1* offers a step-by-step visualisation of the exact procedure pursued. The process included three main stages followed by a three-step reliability process to address the self-identified limitations and strengthen the consistency and validity of the data. Each step is detailed below.

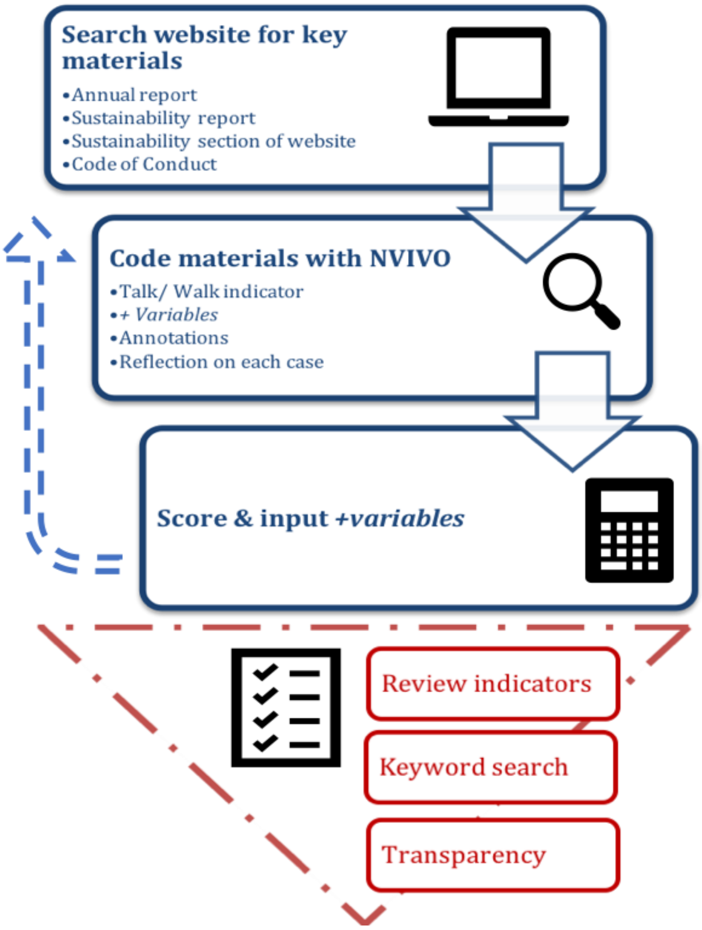

Figure 3-1. 'Mind the Gap method step-by-step'

Due to the nature of the large sample, data was collected, coded and scored in batches of eight to twelve companies, before conducting the reliability measures at the end. By applying such a circular and iterative process between data collection and analysis, the process was made more manageable for an individual researcher and mitigate the threat of data condensation, specifically data drowning as well as increase validity, particularly measurement validity.

The first step involved data collection whereby SR materials were obtained through corporate websites. At this point, specific S/CR sections of websites were also reviewed briefly for their content (see Talk KPIs in *Table 3-1*). In instances where materials were not immediately accessible, a short search for materials was made. In 23 instances among 19 companies, the S/CR report and/or the code of conduct were not identified, this is due to one of three reasons. The S/CR material had been integrated into the annual report (e.g. G4S, Unilever); or it was not available as a report - in at least one case (National Grid) material appeared to be published principally online. The third alternative was that the information did not exist or was not publicly available.

Only one company (Old Mutual PLC) was excluded from the study sample because no data on S/CR was available in report format – and the firm's annual report was prepared in accordance with the South Africa Companies Act 2008 and not easily comparable. The choice to include the other 66 of the top 67 FTSE 100 firms by revenue was taken, since all other companies clearly allocated space to elements of sustainability in their main annual reports. By being inclusive rather than over-prescriptive in sampling, the study reviews what companies, based on their own decision-making, have included in their public reporting. In total over 17,000 pages of material were reviewed. For transparency, all data included with sources and gaps observed are presented in *Appendix II*, outcomes of this choice will also be considered in discussion.

At the second step, content analysis was applied for it is used widely in the empirical investigation of non-financial reporting (Fifka & Drabble, 2012). Through NVIVO software, each source was analysed and coded using the key performance indicators (KPIs) listed in the *20/20+ talk/ walk* framework and introduced above, as nodes. As is also previously mentioned, some + variables were added during the process inductively, to consider whether they correlated with talk/ walk performance. This was enabled through annotations being made throughout coding. At the end of the initial coding of each company, a short reflection was also recorded in NVIVO. These activities provide further, richer context to SR activities that other scoring models struggle to achieve.

In the third step, the KPI nodes were reviewed and points formally allocated to give initial scores. Talk/ walk scores were eventually plotted to reveal any gap between saying and doing in SR (RQ1). '+' indicators, which were logged as cases on NVIVO, were also recorded for analysis. The three-stage process was then repeated again for the next batch of 8-12 companies until two thirds of companies, 66, were completed. Through the analysis 4,172 different sections of text were recorded under KPIs and over 1,000 sections of text were identified as relevant for the + indicators. Reflections made after each case were also processed to inform the extent to which listed-companies are embracing best practices in SR (RQ2). However before addressing the RQs directly, a risk assessment and remedial actions were factored into the methodology to strengthen data validity as well as enable an improve verification of conclusions. The rationale behind two *mitigation steps* outlined in *Figure 3-1*, are presented in *Figure 3-2*.

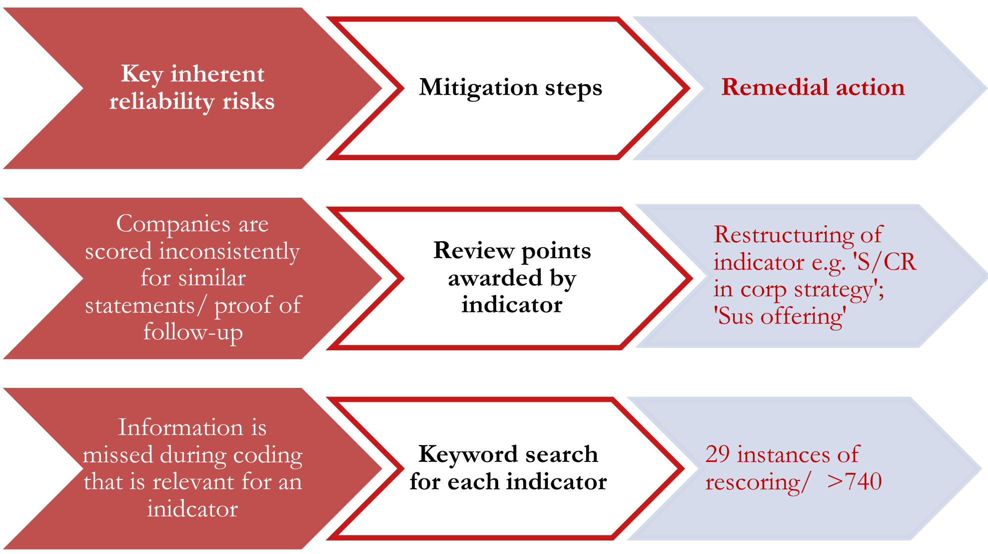

Figure 3-2. 'Risk register for application of methodology'

These steps were conducted after the initial scoring was completed, as well as after the full sample of 66 was completed. Firstly, points awarded to each company were reviewed indicator-by-indicator to ensure consistency. Secondly, in addition to the main coding process being line-by-line and cautiously coding anything relevant, a keyword search for each indicator was applied to a sample of at least a third of companies, specific focus was given to companies which scored 0. The remedial action reveals the low rate of revisions made to scores after both steps were completed. The final step shown in *Figure 3-1*, *transparency*, is implicitly documented through *4. Results* and *5. Discussions*, where findings are critically evaluated.

3.4 Validity aspects

While the robust and transparent nature of the data collection and analysis sequence above aimed to improve the measurement validity of the final scores, the research remains to a degree subjective. It is still possible that some relevant statements were misinterpreted or missed. However even by accepting some margin of error, overall scores should still be indicative of how effective companies are, in total and relative to each other, in communicating their sustainability intentions and activities.

Moreover, for purposes of full disclosure, where companies straddled a point boundary, a 'benefit-of-the-doubt' approach was adopted. This was where the researcher was lenient and awarded the point. Such instances are raised in *4.3 Talk/ Walk breakdown*. Indicators are also critically discussed throughout, and findings are presented in tables and graphs to help mitigate risks of condensation and provide further assurance of internal coherence.

As well as explanation building showing how findings fit with wider studies for internal validity, the external validity of findings was critically considered, particularly in relation to whether the findings should lead to further policy interventions. As is the nature of cross-sectional research designs, the sample chosen is not intended to be generalized beyond listed-companies. However, given the focus is on the largest two-thirds of the FTSE 100, and that the UK is revered as a world leader in reporting, the findings could have repercussions for companies engaging in SR elsewhere.

4 Results

This chapter reveals the key results emerging from the content analysis and scoring of companies using the *20/20+ talk/ walk* model. The first section presents an overview of scores including the walk/talk gap identified (RQ1). For a richer perspective, the second section reviews company performance in relation to selected + *variables*. This includes performance by sector and utilisation of SDGs. The third section goes into further detail, highlighting the distribution of points across the model's KPIs. The purpose of this is twofold: 1) it provides a chance to elaborate on the range of practices observed and consider whether they constitute best practice (RQ2); and 2) it also allows the author to describe how points were allocated to enhance the framework's reliability.

4.1 Overview

This section presents the overall scores attributed to companies using the deductive talk/ walk model. The aggregated results in both parts are compared to reveal a mean gap. Performance in each part is then considered in further detail which characterises the majority of companies as failing to 'walk the talk'. *Figure 4.1* plots each company's performance on an axis. The bubbles are relative to annual turnover. On average, companies scored 16.5 for talk KPIs and 12.6 for walk KPIs (and are expressed on the graph by dotted lines). This represents a significant 3.9-point gap between talk and walk scores. It shows that on aggregate, companies are underperforming by failing to actually do what they say they will do, or at least, clearly communicate what they have done on S/CR issues.

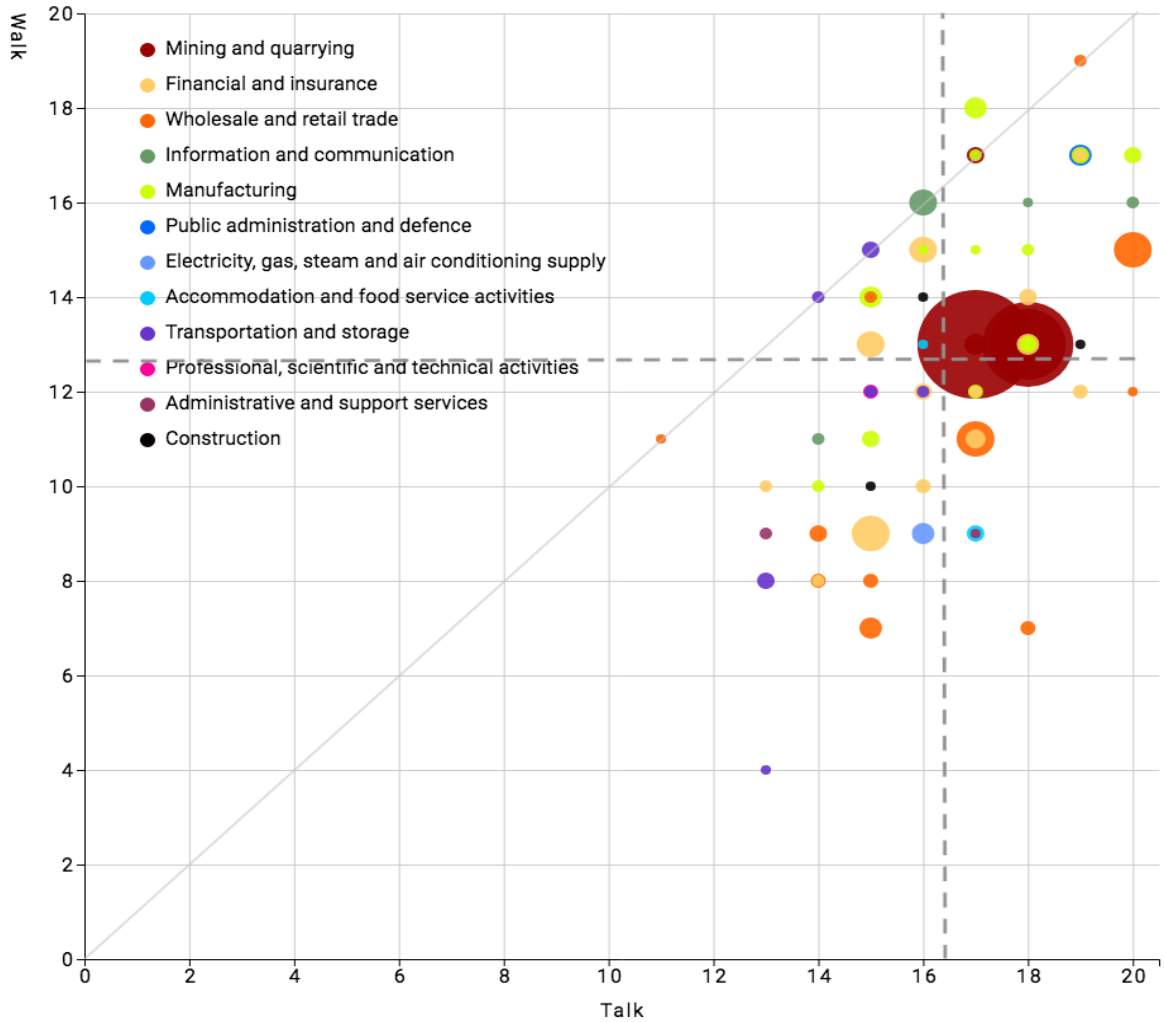

Figure 4-1. 'Mind the Gap - Talk/ Walk performance by company'

At company-level, only eight companies in the sample of 66 (12%) appear to be 'walking the talk'. This includes only one company, GlaxoSmithKline (GSK, 17, 18)[5] that actually scored higher in walk than in talk. Meanwhile the remaining seven, including Kingfisher, Anglo American, Reckitt Benckinser scored equally in talk and walk. The remaining 88% underperformed in walk compared to talk. Of these companies, 27, or nearly half, exhibited a wide gap of 5 points or more. The widest gap in the study was -11 points, belonging to National Grid (18, 7), followed by easyJet (13, 4) with -9 points.

Looking deeper at each part, across talk KPIs, four companies, AstraZeneca, DS Smith, Relx, and Unilever, scored the maximum 20 points - while over half of companies scored at least 17 points. In comparison, no company scored maximum points across walk KPIs. The best performer in walk, Kingfisher, scored 19 points, dropping one point for not demonstrating use of an ISO 14001 environmental management system. Only a further nine, including five manufacturing companies scored 17 or 18 points in walk. Standard deviation among the sample between talk and walk was 2 and 3.1 respectively. This shows performance was not only higher in talk overall, but in fact companies scored more consistently, and in a condensed way, in talk as well.

The clear-cut gap and characterisation of the majority of FTSE 100 companies as failing to walk the talk, provides an important insight on what has been to date regarded as a world leader in reporting. The on-average higher scores and less variance in talk compared to walk signals two issues: 1) that reporting regulation/guidance may be effective in ensuring companies demonstrate their attention on a wide range of sustainability issues (talk); but 2) that regulation falls short in ensuring companies detail their activities (and thus outcomes) on sustainability issues. These findings will be reflected on further in *5 Discussion*.

4.2 Drivers of Talk/ Walk performance

To achieve a rich characterisation of UK SR, as well as to better interpret talk/ walk performance, this section presents the findings of selected *+ variables*. More specifically the section looks at how companies performed within their sectors, as well as how individual companies utilise the SDGs in communications, and to see whether this appears correspond to performance. A third section touches on three other *+ variables*, namely: 1) total S/CR donations; 2) emissions; and 3) association with the FTSE4Good index. The study finds that no single attribute appears to guarantee better performance. More generally, there is an evident lack of consistency in how relevant information is still presented, making it difficult for a comprehensive comparison and analysis.

4.2.1 Talk/ Walk by sector

This section shares findings on talk/ walk performance by sector. It reveals a wide variation in practices and performance between sectors, as well as within sectors - where leaders and laggards are clearly identifiable in most.

Table 4-1 organises the entire sample by sector showing company and average sector performance. While all sectors are included, for fair comparison, the following section focusses only on sectors with at least five constituents. As with aggregate FTSE 100 performance, each sector's performance by average also revealed negative gaps. Leading UK sectors as well as

[5] Performance in using *20/20+* is sometimes referenced in brackets and can be understood as (talk score, walk score).

their company constituents are failing to walk the talk and communicate activities which match intentions.

Table 4-1. 'Talk/ Walk by sector'

Sector/ Company	Talk	Walk	Sector/ Company	Talk	Walk
Accommodation/ food service (2)	16.5	11	**Information & comms (5)**	17.4	15.2
WHITBREAD PLC	16	13	BT GROUP PLC	19	17
COMPASS GROUP PLC*	17	9	VODAFONE GROUP PLC±	16	16
Admin & support services (2)	15	9	RELX PLC	20	16
G4S PLC	13	9	PEARSON PLC	18	16
EXPERIAN PLC*	17	9	SKY PLC	14	11
Construction (3)	16.7	12.3	**Mining & quarrying (7)**	17.4	13.6
BARRATT DEVELOPMENTS	16	14	ANGLO AMERICAN PLC±	17	17
TAYLOR WIMPEY PLC*	19	13	ROYAL DUTCH SHELL PLC	17	13
PERSIMMON PLC*	15	10	BP P.L.C.*	18	13
Electricity, gas, steam & a/c (1)	16	9	GLENCORE PLC*	18	13
CENTRICA PLC*	16	9	RIO TINTO PLC	17	13
Financial & insurance (13)	16.4	12	BHP BILLITON PLC*	18	13
SMURFIT KAPPA GROUP PLC	19	17	ANTOFAGASTA PLC	17	13
LLOYDS BANKING GROUP PLC	16	15	**Professional, sci & tech (1)**	15	12
CRH PLC	18	14	WPP PLC	15	12
PRUDENTIAL PLC	15	13	**Public & defence (1)**	19	17
BARCLAYS PLC*	18	13	SSE PLC	19	17
STANDARD LIFE ABERDEEN	16	12	**Transportation & storage (6)**	14.3	10.8
STANDARD CHARTERED PLC*	19	12	TUI AG±	15	15
LEGAL & GENERAL GROUP*	17	12	CARNIVAL PLC±	14	14
AVIVA PLC*	17	11	ROYAL MAIL PLC	16	12
THE RBS GROUP PLC*	16	10	BUNZL PLC	15	12
DCC	13	10	IAG GROUP*	13	8
HSBC HOLDINGS PLC*	15	9	EASYJET PLC*	13	4
RSA INSURANCE GROUP PLC*	14	8	**Wholesale & retail trade (11)**	16.2	11
Manufacturing (14)	17.1	14.5	UNILEVER PLC*	20	15
GLAXOSMITHKLINE PLC±	17	18	MARKS & SPENCER GROUP	15	14
DIAGEO PLC	19	17	DS SMITH PLC*	20	12
ASTRAZENECA PLC	20	17	TESCO PLC*	17	11
JOHNSON MATTHEY PLC	19	17	NEXT PLC±	11	11
RECKITT BENCKISER GROUP±	17	17	WM MORRISON S'MARKETS*	14	9
MONDI PLC	18	15	ASSOC. BRITISH FOODS*	14	8
COCA-COLA HBC AG	16	15	FERGUSON PLC*	15	8
SMITH & NEPHEW PLC	17	15	J SAINSBURY PLC*	15	7
IMPERIAL BRANDS PLC	15	14	NATIONAL GRID PLC*	18	7
BA TOBACCO*	18	13	KINGFISHER PLC±	19	19
SHIRE PLC*	18	13			
ROLLS-ROYCE HOLDINGS PLC*	17	12			
BAE SYSTEMS PLC	15	11			
EVRAZ PLC	14	10			

POSITIVE OR NO GAP	±
-5PT GAP AND ABOVE	*

Notwithstanding, the study does find that the better the sector performance in walk, the smaller the gap. *Information & communication* companies recorded the lowest gap (2.2 points) and performed the best in walk too, with an average of 15.2 points. Meanwhile *Wholesale & retail trade*, a key consumer-facing sector, exhibited the widest average talk/ walk gap of 5.1 and scoring an average of 11 points in walk. This sector also had the widest range of scores between top and underperformers, exhibiting a range of nine points for talk and 12 points for walk.

This included Kingfisher - the top walk performer overall, as well as number of low performers, including Ferguson, Sainsburys and National Grid. Transportation had the lowest average walk score and also included the worst performer overall, easyJet (13; 4).

Table 4-1 shows the eight companies found to be 'walking the talk' were not distinctively concentrated in any one sector but instead distributed across five sectors. As such, these sectors not only had identifiable leaders, but well-defined laggard companies with very wide gaps. Most notably, besides Anglo American, companies within the *Mining & quarrying* grouping all performed fairly consistently poor, exhibiting four- or five-point gaps. Interesting this was the only sector where some companies referred to having their own sectoral sustainability guidance from the International Council on Mining and Minerals.

4.2.2 SDGs

This section presents findings on company communications relating to the UN Sustainable Development Goals (SDGs). Documenting the use of SDGs within reporting is important for two reasons: 1) it reveals (in)effective practices and more generally, indicates how companies may be aligning their S/CR activities towards global sustainable development; and 2) whether any particular practices or characteristics relating to the communication of SDGs in SR mirrors company performance in the *20/20+* framework. As such *Appendix III* provides a full breakdown of company talk/ walk scores along with a mapping which SDGs (if any) were referred to in reports. The inclusion of SDGs in any way is an attribute of all the top performers in the study. However, beyond that, the use of SDGs in SR varies dramatically. A range of different practices are illustrated below with examples.

Before detailing how SDGs are specifically referred to within company reports, it is worth providing a short overview. The study observed that 21 companies do not appear to make any or only a glancing reference to SDGs, so focus will be paid to the remaining 45 companies in the sample which do.

As indicated, *Appendix III* shows all 8 'walking the talk' companies incorporate SDGs into their S/CR activities – as do all of the top 20 performing companies in terms of 'walk' performance. In comparison, only nine of the bottom 20 companies refer to SDGs. This indicates that while the use of SDGs does not guarantee better performance, they are a common attribute of top performers. Interestingly, the number of or which SDGs companies choose to focus on appears irrelevant. In terms of numbers, the top two performers in the study, GlaxoSmithKline (GSK) and Kingfisher, appear to focus on one and 16 SDGs respectively – representing both ends of the spectrum. Notwithstanding, the study finds both the mean and median number of SDGs which companies refer to is five – and only three companies of the sample, BT, Marks & Spencer and Sainsburys appear to relate their S/CR activities to all 17 SDGs. In terms of specific SDGs, the three most referenced identified were: 1) Goal 8, Decent Work and Economic Growth (34 companies); 2) Goal 13, Climate Action (31); and 3) Goal 3, Good Health and Well-being (28). In contrast, the least referenced were; 1) Goal 2, Zero Hunger (9); 2) Goal 14, Life Below Water (10); and 3) Goal 16, Peace, Justice and Strong Institutions (14). Quite remarkably the study observes companies within the same sector prioritising entirely different sets of goals. There is evidently no single approach to companies' engagement with SDGs.

Nevertheless, a number of seemingly innovative or effective approaches to communicating SDGs were identified. BT, the telecommunications company, did not make any references to the Sustainable Development Goals in their Annual Report, but they featured heavily within the S/CR report. Notably, BT integrated the SDGs into the GRI disclosure index to show

how company operations related to the goals. Standard Chartered linked relevant SDGs to their S/CR target updates, showing how activities were clearly aligned. As will be highlighted in *Sustainable offerings* in *4.3.5 Follow-up*, Johnson Mathey, (albeit vaguely) cross reference SDGs with their products to determine the share of 'sustainable' sales. This also applies to both Smurfit Kappa and Standard Life Aberdeen who appear to be integrating SDGs into internal processes as well.

Meanwhile, Tesco, was the only company in the entire study to directly reference an SDG sub-target. This finding signals that the use of SDGs in communications is superficial for many leading companies, given that this slightly greater level of detail is rarely explored. Finally, DS Smith is noteworthy, because while openly acknowledging that SDGs were not yet part of their company strategy, selected SDGs were still critically discussed within the presentation of their S/CR targets – to a far more forensic degree, in fact, than the majority of companies that *did* claim to have incorporated SDGs into their core activities.

Other trends observed during the coding process further illustrate the wildly varying practices and emphases on SDGs within reporting. At least eight companies, including Aviva, BP, Compass, Pearson and Relx, were identified as emphasising primary and secondary goals. This group of companies prioritised a select number of SDGs based on the relevance to their company operations, but also mentioned secondary goals. Two of these companies, Compass and Relx were also noted for inconsistency, referencing different SDGs between their Annual and S/CR reports without clear explanation as to why.

The study also found instances of SDG mentioning that appeared especially superficial. In a number of examples, including AstraZeneca, Associated British Foods, GSK, Next, Shire and Whitbread, SDGs were mentioned but not specifically aligned to individual targets or objectives. There was also a tendency for some companies to place emphasis on case studies or existing work which supported the SDGs, while avoiding any explanation of how goals complemente the company's S/CR strategy. This included a number of particularly subjective cases, for example, G4S suggested their experience of providing airport security demonstrated their alignment with Goal 16 (Peace, Justice and Strong Institutions). While Taylor Wimpey implied that their target to eventually ensure that women made up at least 30% of their Board contributed to Goal 5, Gender Equality.

In summary, companies' progress in clearly communicating the SDGs, let alone documenting their integration within company activities, is at a very infant stage. The study observed a wild, scattered approach and a seemingly superficial alignment of company objectives with SDGs. While SDGs were a common feature in all high performing companies, they were also observed across poorer cases, showing that their use alone does not indicate improved reporting practices.

4.2.3 Other factors

This section provides a descriptive analysis of three further variables: donations, emissions and FTSE4Good association. *Appendix IV* gives a detailed breakdown of these variables by company. For each, there are observable common approaches to disclosing information, but the lack of comparable data limits this study in interpreting their full significance on SR.

Firstly, total annual donations by companies were recorded, to support the characterisation of UK SR. Nowhere, or at least not distinctively, are donations referred to in the existing literature on SR. Yet, sums invested in charitable causes could be seen as an indicator of a company's commitment to S/CR, so too might the attention to detail shown in communication. This study also observed that while many companies adopted the London Benchmarking Group methodology for calculating donations, the practice was far from diffused. This means that figures stated by a number of companies may in fact constitute general S/CR activities as well as donations. Nevertheless, the disclosure of 'donations' was noted as a common feature of reports – just 12 companies did not appear to publish an exact total. Among those who did, spend varied hugely from £273,000 (DS Smith) to in excess of £250 million (AZ and GSK). However, the study did not observe any clear relationship between the amount spent with talk/ walk performance. In fact, the eight 'walking the talk' companies spanned the entire charitable spending range.

Secondly, a review of reported emissions and reduction targets with talk/ walk performance revealed no clear pattern. A comprehensive comparison between companies stated emissions and talk/ walk performance was not achievable. While all companies published emissions statements, the scope of data as well as its presentation varied making it difficult to compare. Four companies, BP, Coca-Cola HBC, easyJet and Morrisons, presented data which was particularly difficult to interpret by either not appearing to state the scope of the emissions published or reported emissions using a different scale entirely (refer to *1.1 Background* for GHG emissions scope categories). Among the rest, there was inconsistency as to whether companies included scope 3 emissions in addition to 1 and 2. For those that did, there was also variety of what scope 3 encompassed: air miles, all business travel or employee commuting. On setting carbon targets, the study also noted (anecdotally) the prevalence of the CDP (formerly Carbon Disclosure Project), as the third-party most widely referred to by companies in this study, besides the FTSE4Good. However, when communicating targets or progress in this area, approaches were significantly disparate. Only 23 companies appeared to have communicated their adoption of a science-based target, and just 20 companies appeared to have carbon reduction target looking to 2030 or beyond.

Regarding the impact of FTSE4Good membership, 41 of the companies sampled were identified as participating in the FTSE4Good. The study observes that companies associated with the index were spread across the performance spectrum, but membership was a clear attribute for most of the study's top performers. Seven of the eight 'walking the talk' companies (all besides TUI), as well as 15 of the top 20 'walk' performers, participate in the FTSE4Good index. While association was less likely among companies scoring lower, it was still a feature for underperformers: 10 of the bottom 20 'walk' performers were associated. Furthermore, the study did not and could not identify actual company FTSE4Good ratings in company reports - only companies' inclusion in the index was referred to. However, higher FTSE4Good ratings do not necessarily appear to equate with high performance by this study's measure. Standard Life Aberdeen are one example, which claimed to be ranked in the top 3% of the FTSE4Good index but were noted in this study to be characteristically vague and unspecific, scoring fairly averagely in the *20/20+* framework (16, 12).

In short, this study cannot contribute particularly robust findings as to how donations, emissions or FTSE4Good explicitly relate to company talk/ walk performance. Broadly, it seems that communicated activity within any of these variables does not suggest anything significant for performance. However, the limited detail and lack of comparability of these +variables identified within SR is a finding in itself.

4.3 Talk/ Walk breakdown

This section provides a breakdown of aggregate FTSE 100 performance in relation to each talk and walk element of the *20/20+* framework. More specifically, the allocation and distribution of points for each indicator is reviewed. The three *talk* focus areas (Communicated

S/CR; Strategic direction and; Principled commitments) are presented in turn followed by the three *walk* focus areas (Reporting Accountability; Follow-up; and Top-level commitment). This breakdown is justified principally for three reasons. Firstly, it provides a simple and effective structure to review the main findings in detail. Secondly, a run through of allocated scores indicator-by-indicator addresses validity issues. This is particularly important as will become clear for some indicators that proved more challenging to judge. Thirdly, it identifies specific practices (individual/collective; good/bad) which contribute to a thorough characterisation of SR in the UK - as is intended by RQ2. In doing so, the study looks beneath the scores, that could be considered a simplistic exercise in isolation, to fully capture the nuanced approaches taken by companies on various S/CR issues.

Within the review of each focus area below, KPIs/ indicators[6] and point distribution shown as a percentage of companies under respective scores are presented in in *Tables 4-1* to *4-5* and *Table 4-7*. Some focus areas are broken down into further sub-sections for better understanding. A final summary section is also included to provide some concluding remarks on the findings.

4.3.1 Communicated S/CR

The first of three 'talk' focus areas include four KPIs. As *Table 4-2* shows this includes company use of websites (*Website*) as well as the existence of S/CR within leaderships statements (*CEO statement*; *Chairman statement*) and corporate statements (*Missions, vision and core values statements).*

Table 4-2. 'Talk focus area 1: Communicated sustainability/ corporate responsibility breakdown'

KPI (Points)	Description	Scores (proportion of companies)		
		0	1	2
Website (0-2)	The website is a key communication tool. S/CR must be at least part of the website (1pt); and have a major part with a range of materials (2pt).	0%	2%	98%
CEO statement (0-1)	The CEO statement in the annual report reflects areas most important to stakeholders. S/CR should be included.	36%	64%	/
Chair statement (0-1)	S/CR should be included in Chair's statement to demonstrate the Board understands its long-term importance.	29%	71%	/
Corporate (mission, vision and core value) statements (0-2)	These three concepts show how a company defines its identity, beliefs and values, but are presented in different ways. Highlighting S/CR in these statements depict a strong signal for a company's concern for the matter. 1pt for inclusion within one statement, 2pt if observed in at least two statements covering these aspects.	29%	35%	36%

Exploring the first indicator, *Website*, revealed that companies place heavy emphasis on their web content for communicating S/CR, but that associated practices may undermine reporting as opposed to strengthen it. Websites are an integral sustainability resource for virtually all companies in the sample (98%). A number of case companies even appear to rely on websites as their main source. As iterated in *3.4 Methods for data collection*, S/CR report material routinely appears in a web-friendly format along with a diverse range of supporting materials, such as in target updates, methodologies and indexes, which is also available for download. This is instead of companies fully incorporating materials into one parent S/CR report, which this study and many before it place emphasis on. For example, Aviva, in addition to their main reports,

[6] These terms are used interchangeably to refer to each element of 20/20+ talk/ walk framework.

published their assurance statement, a summary report and KPI progress all online, but in different reports. Other companies such as Mondi, National Grid, RBS, Rolls Royce and RSA all similarly placed emphasis on their websites as their key resource by regularly signposting in their reports for stakeholders to visit the website for more details. These examples demonstrate a practice of fragmentation or dispersal of S/CR information and data across a number of different resources online. While the concentration of information on to websites is a positive for improving accessibility, existing practices that disperse information could also seem problematic. This is because fragmentation and dispersal of information could make it harder for stakeholders to monitor and hold companies to account.

Moreover, corporate websites which often host S/CR material, and are the focus of this study's website KPI, are usually separate to the main customer-facing websites e.g. easyJet, Morrisons, Royal Mail and Sky. As such, rather than making information on S/CR intentions and activities more transparent, fragmentation of information and exclusion of materials from customer-facing websites risk making undermining transparency. These observations also pose a central challenge for SR research: the need to fully account corporate web content when assessing SR.

Considering the next two KPIs, *CEO* and Chairman statements together, shows that performance in the sample was far more mixed. Despite their distinctive roles focussing on day-to-day and long-term interests, just 31 companies – less than half – had both the CEO and Chair[7] reference the S/CR in the annual report. This implies a lack of joined up focus and integration of sustainability within the majority of companies' leaderships. Overall, at least two-thirds of companies had one or the other reference S/CR. Usually this was by a conventional foreword or in some cases, such as Coca-Cola HBC, via an interview Q&A transcript format. In some instances where sustainability was omitted from leadership statements in the annual report, the company leadership did publish a foreword in the company CSR report, however this was not sufficient to score a point. Failing to include the issue in the main annual report implies it may not be a core issue for the business.

In regard to *corporate statements*, examples illustrate that good S/CR is a defining aspect for some companies, while for others, aims and objectives were entirely. In many cases, the study found it challenging to identify mission, vision or values, with several companies not apparently including any of their mission, vision or values in their central reports. The results showed a fairly distributed split, with around a third of companies in each point bracket. Among those clearly identifying sustainability aspects in at least two of the three statements above (36%), many placed statements 'front and centre' of their reports including Unilever - "to make sustainable living commonplace," (AR, p. 1); SSE – "to responsibly provide energy… now and in the future" (AR, p. 2). Comparatively, Tesco and TUI, two companies that did not score any points, only appeared to make passing references to redefining their purpose or values through the CEO's statement, rather than explicitly stating values in a dedicated summary page.

In conclusion, this focus area reveals companies place a heavy emphasis on websites for communicating sustainability, acting as a hub for information. This practice encourages a fragmentation of information, spreading important data across different sources rather than it being consolidated into one S/CR report. Meanwhile, attention to sustainability within leadership and corporate statements is common but not widespread, suggesting a significant minority of companies do not consider sustainability as core focus worthy of communicating.

[7] This includes Carnival Corporation PLC which score points in each because Arnold W. Donald is both their President and Chief Executive.

4.3.2 Strategic direction

This second talk focus area includes three KPIs. They show the extent sustainability/ corporate responsibility (S/CR) appears to be integrated into core company strategic thinking through reviewing *strategy*, *risk management* and target-setting (*Defined S/CR targets*). *Table 4-3* presents the scores allocated to companies as a percentage. Within this focus area, scoring judgements are necessarily justified and notable practices are highlighted.

Table 4-3. 'Talk focus area 2: Strategic direction breakdown'

KPI (Points)	Description	Scores (proportion of companies)			
		0	1	2	3
S/CR in corporate strategy (0-3)	Serves as a plan for the upcoming reporting period, S/CR must at least be referred to in general (1pt) or is clearly a critical part forming own theme (2pt). Specifically refers to global agenda or key concepts e.g. life-cycle thinking or circular principles in strategy (3pt).	0%	15%	65%	20%
S/CR in risk mgt (0-2)	Risk management identifies company's key risks and how it plans to mitigate them. S/CR could be identified in general (1pt) or pref. linked to specific risk (2pt).	2%	30%	68%	/
Defined S/CR targets (0-2)	To take responsibility for their operations many companies develop sustainability strategies and define S/CR targets on a range of dimensions (1pt). Targets are aligned with SDGs (2pt).	0%	33%	67%	/

In *S/CR in corporate strategy*, there was a great variation in the detail of companies' presentations of strategies. Consequently, a level of subjective-judgement was necessary and is outlined below, with examples illustrating choices made. Overall, all companies alluded to sustainability in some way, but only thirteen companies (20%) scored the full three points. This included companies referencing circular economy principles such as 'closing the loop' or introducing 'pay-per-use' models which shift ownership of goods (e.g. CRH, DSS, Pearson, SKG). BT, Kingfisher, Relx and Unilever advocated 'net positive' or 'decoupling' footprints. AstraZeneca, Glencore and Rio Tinto explicitly discussed accounting for every step of their life-cycle. Sky was also awarded three points for clearly stating its business operation aimed to be carbon neutral.

Meanwhile, the majority of companies, two-thirds, were cautiously awarded two points, for at least appearing to emphasise sustainability as a standalone element of their strategy. Some of these companies made references within their strategic report to respecting the value chain or conducting life-cycle analyses on products, but not as explicitly as those earning three points. For example, in presenting their strategies, Barclays discusses its "shared growth ambition" (AR, p. 2), while SSE underpin their strategy with an ethos of "doing no harm." Other companies such as Associated British Foods, Johnson Mathey and RBS referred to seeking 'continuous improvement', which although is a widely promoted principle, and advocated by UK Government guidance (Department for Environment, Food & Rural Affairs, 2013), in isolation it has been interpreted as efficiency-focussed rather than transformative (Dyllick & Hockerts, 2002; Dyllick & Muff, 2016). For those only scoring one point, this was because S/CR was not presented in the corporate strategy or business model, but references were made elsewhere. Points in such instances may be attributable to the inclusion of sustainability into SR under non-financial reporting requirements.

Turning to *S/CR in risk management*, the majority of companies (68%) demonstrated an understanding of risks related to elements of sustainability. DS Smith provided one example of very robust risk management, highlighting risks and threats and breaking down their response clearly into opportunities, management controls and board reviews. Two further distinct phenomenon were observed relating to sustainability risks. Firstly, many of the companies allocated full points did so while referencing their activities with the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD). This underlines the role of international organisations in influencing the SR agenda and the constantly shifting landscape. The other observation is that some companies, such as Persimmon, rather than considering sustainability as part of principal risks with Annual Reports (an element of company corporate governance reports required by the Code) present sustainability risks as an independent element within S/CR reports. Companies which only scored a solitary point on *risk management*, often referred to health, safety & environment (HSE), this was interpreted to be a narrower view of sustainability, focussing on compliance and mitigating damage rather than observing a need for more holistic, long-term actions. Only one company was not allocated a point: Sky did consider employees as a risk, but this was in terms of staff retention and not explicitly health & safety.

Identifying *Defined S/CR targets* as part any sustainability strategy, revealed another practice all companies appear to be engaged in. These practices are synthesised in detail in the walk focus area *4.3.5 Follow-up*. However, it is worth qualifying this finding with four observations made when scoring this indicator. Firstly, targets were interpreted cautiously in a very loose sense. Besides targets being explicitly stated, some company sustainability strategies referred to focus areas, priorities, metrics, KPIs, goals, ambitions, strategic objectives, highlights – all of which demonstrate an intention of targeted action. Secondly, as a minimum, environmental factors were the foremost area where clear targets were stated e.g. Sky. But for companies to be considered as offering a '*range of targets*', several different medias such as water, waste as well as emissions or energy efficiency had to be communicated. Thirdly, targets could appear anywhere in the documents, and notably several companies including L&G and TUI, scored two points, only appearing to only mention targets in S/CR reports - excluding such information entirely from annual reports. Fourth and finally, regarding SDGs, references could be made anyway within SR so long as it mentioned specific goals. This judgement affected two companies: both National Grid and Whitbread only made a passing reference to the goals in name only. As a result, all companies earned one point, while two-thirds were awarded full points.

In summary, taking into account judgements necessary when allocating points, most companies identify S/CR as an important aspect of their business but only one in five highlight important approaches that enable it to be embedded into that business. Sustainability is also a risk identified by the majority of companies. Yet still for a significant number, analysis of such risks is elementary rather than holistic. In contrast, best practices appear to include presenting separate sustainability risk registers and discussing responses to risks in detail. Finally, all companies proved to have set a range of targeted S/CR activities of some form.

4.3.3 Principled commitment

The final talk focus area includes seven KPIs covering corporate policies and principles. *Table 4-4* shows that overall there was a very high and consistent level of performance across all seven. This includes every company sampled communicating their intention to enforce a supplier code of conduct and promote a positive staff culture – the only two instances across the entire *20/20+* framework where all companies scored full points. As a further signal of widespread practice, only three companies, IAG, Next and Sky dropped more than one point in this focus area. Given the high standard across the board, this section briefly outlines interpretations for scoring below.

Table 4-4. 'Talk focus area 3: Principled commitment breakdown'

KPI (Points)	Description	Scores (proportion of companies)	
		0	1
Code of conduct (0-1)	A CoC is a set of principles issued to its employees and forms the basis for what is expected from them, must be public.	14%	86%
Supplier code of conduct (0-1)	A set of rules outlining the social norms and responsibilities of, or proper practices for a company's suppliers, must be public.	0%	100%
Human rights policy (0-1)	A Human Rights Policy encompasses a company's stance on Human Rights issues, must be public.	2%	98%
Employee H&S policy (0-1)	Encompasses a stance on employees' health & safety at work.	5%	95%
Company culture (0-1)	A stated position about well-being, staff development and role in company.	0%	100%
Anti-corruption (0-1)	Describes how a company handles the problem of corruption, must be public.	6%	94%
Environmental policy (0-1)	An Environmental Policy describes a company's philosophy, intentions and objectives regarding the environment.	3%	97%

To reiterate *4.3 Methods for data collection*, company codes of conduct were retrieved from corporate websites. Only in a small number of cases (nine companies) were behavioural codes not identifiable, even after a site search using the key words 'code'; 'conduct', 'policies, 'ethics'. As a result, 86% appeared to publish their behavioural codes publicly online, a clear example of diffused practice.

The remaining six indicators in the focus area offered a point each if the associated principles were clearly discussed within reports.[8] The outcome as already stated, shows the communication of corporate policies and principles has widely diffused - only in very few instances did companies fail to show their engagement. However, the extent of enforcement of these policies and principles varies and this is considered among the walk KPIs in the following three sections.

4.3.4 Reporting accountability

This first of three 'walk' focus areas, consists of five KPIs, each of which improve accountability in reporting. The KPIs employed improve standards in two ways. Firstly, they observe 'tools' or criteria which help internal monitoring and recording of S/CR issues (*integrated reporting*, *environmental management systems* and *GRI*). Secondly, they observe practices which offer external feedback and guidance to companies on S/CR issues (*external assurance* and *stakeholder engagement*). *Table 4-5* presents the distribution of scores by percentage of companies sampled. The scoring reveals very split practices. There is a clear underutilisation of tools which enable robust, credible sustainability reporting. As above, each indicator is discussed to highlight scoring decisions and the variance in practice. + information collected alongside the *stakeholder engagement* indicator is also presented.

To some extent, all companies demonstrate elements of *integrated reporting (IR)* by incorporating sustainability into the main annual reports (AR) – but the extent to which this is achieved in

[8] This is a slight drawaway from the Misum study, which specifically looked for the actual policies or codes

detail varies significantly. A number of examples e.g. Legal & General (L&G), Morrisons and Rolls Royce elaborate very little other than the minimum required by law. Meanwhile other companies including Kingfisher, RBS and Whitbread, refer to promoting sustainability or environmental and social disclosure through their AR, in each case the motive appears to be to underline to investors the importance of creating (environmental and social) value beyond simply financial. Comparatively, Marks & Spencer's appeared to be the only company that made clear that their AR and S/CR were written for different audiences. When allocating points for *integrated reporting*, the study found a contradictory. Some companies scored a point in the KPI for *IR* but continue to publish a standalone S/CR report. Meanwhile many of the 18 companies which did not publish a S/CR report (as highlighted in *3.4 Methods for data collection*) did not appear to have applied integrated reporting either. Overall less than a third of companies sampled (21) were awarded a point for applying *IR*. Significantly this study notes that only five companies, Anglo American, BT, CCHBC, Diageo and Evraz, explicitly utilise the IIRC framework.

Table 4-5. 'Walk focus area 1: Reporting accountability breakdown'

KPI (Points)	Description	Scores (proportion of companies)		
		0	1	2
Integrated Reporting (0-1)	A practice that concisely communicates strategy, governance, performance and prospects, in the context of its external environment. Must refer to IIRC or apply IR.	68%	32%	/
External Assurance (0-1)	Provides credibility, must be externally assured.	24%	76%	/
Env. Mgt System (0-1)	An Environmental Management System enables effective monitoring system to inform management and reporting. Must show adoption of recognised standard e.g. ISO 14001.	55%	45%	/
GRI Reporting (0-1)	GRI 4 covers a wide range of different aspects of material importance.	47%	53%	/
Stakeholder engagement (0-2)	Long-term sustainability rests on satisfying needs of groups with interest in activities (shareholders, local/civic community, customers, employees and suppliers) participation of 2 or more should be in explicitly mentioned (1pt), preferably 4 or more (2pt).	2%	6%	92%

Regarding *environmental management system,* just under half of companies were identified to have explicitly communicated their use of an environmental management system. This includes a point being allocated to Taylor Wimpy who stated they were up to ISO standard but not verified – an example of how this study took a lenient approach.

For *GRI*, application was slightly higher, although this was another indicator which exhibited a range of practices and sense of fragmentation in communicating. Among the 35 companies that appeared to use GRI, only in a few cases, most notably Barclays, did companies fully integrated the index into their core report. The majority only appeared to publish GRI indexes separately online. To do so, seems odd given the high relevance of GRI referencing to stakeholders – viewed as a key audience of SR. In one case, M&S, a point was also awarded for the company including GRI as a secondary referencing tool.

Regarding the last two KPIs of *Reporting Accountability*, which relate to assurance, *external assurance* was challenging to identify, again due to a practice of deferring information, or those seeking it, elsewhere. Whereas financial audit assurance statements are an integral part of a company financial reports as required by law, assurance on S/CR remains less formalised in terms of presentation and scope. A point was allocated to 50 companies - or over three-quarters - based on a reference to specified data being assured. Far fewer would have scored the point if the framework had required the statement itself to be included within the reports. As with *GRI,* many companies advise visiting the website for the actual assurance statement. In terms of scope, statements were often based on a limited assurance, and typically on selected items.

As a minimum, companies had to make clear that they had assured a range of items, in some cases companies only made clear their emissions data had been assured – as is legally required. Next earned a point for having both emissions and health & safety data assured. In comparison, Marks & Spencer's sought assurance on a much broader range of elements according to their materiality ranking of importance. Mining companies also demonstrated assurance on compliance within standards set by the International Council on Mining & Metals (ICMM) - an example where trade bodies help raise standards across an industry.

Regarding *stakeholder engagement*, the study revealed widespread good practice worthy of note. Firstly, it is important to state clearly how scoring was applied. Generally, there was a clear tendency for companies to reference 'stakeholders' or specific groups. However, points were only allocated when companies outlined how groups *contributed to* sustainability activities or otherwise *benefitted from* the value created by the company. As a result, 92% of companies were allocated the maximum two points. In contrast, Barrett Development and IAG were cases of vagueness. Issues of importance to stakeholders were explicitly identified, but no formal identification of who stakeholders was evident in either case. In terms of best practice within *Reporting accountability* and *stakeholder engagement*, a handful of companies also included a hybrid assurance statement-of-sorts in their reports (BAT, Shell & SSE) or a foreword written by a third-party organisation (M&S, Mondi & SKG). The most prominent examples were Shell who have had an independent panel of reporting experts since 2005, as well as British American Tobacco who also feature a panel made up of ethics, health and environmental professionals. In both cases a frank and critical reflection of the company's reports was published, which offered an important counter narrative to the optimistic communications that companies inevitably pursue. L&G aptly describe their stakeholder engagement as involving "critical friend" feedback with NGOs and experts.

Through observing *External assurance* and *Stakeholder engagement*, the study noted companies routinely refer to a wide range of organisations including charities, research institutions, other businesses and trade organisations, NGOs, regulators and governments - as well as employees and customers. Although individual organisations were not systematically recorded by the framework, collectively over 200 different organisations were mentioned by name including 80 associated with a benchmark or improving disclosure. Despite this significant number, only a few organisations/initiatives were referenced more than a handful of times; CDP (formerly Carbon Disclosure Project), the aforementioned TCFD, UN Global Compact as well as the FTSE4Good, DJSI, Business in the Community and WWF. The numerous others were only referenced when the subject company had received a commendation or acknowledgement for good performance. The flipside of which means that companies rarely communicate benchmarks in which they performed less well. The significance of which, when considered in tandem with the talk/ walk gap highlights that SR can still be prone to masking performance through cynically and selectively referencing feedback from only certain third-parties. The utilisation of third-parties and benchmarks for legitimisation is a commonplace aspect of FTSE 100 SR.

In summary, across these 5 KPIs making up the *Reporting accountability* focus area, the study demonstrates a clear underutilisation of important disclosure tools. This finding is particularly stark given the lenient, optimistic approach taken when scoring many of the indicators. Moreover, even where tools such as *external assurance* or *GRI* are being utilised, companies are deferring or excluding important data from S/CR report to their websites. Stakeholder engagement indicator gives a positive impression of companies in general taking holistic approach to external engagement.

4.3.5 Follow-up

The penultimate walk focus area is made up of eight KPIs. It is the *20/20+* framework's largest focus area in terms of number of indicators - as well as points to earn (11). It links neatly to several talk indicators reviewed above, hence its title: *Follow-up*. Some of the KPIs are also supplemented by findings collected from selected *+variables*. Consequently, given the wealth of data collected, the findings of three indicators (*S/CR target follow-up*, *Sustainable offerings* and *Supply chain follow-up*) are presented under individual sub-headings. As with other focus areas, in addition to presenting key findings and trends among companies, the interpretations made for awarding points for several of the indicators is outlined in detail. This is especially important given the nature of objectifying companies' activities as being sufficient enough to earn follow-up points. Furthermore, in doing so, the study successfully reveals a more nuanced picture of reporting practices that allocating points fails to, by itself, capture.

Table 4-6. 'Walk focus area 2: Follow-up actions breakdown'

KPI (Points)	**Description**	**Scores (proportion of companies)**			
		0	**1**	**2**	**3**
S/CR target FU (0-3)	S/CR targets need to be defined in a quantifiable way, with regard to scope and time frame (1pt). Status towards meeting targets is important (2pt). Should be embedded within longer-term strategy (3pt).	5%	23%	27%	45%
Sustainable offerings (0-1)	Products or services offered by company embrace life-cycle thinking or circular principles e.g. Product System Services (1pt).	67%	33%	/	/
Supplier CoC FU (0-2)	There is information on number of audits and prefer as a share of all suppliers (1pt). Also reports level of compliance & issuance of follow-up actions (2pt).	74%	23%	18%	/
HR policy FU (0-1)	There is information regarding follow-up.	12%	88%	/	/
Employee HS policy FU (0-1)	There is reporting of injuries, diseases and dangerous occurrences regulations (RIDDOR)	15%	85%	/	/
Employee development (0-1)	There is information regarding follow-up. Info on training, development in addition to a routine survey.	20%	80%	/	/
Anti-corruption FU (0-1)	There is information regarding follow-up.	32%	68%	/	/
Env policy FU (0-1)	There is information regarding follow-up.	2%	98%	/	/

Before reviewing the indicators in turn, the study observed broader themes worth overviewing alongside the scores for *Follow-up*. *Table 4-6* presents the allocation and distribution of points for the focus area's KPIs. As can be observed in the majority of indicators, the number of companies scoring full points is comparatively lower than the associated talk KPIs – thus contributing to the clear mean talk/ walk gap (see *4.1 Overview*). It is worth reemphasising this study focussed on identifying clear, quantifiable follow-up communicated by companies. In a number of cases, including Ferguson, Morrison's, RBS and Sainsburys, companies often provided rich qualitative information, but failed to provide demonstrable figures. Sainsburys in particular offered lots of detail on a range of issues but included no data such as on modern slavery or health & safety in reports.

In addition to the preference for qualitative rather than quantitative, several other companies, including Carnival, Experian, G4S and Pearson, placed a notable emphasis on illustrative case studies. By nature, this emphasis demonstrated lots of positive value created by companies, but through which impresses selectivity as opposed to presenting a more insightful holistic approach to S/CR. Consequently, this study observes the need for companies generally to be more systematic and quantifiable as opposed to offering only descriptive case studies. These themes emerge again and again within the indicators discussed below.

S/CR Target Follow-up

The first indicator of this focus-area, *Target follow-up,* is presented under its own individual section because it relates to the talk indicator *Defined targets*, as well as relates to the +indicator which specifically recorded the number of targets (*Appendix III*). As such, while this study focuses on sustainability communication, the study also provides insights into the nature and extent of S/CR target-setting and sustainability strategies more generally.

Overall the indicator reveals less than half of the sample (48%) scored the maximum three points for communicating the status of quantified targets that stretch up to 2020 and beyond. Through the coding process a very broad range of practices were revealed – with virtually every company showcasing a different iteration of how to present targets. These practices relate to the comprehensiveness and ambition of targets; target measurability as well as target timeframe. Each insight is illustrated in turn with company examples.

Comprehensiveness

In terms of the comprehensiveness of targets, companies could be characterised across a spectrum: from a small number of targets focussed on a few specific areas to a very high number of targets which seem to focus on all company activities. The number of targets in fact ranged from three to 100. There was no optimum number that influenced talk/ walk performance, with good and bad practices observed throughout and at each end of the spectrum. Among companies with fewer targets Vodafone appeared to have only six targets within 'transformation' areas, whilst HSBC presented three clear sustainability targets on carbon, waste and paper towards 2020, along with communicating nine stretching 'commitments' specifically on finance and networking. In both cases, fewer targets enabled more manageable, prioritised and focussed action. Whereas among other cases with less targets, companies appeared to lack ambition and seemed narrow in focus. Standard Life Aberdeen (SLA) appeared to have just four targets, all of which related to diversity. Evraz, Rolls Royce and Royal Bank of Scotland (RBS), also referred to a minimal set of targets to varying degrees of clarity, but usually focussed on environmental and/or diversity. Comparatively, companies with a larger number of targets provided examples of highly ambitious, holistic strategies as well as more scatter gun approaches which prioritised quantity over quality. In the first bracket, M&S's 'Plan A' featured 100 wide-ranging targets about issues across its entire business. L&G presented one overriding strategy with four distinctive campaigns and 32 specific targets. On the other hand, while Morrisons presented 54 targets within a clear summary grid, they appeared less cohesive with some not dated and discussed in a more qualitative than measurable, quantitative way. This was also the case with DCC.

Measurability

In addition to comprehensiveness of targets, the actual measurability of targets was a factor in many companies dropping points in the *Target follow-up* KPI, whereby targets appeared underdeveloped. Specifically, 17 companies were deemed not to have communicated measurable, quantified targets that allowed status of goals to be understood. Examples of underdevelopment include, Sky, which discussed at length a single and sizeable, philanthropic campaign on oceans – but presented no actual goals within either the AR or S/CR report. Meanwhile, National Grid and Next listed a range S/CR strategy focus areas but did not elaborate on them with clear measurable goals or updates. Prudential did not exactly fail to quantify targets, but the study noted they made measurability a challenge by publishing a progress update on targets separately online. Meanwhile Tesco dropped points because as part of launching their new sustainability strategy they were still in the process of defining targets from stated objectives.

While it was not within the scope of this study to properly judge the quality and reliability of targets, and so not impacting the awarding of points, the reliability of targets is also noteworthy. Given that assurance statements have been identified as limited in scope and with little transparency around their formulation, judging how informed and appropriate that targets set are, is challenging. As the study notes only 23 companies appeared to have set a 'science-based' emissions target but the extent that other company targets are aligned to the global agenda is unknown and likely even less. Two examples illustrate this case. Firstly, measures in one example were vague and simplistic. As a measure of activity on improving the supply chain, Compass recorded the percentage of countries with supply chain programmes – failing to communicate in their reporting anything really meaningful about outcomes of such programmes. Secondly, measures could be argued as unambitious, SKG and Compass were noted for having simply pushed back the dates to meet targets they have failed to achieve or successfully achieved them well ahead of schedule. Of course, quicker-than-anticipated progress - or delays - are not unheard of, but equally in neither case were these contexts communicated adequately in reporting.

Timeframe

The third area where company approaches to targets were stark, related to their timeframe. In a significant number of cases (including Aviva, Associated British Foods, BAE, Centrica Taylor Wimpy) companies only presented targets or key performance indicators for the forthcoming year or in comparison with last year's data. Notably, Centrica had 22 different KPIs for the forthcoming year. It was also not unusual for companies to have a number of targets stretching towards various future years. Anglo American, DSS, L&G, M&S, Mondi and Pearson had numerous targets of varying length to 2020 and beyond. Usually this related to companies having a longer term GHG emissions target: a finding which signals that company activities to combat climate change are distinct from more general (communication of) S/CR activities.

Looking even further, while the study allocated a third point to companies who demonstrated a longer-term strategy, this was only set at 2020. However, only 17 companies were identified as communicating an emissions target to 2030 or beyond, raising questions as to how companies can actually be aligned to SDGs. This also shows that more companies would have dropped a further point in walk likely widening the sample's 3.9-point talk/ walk gap. While on the face of it this finding appears concerning, there was a clear trend among several companies that they were coming to the end of a current sustainability strategy in 2020 and would in the process of developing the next set of strategy.

This review of *target follow-up* reveals a clear shortcoming across the majority of FTSE 100 companies sampled. Without going beyond the scope of this study which did not look at the actual outcome of targets, there are important lessons for how targets are communicated. Even with a lenient approach taken to scoring, the majority of companies should consider how their targets could be more measurable, comprehensive in scope as well as look longer-term.

Sustainable offerings

The second indicator in the *Follow-up* focus area, revealed only a third of companies sampled provided a clear perspective on how S/CR practices related to their operations as a whole. While only representing one point for the walk side of the *20/20+* scoring framework, the indicator is distinctive for several reasons: a) it is one of several KPIs not part of the original Misum model; b) it supplements the talk indicator, *S/CR in corporate strategy*, as it aims to ascertain whether in addition to S/CR being embedded in the company strategy, companies demonstrate tangible S/CR outcomes in reporting; c) attempts to reveal patterns or any diffused practices which companies employ in communicating their offering; and d) through scoring under this indicator, this study inductively developed a novel categorisation grouping companies by their offering.

The indicator's single point was only awarded to companies who were considered 'embedded' after being inductively grouped based on coded information. Supposedly embedded companies are defined below in *Table 4.7* along with three other 'loose' groups which emerged when reviewing coded information. Relevant information was usually identified in company presentations of business model within the strategic report, or as a defined target elsewhere in reports. *Appendix IV* provides a more descriptive overview of the information companies included which justified their grouping. By nature, applying the indicator was a heavily inductive process. Groupings are described as loose as practices identified were often challenging to compare and based on selected information. Since evidence of *sustainable offerings* is worth only one point, it does not significantly impact results. Moreover, the exercise in itself is indicative of the many different approaches taken by companies as illustrated in examples below.

Table 4-7. 'Sustainable offerings (SO) by grouping'

Offering	Definition	No. of companies
Poor	Offer made by company is not obviously focussed on sustainability or is simply not very good at explaining how they contribute to societal goals/ challenges.	2
General	There is a clear commitment to sustainability, including mention of efficiency practices but not specific enough on product/ services that are offered and their outcome.	15
Selective	Example(s) which indicate a sustainability offering are cited, but they are specific and do not demonstrate how the SO fits in with the company's impact as a whole.	27
Embedded	Companies outline products/services on offer that demonstrate sustainable practices and are contextualised within the wider operations of the company/ or externally recognised by a third party.	22

The majority of the 22 companies considered embedded were either from the Financial and Insurance (6) or Manufacturing sectors (6), while no companies from Mining and only one from Transportation scored a point. Among notable good practices, 5 companies, Kingfisher, Johnson Mathey, M&S, RB and Smith & Nephew all reported, as percentage of total sales/revenue, earnings from their sustainability ranges.[9] Interestingly, Johnson Mathey identified products as making a positive contribution to the UN SDGs – the only company observed for systematically relating their core business products to the SDGs. Other companies earnt a point for providing clear evidence to their claims as sustainability leaders within their sectors, relying on certification or third-party recognition (including Aviva; Barratt Developments; DS Smith; RBS; Standard Loans Aberdeen; TUI; Unilever). BT and Sky were awarded points for being carbon neutral.

Some companies (more than others) relied on lenient judgements to score a point, this was necessary given some novel attempts were made at framing their sustainability or included a range of examples. For example, Pearson scored a point for its adoption of efficacy reporting, whereby the company publishes the impact of its products. GSK and AstraZeneca, two health companies, also were allocated points simply for effectively restating their aims (to cure illness) and so did not have to provide as much justification of their offering. Meanwhile Barrett Development, the construction company, also earned a point for investing in 'more' sustainable building materials and highlighting the number of accreditations earned for completed sites over the year. However, there was no sense as to how these accreditations fitted into wider operations.

Comparatively, for those loosely grouped as 'selective', companies were even more limited in offering a companywide perspective focussing on limited examples. Several companies including BP and BA referred to the offering of carbon neutral products/ services for customers to choose from – but didn't indicate actual take-up relative to other activities. BAE provided lots of discussion in their reporting on improving the life-cycle of products and lowering environmental impact, as well as giving examples of non-military uses of their technology. However, they also gave no quantified perspective of activities to help understand their scale within BAE operations. Another example was the National Grid, who detailed their promotion of the circular principles in maintaining existing IT equipment. These practices were encouraging but clear selective and not really revealing of sustainability within companies' core businesses.

Meanwhile 'general' companies were grouped as such for failing to even provide clear examples. Ferguson, for example, mentioned they are increasingly adopting and promoting 'eco' products, and also allow customers to filter products with eco-labels on their website, but this tells us nothing about the scale or extent of these activities. WPP, the advertising company, was similarly vague, stating they provide sustainability work in data, branding and comms, but offered no data themselves on how much work that entailed for the company.

Finally, only two companies, easyJet and Relx, could be characterised as poor regarding *sustainable offerings*. In a very convoluted fashion, Relx suggested it promoted sustainability simply because one of its brand's flagship events is a travel exhibition which hosted a Sustainable Tourism awards. Even more disappointingly easyJet, also the worst performer in the entire study, admonished any responsibility for promoting sustainable tourism, arguing it was an issue for relevant local authorities.

In summary, though a far from imperfect indicator, this study offers a novel categorisation of how companies communicate their offering as being sustainable or responsible. As well, this study provides important evidence that there is a lack of cohesion and very broad

[9] These companies had internal methodologies or criterias which classified certain product/service ranges as sustainable. Details of methodology were not clear presented within reports, although some referred readers to their websites.

interpretations of how companies frame their offering. All companies were interpreted as at least attempting to address the sustainability of their core activities. However only a few notably in manufacturing or retail quantified their efforts using the bottom line. Practices were largely descriptive or often failed to take a holistic look at the company.

Supply chain follow-up

The third KPI of *Follow-up*, *Supply chain follow-up*, was the most significant source of dropped points within the focus area. Moreover, when considered in tandem with the talk indicator *supplier code of conduct* (*4.3.3 Principled commitments*), it reveals the widest gap between two directly comparable talk/ walk indicators.

Among the few cases of good practice, Relx was very transparent on the outcomes of audits conducted. Equally Next, provided a detailed description of the audit process and checks undertaken. For the majority of companies, information remained general or hypothetical, or inexact, sticking to individual cases with positive outcomes. This included BAE, Royal Mail and Taylor Wimpy, all of whom referred to the use of third-party companies or certification tools (e.g. SEDEX and JOSCAR), but in doing so did not specify the extent or outcomes of audits conducted on their behalf. Aviva, Mondi and Rolls Royce, all provided a figure or percentage of suppliers that had been engaged with in some way, but all three cases there was no detail as to outcomes. It is fair to point out that this indicator was more prescriptive for allocating points than others in the focus area, but in the absence of meeting these conditions, few companies offered alternative measurable follow-up. CRH, were noted by the study to be one of the exceptional few that did not match the indicator requirements but offered extensive detail on its supply chain register and focus on suppliers by spend. Still, no points for them.

On the whole, this indicator reveals a clear evidence where companies are underperforming and could improve their approach to communicating in response.

Principled commitment follow-up

Findings from the remaining five indicators of *Follow-up* are considered with company examples below. As *Table 4-5* showed, in each case a significant majority of companies scored points. However aggregate performance was significantly lower when compared to the associated talk indicators discussed in *4.3.3 Principled Commitment*.

A point for demonstrable *Human rights policy follow-up* was awarded to 88% of companies - 10% lower than the number of companies that clearly discussed having a policy. Among the activities which companies cited as evidence of follow-up included reporting on training to a specified number of employees, a stated amount of human rights-specific audits, as well as stating the number of reported incidents of human rights violations. Notably, SLA actively published a 'thought leadership' paper on managing risks related to the issue. However, the most common practice observed by the study was for companies to refer to their publication of a Modern Slavery Statement. This was deemed sufficient for a point, so long as it was stated very clearly. The study accepts that heavy reliance on Statements by companies may show a narrow understanding of human rights, and in doing so, the number of points awarded for this indicator is likely much higher that it should be. As another example of fragmentation in S/CR reporting, just two companies, TUI and Carnival, actually appeared to integrate their full Modern Slavery Statement into their SR while most published it separately online. In the case of Carnival, a point was not actually awarded, because no measurable follow-up was presented in the company's statement – rather, it was a rehash of their company policy. Raising this example highlights a concern for the framework's general interpretation of the indicator, the reality is reporting of comprehensive *human rights policy follow-up* may be much lower among the sample.

Identifying *Health & safety follow-up* among companies showed much more consistent behaviour, whereby companies included data required by RIDDOR in the SR materials analysed – only in 15% of cases was a point not awarded as it was not identifiable. The influence of compliance also applied to *Environmental policy follow-up*, whereby all companies except G4S, communicated a GHG emissions statement clearly as required the Companies Act 2006 Regulations 2013. Assessing these two indicators revealed another widespread practice whereby companies presented one, or both, as a 'headline' non-financial KPI featured at the start of company strategic reports. It shows companies are prioritising these aspects alongside more conventional financial measures which shareholders and investors want at a glance e.g. turnover and price per share. Notwithstanding inclusion of these measures alone do not herald a transformation in sustainability attitudes. For example, a key word search for 'mental health' was also conducted within + *variables* in order to highlight an understanding of the need for a more holistic characterisation of employee well-being, beyond focussing physical health & safety. It revealed comparatively fewer companies - only 35 or just over 50% - made any form of reference to mental health. This suggests had the study required a more holistic follow-up to health & safety, aggregate performance would have been lower.

Regarding the *employee development* KPI, there was a more diverse range of activities which companies practice that demonstrated follow-up. The diversity is most likely because there's no clear standards or official guidelines aimed at promoting learning and development within the company. Overall 80% of companies demonstrated follow-up, compared with the finding that the entire sample of listed companies clearly *talked* about their commitment to staff (see *company culture, Table 4.3*).

Examples considered sufficient to earn a point included: companies publishing information on average spend per staff on training or resources; training days per person; total training hours; total spend on training; number of downloads for online courses and materials; number of employees engaged on a leadership development programme/ personal development assessments (albeit in some cases e.g. Smith & Nephew this seemed to focus on a very small number of senior staff). Kingfisher – the *20/20+* top performer – was also identified as having introduced specific sustainability training for all staff. In qualifying performance, the study recognises in some cases what companies constitute as training may be optimistic. For example, Persimmon provided a very impressive amount of training, over 10,600 days in 2017 - on average 2.3 days per employee. However, information as to how this was calculated was not included. Ultimately, the study awarded a point in this case but in doing so highlights a deeper issue i.e. the lack of transparency around methodologies which was rarely published within S/CR reports.

In contrast, a range of activities mentioned by companies in isolation were also judged as being insufficient for being allocated a point for *employee development*. This included companies often publishing their employee survey results but without any clear communication on what actions they've taken in response. The number of graduates and apprenticeships hired, total volunteering hours, access to shares, employee turnover, flexi-working, awards ceremonies, diversity activities, and maintaining relations with unions were also cited as examples. Examples of companies not earning a point include Shire, National Grid and Whitbread. Firstly, Shire, claimed lots of programmes were available to staff, but did not give any details as to how many staff had accessed them. National Grid focussed solely on equal opportunity activities and mental health - which are encouraging – but did not demonstrate a measurable holistic grasp of learning and development for employees. Thirdly, Whitbread discussed outlined their commitment to culture by simply publishing their gender pay gap statistics – a legal requirement.

Anti-corruption follow-up revealed a failure of almost a third of companies to communicate clear activity which supports their intention in *Principled commitments*. For the gap to have only been this narrow could be attributed for the scoring being lenient as discussed below. Generally, the range of activities which were highlighted were much less varied compared with indicators above. Examples of follow-up which earned a point included reporting the number of employees trained on the issue in the past year; or explicitly stating that no corruption was identified. Several companies including CCHBC, were also awarded a point for reporting on the number of cases which breached their code of conduct, where this included cases of corruption of bribery. In addition, SSE received a point for documenting in detail its compliance with the UN Global Compact. This was the exception as a number of companies which did refer to the UNGC, did so in name only. These judgements demonstrate the number of companies scoring a point for anti-corruption follow-up would be much lower had the benchmark required a more explicit detail.

In reviewing *principled commitments follow-up*, the study highlights a range of activities and measurables in most indicators which companies can draw lessons from to improve, as well as see practices to avoid. Legal compliance also appears as an enabling factor that help companies to score points. More generally by discussing the approach taken to scoring companies for each indicator, the study illustrates performance in the focus area has not been underestimated.

4.3.6 Top-level commitment

The final walk focus area of the framework comprises of three KPIs which help uncover the extent to which company leaderships are pursuing sustainability in practice. All three remain unchanged from the Misum study. *Table 4-8* outlines the indicators and allocation of points by percentage of companies, showing mixed performance. Assessing whether companies have a *Code of Conduct signed by the CEO* and (a relatively) equal *Gender balance on the Board* were both straightforward indicators to identify. *S/CR executive* was a slightly more difficult indicator to judge.

Table 4-8. 'Walk focus area 3: Top-level commitment breakdown'

KPI (Points)	**Description**	**Scores (proportion of companies)**	
		0	**1**
CoC signed by CEO (0-1)	Shows importance of document and accountability of top-level management.	30%	70%
S/CR Executive in Group Mgt (0-1)	Important to ensure an individual at top-level has responsibility and is level with other main organisational functions.	45%	55%
Gender balance on Board (0-1)	Progressive companies promote gender balance – Company Boards must have a 40-60% share.	89%	11%

Considering the former first, there was a clear practice for CEOs to do so. Through the coding process the study also observed another potential indicator to assess CEO engagement on S/CR, pay with performance. Data was not collected on this variable, but anecdotally a number of companies appeared to have attached non-financial or sustainability conditions to CEO remuneration.

Exploring the *S/CR executive* indicator, the study identified a clear practice of companies discussing sustainability/ corporate responsibility governance as part of or separately to company corporate governance statements - although in several cases details were deferred to the website. However, points were only awarded when responsibility for S/CR issues were explicitly allocated to a sponsor on the executive committee. This approach may have impacted scores because generally corporate governance statements appeared to place a greater emphasis on introducing Board members than listing executive members and their day-to-day responsibilities – sometimes even omitting them completely. In many cases the Chief Executive were identified as having overall responsibility (e.g. BAE, DCC, Diageo, DS Smith); meanwhile the Chief Financial Officer or General Counsel were also occasionally the sponsor (Next and WPP). In contrast several companies including BT, IAG, M&S, Morrisons and Smith & Nephew, did reference by name or by title the company head of sustainability, however it was not communicated clearly as to their relationship to the executive committee.

Turning to the final KPI, *Gender Balance* was lowest scoring within the *20/20+* framework. The significant gender disparity among company leaderships was often qualified with the commitment to improve it. In the same way companies almost in unison referenced the TCFD recommendations in *risk management*, the majority of companies communicated their support to a 30/70 balance referencing the Hampton Alexander Review (*Hampton-Alexander*, n.d.) as well as the 30% Club's CEO Campaign.[10] This highlights the significance of FTSE100 companies themselves as a collective - in addition to other institutional actors - in shaping sustainability (and reporting) standards.

4.3.7 Summarising Talk/ Walk breakdown

The review of talk/ walk indicators by focus area reveals common themes and lessons which all companies sampled (and beyond) can draw from. Indeed, focussing on overall performance of companies only tells half the story. By sharing in detail how indicators were interpreted, and points awarded, in addition to illustrating scores with good and bad examples, the study provides a thorough characterisation of the state of sustainability reporting of FTSE 100 companies.

Regarding talk, *Communicated S/CR* focus area shows *websites* have an integral role in communicating sustainability and hosts relevant additional information and materials which is sometimes omitted from company annual and S/CR reports. While in reports, forwards written by company *leaderships* and *corporate statements* do sometimes espouse S/CR as a priority but is not extensively done. In *Strategic direction*, the study finds only in a small minority of cases is S/CR not considered as part of *corporate strategies* or within *risk management.* But how intrinsic S/CR appeared to be in both indicators seems far more varied among the sample. At least all companies had a range of targets. In the final talk focus area, *Principled Commitment*, the practice of communicating S/CR-related policies and principles seems widely diffused.

In contrast walk focus areas showed much more disparate practices. *Reporting accountability* found a clear underutilisation of disclosure improving tools such as *external assurance* and *GRI*, as well as a trend for companies to exclude relevant material from S/CR reports even when they were used. *Stakeholder engagement* highlighted virtually all companies take a holistic approach, but the lack of uniformity in how this information was communicated made the indicator challenging to compare. The penultimate and largest of all focus areas, *Follow-up*,

[10] The 30% Club is an ongoing initiative launched in 2010 aimed at achieving a minimum of 30% on FTSE-boards. See: https://30percentclub.org/.

reveals a clear shortcoming across the majority of FTSE 100 companies sampled. There is a need for targets to be more measurable and look longer-term – the same also applies to communicating activities relating to their supply chain and other principles. Meanwhile, despite the challenges in scoring *Sustainability offerings* (or perhaps because of), there is a pressing case for companies to reflect better on how their offering validates sustainability. Currently just a handful of companies appeared to align their S/CR activities with their financial bottom line. The final focus area, *Top-level commitment,* underlines the impact of muddled communication as much as the state of ambition. In *S/CR executive*, sustainability governance was widely discussed but actual day-to-day responsibility was avoidably vague, making it a difficult indicator to even interpret. *Gender balance* was not hard to ascertain, but revealed companies setting a collective acceptable standard together.

More generally, this breakdown shows that had a less lenient interpretation of many indicators been applied, it is likely the gap between what companies say they will do, on sustainability issues (talk), and what they say they have done in response (walk), would be even wider.

5 Discussion

This chapter draws together the major findings to directly address the two RQs. In doing so, the significance of the findings and how they match existing studies is also explored. Importantly, implications of the findings, in terms of policy interventions and recommended actions for listed-companies are also outlined. Limitations are then critically presented before directions for future research are offered.

5.1 Addressing RQ1

To what extent does a gap exist between what leading UK companies say they will do on sustainability and corporate responsibility issues (talk) and what they say have done to address them (walk)?

In contributing a thorough characterisation of FTSE 100 corporate sustainability through reporting, this study finds a clear gap exists between what companies on average 'talk' and 'walk'. Only a few companies - 12% - were identified as 'walking the talk'. The lenience applied during the data analysis for scoring indicators (notably in the two walk focus areas, *Reporting accountability* and *Follow-up*) suggests the gap could be even wider. The gap is concerning as it shows a clear disjoint between communicated corporate intentions on sustainability and their activities. Improving the transparency and measurability of activities could help drive S/CR performance. Equally it would reduce the risk of pointed criticism for greenwashing. Until such time, the challenge issued by Gray (2006) for companies to show the data supporting their sustainable development remains relevant over a decade on.

While both the gap and the wide variance in talk/ walk performance is noteworthy, it should not come as a surprise. The original study by Misum found a similar - in fact slightly better - rate of underperformance, where 83% of listed-Swedish companies talk more than walk compared to 88% in this study.[11] The average gap expressed in both studies was also similar: 3.9 points in this study and 3 points in Misum. However, despite this study having a larger scoring scale and thus more points to gain or lose (20 vs Misum's 17), companies exhibited a much narrower standard deviation in both talk and walk points: talk 2.1 vs 3.7; walk 3.1 vs 4.3. This suggests that UK companies collectively are more institutionalised in reporting practices as result of the Code and other guidance. While the fact that walk deviation in both studies is wider signals that corporate governance policies are not systematically encouraging companies to demonstrate follow-up. Indeed, the only walk indicators where virtually all companies were allocated full points (e.g. *environmental policy* and *human rights policy follow-up*, 88%) this study could identify specific regulations that required a clear demonstration of activities or outcomes i.e. the Climate Change Act 2008 and Modern Slavery Act 2015. Beyond compliance, companies also performed more consistently where there was clear evidence of external or institutional pressure, for example, companies cited the TCFD initiative in *Risk management* and the 30% club or the Hampton Alexander Report in *Gender balance*. Such findings corroborate with importance of institutional pressures on companies, specifically coercive or regulative isomorphism (DiMaggio & Powell, 1983; Haque & Ntim, 2018)

Exploring sector performance, similar themes also emerged with Misum (2017) as well as other studies. This study's *Information & communication* grouping along with Misum's *Telecommunications* sector performed best in either study, exhibiting the narrowest gaps, while financial and

[11] It is important to restate caution when comparing the Misum (2017) findings with this study due to: 1) different year sampled; 2) different framework indicators; and 3) using a different sector classification, nevertheless there are lessons to draw.

consumer companies underperformed on average. Meanwhile, the fairly consistently poor *Mining & quarrying* grouping corroborates the Bini et al (2018) study of listed-mining companies, which observed a discrepancy between sustainability initiatives mentioned by companies and citing clear evidence of implementation. It also supports the (Fonseca et al., 2014) conclusion that a system generating meaningful and reliable reports among mining corporations is some way off.

As a result of this talk/ walk gap, it is appropriate to challenge and address the perception of the UK as a leader in SR. Through the emphasis placed on reporting standards, the UK may very well have achieved transparency on corporate strategy and governance, and the ability for this study to easily access and review such materials. However, the comparative lack of emphasis on sustainability and corporate responsibility has perhaps unsurprisingly failed so far to bridge the gap. Consequently, reporting on many S/CR elements remains passive, as is elaborated below.

5.2 Addressing RQ2

What is the rate of diffusion of sustainability reporting best practices among leading UK companies?

Minding the clear talk/ walk gap is not the only significant finding – the huge variance in performance across the FTSE 100, shows companies fall significantly below what this study considers as state-of-the-art. While a small number were identified as 'walking the talk', no company actually scored the maximum number of points in 'walk' which denotes best practice. Without wishing to overstate bad practices, in looking deeper into what this underperformance reveals the discussion below characterises SR in the UK under three common themes.

Underutilisation of important tools

First of all, sustainability reporting (SR) across the FTSE 100, can be as usefully characterised by what is lacking, as for what is included. *Reporting accountability* underlines that a significant number of companies have not yet adopted best practice measurement and accountability tools to strengthen communication (and corporate sustainability). The fact that only a third of companies appear to have loosely adopted integrated reporting contrasts with the assumption that the introduction of the strategic report (via the Companies Act 2006 Regulations 2013) would encourage widespread diffusion of the practice (Robertson & Samy, 2015). As yet, this has not happened.

It is fair to observe that the *20/20+* indicators are wide-ranging and thus certain tools may be more relevant for some sectors than others. For example, the utilisation of an environmental management system is more important for production industries; while anti-corruption measures are more important for financial services. While this may help justify some underutilisation among sectors, it does not explain away underperformance entirely. Furthermore, what is striking is where tools or practices such as *external assurance* and *stakeholder engagement* do appear to be used the extent and scoping over them in the materials analysed varies considerably. The same can be said for the presentation of the UN SDGs. It seems that companies rely on these tools' credibility being taken for granted by readers of SR. This validates Gürtürk & Hahn's (2016) conclusion that assurance statements do not give a full picture of the company and may even be greenwashing. In general, it is fair to assert that further action is needed to promote the diffusion and fuller disclosure of SR tools.

Fragmentation and omission of relevant information

Fuller disclosure in relation to tools is also justified when observing the fragmentation of reporting, where companies directed readers to other materials, usually on the website, for more details. This not only applied in instances around *GRI* and *assurance* but also in regard to *follow-up* of targets or commitments e.g. modern slavery statements. As such, highly-relevant information fell outside of the scope of this study. This extends (Robertson & Samy, 2015) and their concern that the lack of linkages within SR limits its usefulness (as a unit of analysis) to assess an organisation's performance. Consequently, the increased use of websites for dispersing information appears to be undermining accountability rather strengthening it.

This study argues that the dispersal of relevant information within SR, is not only due to better use of websites, but also an effect of the (over)reliance of third-parties and benchmarks to authenticate activities on companies' behalves. Collectively, at least 80 different initiatives were recorded by the study which accredited or benchmarked company activities/ disclosures. This shows the saturation of third-parties as well as their continuing significance within FTSE100 SR practices as highlighted by (Hammond & Miles, 2004).

However, the bigger issue, is the lack of transparency around companies' referencing them. Only in relation to two initiatives, explicitly mentioned by a handful of companies (CDP and UNGC), did companies share meaningful information about their performance within the initiative. For the majority of other initiatives, companies only namedropped where they had received endorsement. This includes companies' communication of the FTSE4Good, which this study also found was a common association with both high and low talk/ walk performers. Consequently, within SR, there is a need for companies and third-parties involved in benchmarking S/CR activities to be more transparent about their contribution. Within existing practices questions over their rigour highlighted by Thijssens et al. (2016) remain pertinent. As a guiding hand, this study's identification of critical friend statements (*4.3.4 Reporting Accountability, Stakeholder engagement*) published by a select few companies, could be point of reference for all benchmarks.

Descriptive not measurable

Another key theme that affected talk/ walk performance, was the failure for companies to provide measurable, quantitative follow-up. Across a number of important walk indicators in the *Follow-up* focus area especially, companies tended to describe activities rather than demonstrably quantify them. Without explicit and verifiable data, interpreting the efficacy of many S/CR contributions is at best anecdotal and at worst flawed. This matter is mirrored in other countries (Dissanayake et al., 2016; Morioka & de Carvalho, 2016) as well as other FTSE 100 research (Haque & Ntim, 2018) focussed on outcomes, where "firms tend to symbolically conform to… reporting guidelines by demonstrating superior process-oriented carbon performance, without necessarily improving substantively." The lack of data presented around the utilisation of SDGs, as well as the clear lack of targets that reach 2030, is also particularly stark.

This lack of measurable data ties in closely with another related, characterising theme; whether SR is supplementary or embedded within day-to-day company activities. While not as explicitly as Thijssens et al.'s (2016) distinction of decoupled ('improvisers' & 'reporters') and integrated ('reformers' & 'performers') sustainability types, this study's *20/20+* framework does implicitly reveal a general lack of 'embeddedness' across the FTSE 100 – or at least repeated failure to articulate it empirically. By looking at attributes that could signal an integrated focus, in every case, the majority of companies dropped points. That is despite virtually all companies referencing S/CR as a driving factor for them. Only a minority of companies demonstrated a joined-up approach in *Leadership commitments*, with just one in five mentioning a specific *S/CR strategy* approach to show how inherent it was to their mission. *Defined target follow-up* revealed less than half had an S/CR goal reaching to at least 2025.

Moreover, although *Sustainability offering*, may be too simplistic or reductive, this study did find companies often framed their S/CR activities as contributing value – but rarely in a quantified or measurable way with reference to company turnover.

5.3 Qualifying the talk/ walk characterisation

By highlighting a gap (RQ1) and presenting a characterisation of FTSE 100 S/CR practices (RQ2), this study raises several clinical implications. However before discussing these, it is valuable to reflect on the findings more critically and suppose further explanations of scores.

Firstly, it is critical to reemphasise that this research is *not* an assessment of how sustainable companies are ultimately. Rather, it is an assessment of how effectively companies communicate their sustainability work. Indeed, there were notable examples whereby companies appeared to exhibit impressive sustainability strategies e.g. Unilever, Pearson and Tesco but did not appear to quantify or communicate them concisely through the material analysed in line with the *20/20+* model used. Despite this distinction, scores should still be viewed as an important signal or indicator of corporate sustainability, because 'better' reporting enables - and is the product of – robust and systematic planning and measuring.

It may also be worth noting that while the majority of companies did not state stretching targets towards 2030, in reaching to 2020, some companies are nearing the end of existing strategies. It may be only at this point, with new strategies are under review and the direction of travel is even clearer, that companies begin to take a longer view.

5.4 Implications for business and policy

As observed in (Morioka & de Carvalho, 2016), while (aspects of) sustainability reporting are routinely empirically criticised there are often shortcomings in academic articles when reviewing the relevance of their findings. Through grounding this study in the regulation underpinning corporate and sustainability reporting, a pragmatic course for policy-makers and businesses themselves is set out below.

In regard to policy, the current direction of travel towards requiring greater non-financial disclosure is essential and the latest revisions to the Corporate Governance Code by the Financial Reporting Council (FRC) this year are encouraging. Using this study as a benchmark, it will be important to track how new requirements around disclosing board engagement with stakeholders may influence S/CR reporting. Moreover, the promotion of integrated reporting practices with FRC guidance on the strategic report may also help diffusion of the practice. However, while the motives behind reforms such as transparency, long-term thinking and accountability, all strengthen the case for greater sustainability disclosures, sustainability remains an indirect consequence rather than the overriding objective. In doing so, policy-makers and the regulator are failing to grasp the potential, if not the necessity, of fully embedding social and environmental value creation into reporting. Until such time a heavy-reliance on third-parties promoting sustainability will continue. And given the limited impact FTSE4Good and SDGs appear to have on communications, a talk/ walk gap will likely remain.

To resolve this, and based on the findings, this study recommends a change in paradigm in corporate reporting standards and echoes calls for developing a clear framework for substantive sustainability reporting within strategic reports (Bini et al., 2018) and directors reports. This could involve widening the FRC's mission to specifically include auditing and enforcement of sustainability. Meanwhile, specific provisions for an integrated framework could involve disclosing the company's sustainability governance structure; a specific sustainability risk register; an S/CR-stakeholder materiality matrix; and a clear requirement for external assurance on S/CR reports. This would also be an opportunity to introduce explicit and verifiable sustainability targets for industries (Haque & Ntim, 2018) – this approach would at least strengthen the UK's alignment to the UN SDGs. In pursuit of the required disclosure of information on non-financial aspects and principles, companies could benefit from guidance on accepted measures to demonstrate progress e.g. number of supply chain audits. Observing the need to thoughtfully encourage the right sort of regulatory framework based on proper data (Moody-Stuart, 2006), these recommendations are not overly burdensome, and largely exist among FTSE 100 companies – a fact which is also important when considering the external validity of these findings. There is no reason why Government and regulators should not more actively promote the diffusion of best practices.

As well as taking proactive steps on the items above, the study offers FTSE 100 companies, other businesses and sustainability stakeholders, further proposals that arguably transcend communications. On targets, many companies are facing a critical turning point as current sustainability strategies expire in 2020. This study has flagged this as an opportunity for policy-makers, advocacy groups and customers to urge for bold, long-term programmes with visions to 2030, and towards 2050. As part of these visions, actions and target-setting should be holistic rather than focus on selected environmental factors. There is also need for a clear elaboration of how targets are set, and the stakeholders involved as well as the presentation of measurable progress towards targets presented in a grid format. Given that virtually all companies seem to make concerted statements to argue their company offering is sustainable or responsible, companies can draw on this study's characterisation of offerings. This will help companies themselves and their communications provide a more objective perspective on how S/CR fits into their wider activities (and sales) – as Johnson Mathey's use of SDGs demonstrated.

More generally, the worth of characterising sustainability communications highlights the limitations of trying to assess the impact of tangible corporate sustainability measures communicated through reporting. It shows that beyond laborious and time-intensive studies (such as this one) there is little in the way of datasets on corporate activities which are freely available (Crilly et al., 2016a). Steps to make data more readily available from third-parties such as FTSE Russell and CDP would democratise corporate sustainability accountability – and strengthen public trust.

5.5 Limitations

While these important implications are based on a thorough and robust research approach, there are methodological limitations which should be acknowledged. They relate firstly to the choices taken by the author, and to circumstance.

In terms of choices made, while the material collected for analysis (corporate reports and websites) is well-established in the literature, the fact that the study observed a practice of fragmentation or deferral of information, means relevant information may have been excluded. The focus on FTSE 100 companies also meant the study overlooked activities undertaken by different brands owned by large corporations which may have independent operations, and approaches to sustainability e.g. the different airlines under IAG; or Primark vs food brands under Associated British Food. However, this highlights a lack of oversight by the corporate leadership to ensure activities are as efficient and effective as possible.

This moves us to considering limitations around the choice of sample. As justified in *1.4* and *3.2*, FTSE 100 companies are a relevant sample given their focus within regulation, as well as their controlling share of UK market capitalisation. The study successfully included two-thirds by revenue, by far the largest sample of UK companies in an empirical study covering as many different aspects of sustainability reporting. While this is significant, it does not consider private companies or small/ medium sized businesses and so findings do not reflect on these. Choices made during the actual analysis must also be highlighted, as subjectivity was inherent to the approach taken, to allocate points based on indicator descriptions. Wherever this was the case, this study has endeavoured to qualify choices.

Going forwards, this study principally highlights three indicators worthy of reassessment. *Sustainability offerings*, as an entirely inductive indicator along with the subsequent groupings, could benefit from a clearer and more robust definition and method of analysis. Meanwhile the use of *Gender balance* and *CEO signing of the Code of Conduct*, could be revised to consider top-level commitment more acutely. Based on observations, the existence of a CSR-specific board-level committee as well as S/CR performance linked executive pay could be worthy new indicators.

Regarding circumstance, due to a number of indicators collected for +variables (*Appendix IV*), the analysis in *4.2* was more qualitative then quantitative. The author would have preferred a more thorough statistical analysis, but unfortunately data gaps existed for some companies without explanation. Another issue of circumstance is that this study has not yet been able to seek follow-up with case companies. In Misum's (2017) project, ten out of eighty-nine companies received minor score revisions, after researchers were deemed to have mis-scored. However, as indicated in *2. Research approach*, this study did adopt several additional remedial measures to improve measurement validity, including the lenient approach referred to throughout.

5.6 Shaping the research agenda

Based on the findings and implications as well as the identified limitations, this study justifies further research relating to corporate sustainability reporting. Numerous avenues should be pursued.

Firstly, despite the subjective nature of the analytical framework itself, the *20/20+* model reveals valuable SR characteristics. It not only scores and benchmarks companies, but successfully reveals best practices and common themes. The inductive categorisation of company offerings is also an important element. As a result, this study can provide a first benchmark for a longitudinal study to explore progress and the (hopefully) the shifting character of SR in the UK, with or without the prescribed policy interventions. Otherwise, the broad framework approach could be applied to a different cross-sectional sample of companies.

Secondly, this characterisation highlights a number of effective practices and worthy case studies deserving deeper analysis. This includes looking at GlaxoSmithKline and Kingfisher as top performers, or innovative communicators such as Johnson Mathey to better understand how they evaluate the sustainability of their products. Equally understanding the internal barriers among underperforming companies especially those not using reporting tools would be worthwhile (Thijssens et al., 2016).

Thirdly, there is a case for researchers to explore the impact or potential of specific SR phenomena which this study could not interrogate in detail. Two of the most notable are the role of websites and the practice of pay with SR performance. In regard to websites; the fragmentation or dispersal of information from SR to websites runs at the same time yet possibly contradictory to, the need for more integrated reporting. A transition to websites is encouraging, SR online would after all be more accessible and quicker to access. However, the fluidity of web content as well as the lack of chronology could leave SR more difficult to navigate, assess and measure. Regarding pay and performance, this area is a clear focus in corporate reporting reforms with the need for pay and bonuses to be more critically justified. Although not a focus, this study's coding process did observe the use of non-financial KPIs as a determinant of performance in a number of companies. Understanding this phenomenon better, could help shape corporate governance and the better integration of corporate sustainability. Haque & Ntim (2018) found evidence that linking executive pay with ESG conditions helped alignment.

Fourth, as observed, this study looks at the communication of, not the evaluation of, sustainability/ corporate responsibility – or otherwise stated: intentions and activities but not outcomes of S/CR. This study supports the existing research (Dissanayake et al., 2016; Morioka & de Carvalho, 2016) urging for more thorough reviews of defined targets and KPIs. This should involve the setting and scoping of targets, and their alignment to, and success in contributing to, wider societal goals.

6 Conclusion

This study sought to contribute to existing knowledge by offering a characterisation of the sustainability and corporate responsibility (S/CR) communications of leading UK companies. This was intended to fill a research gap involving three inter-related problems: a) the fact the UK is perceived as a leader in sustainability reporting (SR), despite no thorough cross-sectoral academic characterisation existing conclusively defining it as so; b) there is a lack of research assessing the diffusion of best practices in SR across leading companies, as well as how companies align to societal goals; and c) the fact that there is no settled analytical framework which best characterises, and by which to interpret and rate SR. Consequently, this study aimed to identify a gap between what companies say they *will do* on S/CR (talk) and what they say they *have done* (walk) (RQ1). Through doing so, the study also aimed to determine the rate of diffusion of SR best practices are among leading companies, as listed on the FTSE 100 index (RQ2). To achieve these objectives the study developed and finessed the '*20/20+*' talk/ walk scoring model, based on a framework applied by the Mistra Center for Sustainable Markets (Misum 2015; 2017). Points were awarded to the model through a content analysis of publicly available key SR materials, as well as the corporate website and code of conduct, of the top two-thirds (by revenue) of FTSE 100 companies.

A significant gap exists between what the majority of companies say they will do (talk) and what they say they have done (walk). The study reveals companies on average scored 16.5 out of 20 points in talk indicators, and only 12.6 out of 20 points in walk indicators – a negative gap of 3.9 points (RQ1). Only eight companies across the sample 'walked the talk.' The research also reveals a significant variation in sustainability practices overall, as well as among and within sectors. No sector collectively 'walked the talk', but most sectors exhibited clear 'leader' and 'laggard' companies. The further comparison of talk/ walk performance with several supposed institutional drivers of SR, collected as +variables, do not appear to impact the discrepancy between talk and walk or guarantee better performance. While better performers in the study were more likely to be associated with the FTSE's own ethical reporting index, the FTSE4Good, there were a significant number of underperformers also gaining legitimacy from these tools. The same applies to the inclusion of the UN SDGs within SR. The wildly-varying, scattered approach and seemingly superficial alignment with company objectives shows the use in communications is still in its infancy. The limited detail and comparability of all the + variables in the presentation of SR is also finding in itself.

A further thorough outlining of company performance by each talk/ walk element of the *20/20+* scoring model strengthens the measurement validity of this study, and as well shows the fairly lenient approach taken may have prevented the talk/ walk gap being even wider. This also allowed the study to further emphasise the variation of communicated S/CR practices across the FTSE 100, which included the tailoring of a four-tiered classification for how companies claim their products/ services are 'sustainable' (poor, general, selective and embedded). Drawing on these findings, the study determined that SR best practices have not diffused significantly (RQ2). And as such FTSE 100 companies' S/CR communications can be characterised by three interlinked themes. These are: 1) a clear underutilisation of SR enhancing tools; 2) the fragmentation and omission of relevant S/CR information; and 3) a tendency to be descriptive rather than measurable. As such, leading companies are - on aggregate - missing opportunities to reap strategic benefits associated with quality sustainability reporting.

These results correspond with earlier studies that have shown a gap between communicated S/CR intentions and activities or have demonstrated one within a dated, different or smaller sample (Aras & Crowther, 2009; Bini et al., 2018; Misum, 2017). Findings also support conclusions that SR continues to only have limited use in understanding how S/CR activities and outcomes truly impact society, as well as how integrated they are within core strategies (Hahn & Kühnen, 2013; Morioka & de Carvalho, 2016; Robertson & Samy, 2015).

The findings bear significant implications for businesses as well as policy-makers. They highlight to the companies sampled and beyond, clear steps which can be pursued to improve transparency and measurability to better demonstrate follow-up should they wish to reap the strategic benefits which quality reporting offers. Moreover, companies need to not only improve disclosures about their internal governance of S/CR, but look further to set bold, long-term S/CR programmes stretching to 2030 and beyond. It is also worth restating that the array of approaches to communications among the top talk/ walk performers reveals that there is no single template in which companies can follow, and many innovative ways of communicating different items did emerge. This is no doubt an effect of the voluntary disclosures, but so too is the much wider underperformance observed. As such, this study vindicates policy-makers for recent corporate reporting reforms but further, bolder action is needed. As opposed to just championing integration in voluntary guidance, there should be a clear framework requiring substantive sustainability reporting integrated in company annual reports. This could involve disclosures on sustainability governance, risks and a stakeholder materiality analysis/matrix. To close the talk/ walk gap, companies could also benefit from guidance on common measures which demonstrate follow-up e.g. number of supply chain audits. As with the existing 'comply or explain' approach to wider corporate governance, such proposals would not actively require companies to engage in additional practices, only require them to explain where such measures were not available. More generally, there is a critical gap for policy-makers to fill in encouraging the diffusion of best practices, which so far, voluntary disclosure and third-parties have not successfully achieved.

In offering these recommendations, the author also contributes to the SR research agenda. The *20/20+* framework proved effective and indicative of SR best practice as well as shed light on a talk/ walk gap. Given the high-level of institutional pressure for transparency, it may be fair to draw conclusions that a talk/ walk gap is a general feature of SR in other countries and economies. Similar studies (Dissanayake et al., 2016; Misum, 2017) would support this. There is merit in corroborating this, through applying this study's framework - or a further enhanced version - to other, cross-sectional, cross-regulatory samples. This study's benchmarking of companies also serves as a rich catalogue of reference points to direct deeper cases studies into the efficacy of S/CR activities and outcomes, or other trends characterising SR. Future studies could review the internal processes of top and bottom talk/ walk performers as well as focus specifically on the quality and effectiveness of company S/CR targets. This research has touched on other trends, warranting further exploration, namely the prevalent role of web content as a standalone element of SR, as well as more generally understanding the use of S/CR activities as determinant(s) for executive pay.

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Appendix I - FTSE 100 index constituents by revenue & industry

#	Company name	Revenue (£ 000)	NACE Rev. 2 code	Industry
1.	ROYAL DUTCH SHELL PLC	230,639,000	0610	Mining and quarrying
2.	BP P.L.C.	180,877,000	0610	Mining and quarrying
3.	GLENCORE PLC	151,957,000	0899	Mining and quarrying
4.	HSBC HOLDINGS PLC	58,894,394	6411	Financial and insurance
5.	TESCO PLC	55,917,000	4711	Wholesale and retail trade
6.	UNILEVER PLC	47,751,000	4690	Wholesale and retail trade
7.	VODAFONE GROUP PUBLIC LIMITED COMPANY	40,653,000	6190	Information and communication
8.	LLOYDS BANKING GROUP PLC	38,718,000	6411	Financial and insurance
9.	PRUDENTIAL PUBLIC LIMITED COMPANY	36,961,000	6619	Financial and insurance
10.	IMPERIAL BRANDS PLC	30,247,000	1200	Manufacturing
11.	GLAXOSMITHKLINE PLC	30,186,000	2110	Manufacturing
12.	RIO TINTO PLC	29,604,000	0899	Mining and quarrying
13.	BHP BILLITON PLC	29,461,000	0899	Mining and quarrying
14.	SSE PLC	29,037,900	8413	Public administration and defence
15.	CENTRICA PLC	28,023,000	3522	Electricity, gas, steam and air conditioning supply
16.	BARCLAYS PLC	26,799,000	6411	Financial and insurance
17.	J SAINSBURY PLC	26,224,000	4711	Wholesale and retail trade
18.	AVIVA PLC	25,224,000	6512	Financial and insurance
19.	BT GROUP PLC	24,062,000	6190	Information and communication
20.	COMPASS GROUP PLC	22,568,000	5621	Accommodation and food service activities
21.	CRH PUBLIC LIMITED COMPANY	22,385,615	6420	Financial and insurance
22.	INTERNATIONAL CONSOLIDATED AIRLINES GROUP	20,421,000	5110	Transportation and storage
23.	BRITISH AMERICAN TOBACCO P.L.C.	20,292,000	1200	Manufacturing
24.	ANGLO AMERICAN PLC	19,408,000	0899	Mining and quarrying
25.	STANDARD LIFE ABERDEEN PLC	18,729,000	6621	Financial and insurance
26.	BAE SYSTEMS PLC	18,322,000	3030	Manufacturing
27.	DIAGEO PLC	18,114,000	1101	Manufacturing
28.	WM MORRISON SUPERMARKETS P L C	17,262,000	4711	Wholesale and retail trade
29.	ASTRAZENECA PLC	16,614,000	2110	Manufacturing
30.	TUI AG	16,341,915	7911	Administrative and support services
31.	ROLLS-ROYCE HOLDINGS PLC	16,307,000	3030	Manufacturing
32.	STANDARD CHARTERED PLC	15,979,899	6419	Financial and insurance

33.	THE ROYAL BANK OF SCOTLAND GROUP PLC	15,572,000	6411	Financial and insurance
34.	ASSOCIATED BRITISH FOODS PLC	15,357,000	4639	Wholesale and retail trade
35.	WPP PLC	15,265,400	7311	Professional, scientific and technical activities
36.	FERGUSON PLC	15,224,000	4674	Wholesale and retail trade
37.	NATIONAL GRID PLC	15,035,000	4671	Wholesale and retail trade
38.	CARNIVAL PLC	12,965,000	5010	Transportation and storage
39.	SKY PLC	12,916,000	6010	Information and communication
40.	DCC PUBLIC LIMITED COMPANY	12,342,300	6420	Financial and insurance
41.	JOHNSON MATTHEY PLC	12,031,000	2441	Manufacturing
42.	RECKITT BENCKISER GROUP PLC	11,512,000	1722	Manufacturing
43.	KINGFISHER PLC	11,225,000	4752	Wholesale and retail trade
44.	SHIRE PLC	11,211,803	2120	Manufacturing
45.	MARKS AND SPENCER GROUP P.L.C.	10,622,000	4719	Wholesale and retail trade
46.	ROYAL MAIL PLC	9,776,000	5310	Transportation and storage
47.	BUNZL PUBLIC LIMITED COMPANY	8,580,900	5224	Transportation and storage
48.	EVRAZ PLC	8,007,000	2410	Manufacturing
49.	G4S PLC	7,828,000	8010	Administrative and support services
50.	SMURFIT KAPPA GROUP PLC	7,599,748	6420	Financial and insurance
51.	RELX PLC	7,355,000	5814	Information and communication
52.	RSA INSURANCE GROUP PLC	6,605,000	6621	Financial and insurance
53.	MONDI PLC	6,308,000	1721	Manufacturing
54.	LEGAL & GENERAL GROUP PLC	6,051,000	6512	Financial and insurance
55.	COCA-COLA HBC AG	5,797,849	2893	Manufacturing
56.	EASYJET PLC	5,047,000	5110	Transportation and storage
57.	DS SMITH PLC	4,781,000	4778	Wholesale and retail trade
58.	BARRATT DEVELOPMENTS P L C	4,650,200	4120	Construction
59.	PEARSON PLC	4,513,000	5819	Information and communication
60.	NEXT PLC	4,055,500	4642	Wholesale and retail trade
61.	TAYLOR WIMPEY PLC	3,965,200	4120	Construction
62.	OLD MUTUAL PUBLIC LIMITED COMPANY*	3,834,000	6499	Financial and insurance
63.	SMITH & NEPHEW PLC	3,524,000	2110	Manufacturing
64.	ANTOFAGASTA PLC	3,512,350	0899	Mining and quarrying
65.	EXPERIAN PLC	3,459,000	8299	Administrative and support services
66.	PERSIMMON PUBLIC LIMITED COMPANY	3,422,300	4110	Construction
67.	WHITBREAD PLC	3,295,100	5510	Accommodation and food service activities

**Not included in the study, due to lack of comparability*

Appendix II – Study sample with data sources and gaps

Companies (by revenue)	Annual Report	Sustainability/ Corporate Responsibility (S/CR) Report	Website	Code of conduct	Accessed (2018)
ROYAL DUTCH SHELL	https://reports.shell.com/annual-report/2017/	Not available	https://www.shell.com/sustainability.html	https://www.shell.com/promos/code-of-conduct-english/_jcr_content.stream/1519787681925/7244ccb63d094acac56f9ee1b8305aaf0a728a605803121504ef4bceb12fec27/codeofconduct-english-2015.pdf?	06-Jun
BP	https://www.bp.com/en/global/corporate/media/reports-and-publications.html	https://www.bp.com/content/dam/bp/en/corporate/pdf/investors/bp-annual-report-and-form-20f-2017.pdf	https://www.bp.com/en/global/corporate/sustainability.html	https://www.bp.com/content/dam/bp/pdf/about-bp/code-of-conduct/bp-code-of-conduct-english.pdf	06-Jun
GLENCORE	http://www.glencore.com/investors/reports-results/report-archive	http://www.glencore.com/sustainability/reports-and-presentations	http://www.glencore.com/sustainability	http://www.glencore.com/who-we-are/governance	07-Jun
HSBC HOLDINGS	https://www.hsbc.com/investor-relations/group-results-and-reporting/annual-report	"We provide an update on sustainability in our Strategic Report 2017 and Annual Report and Accounts 2017 and on the sustainability pages of this website." https://www.hsbc.com/our-approach/measuring-our-impact	https://www.hsbc.com/our-approach/sustainability?WT.ac=HGHQ_f2.4_On	https://www.hsbc.com/our-approach/risk-and-responsibility/our-conduct	07-Jun
TESCO	https://www.tescoplc.com/media/474793/tesco_ar_2018.pdf	https://www.tescoplc.com/media/468161/little-helps-plan_online.pdf	https://www.tescoplc.com/little-helps-plan/	https://www.tescoplc.com/media/1239/tesco-code-of-business-conduct-2018.pdf	13-Jun
UNILEVER	https://www.unilever.com/investor-relations/annual-report-and-accounts/	Integrated	https://www.unilever.com/sustainable-living/	https://www.unilever.com/Images/code-of-business-principles-and-code-policies_tcm244-409220_en.pdf	13-Jun
VODAFONE GROUP	https://www.vodafone.com/content/annualreport/annual_report18/index.html	http://www.vodafone.com/content/dam/vodafone-	http://www.vodafone.com/content/index/about/sustainability/index.html	http://www.vodafone.com/content/index/about/conduct.html	13-Jun

		images/sustainability/downloads/sustainablebusiness2018.pdf			
LLOYDS BANKING GROUP	http://www.lloydsbankinggroup.com/globalassets/documents/investors/2017/2017_lbg_annual_report_v3.pdf	http://www.lloydsbankinggroup.com/our-group/responsible-business/	http://www.lloydsbankinggroup.com/our-group/responsible-business/	http://www.lloydsbankinggroup.com/globalassets/our-group/responsible-business/helping-britain-prosper-plan/2018-21_2-lbg_code_of_responsibility_external.pdf	14-Jun
PRUDENTIAL	http://www.prudential.co.uk/investors/reports/reports/2017	http://www.prudential.co.uk/~/media/Files/P/Prudential-V2/reports/2017/esg-report-2017.pdf	http://www.prudential.co.uk/responsibility	http://www.prudential.co.uk/investors/governance-and-policies/code-of-business-conduct	14-Jun
IMPERIAL BRANDS	http://www.imperialbrandsplc.com/Investors/Annual-report-accounts.html	http://www.imperialbrandsplc.com/content/dam/imperial-brands/corporate/responsibility/approach-and-performance/Sustainability_Report_2017.pdf.downloadasset.pdf	http://www.imperialbrandsplc.com/responsibility.html	https://www.gsk.com/media/4800/english-code-of-conduct.pdf	14-Jun
GLAXOSMITHKLINE	https://www.gsk.com/media/4751/annual-report.pdf	https://www.gsk.com/media/4756/responsible-business-supplement-2017.pdf	https://www.gsk.com/en-gb/responsibility/		
RIO TINTO	http://www.riotinto.com/documents/RT_2017_Annual_Report.pdf	http://www.riotinto.com/documents/RT_SD2017.pdf	http://www.riotinto.com/our-commitment-107.aspx	http://www.riotinto.com/documents/RT_The_way_we_work_EN.pdf; http://www.riotinto.com/ourcommitment/publications-policies-10273.aspx	07-Jun
BHP BILLITON	https://www.bhp.com/-/media/documents/investors/annual-reports/2017/bhpannualreport2017.pdf	https://www.bhp.com/-/media/documents/investors/annual-reports/2017/bhpsustainabilityreport2017.pdf	https://www.bhp.com/community; https://www.bhp.com/environment	https://www.bhp.com/-/media/bhp/documents/aboutus/ourcompany/code-of-business-conduct/160310_codeofbusinessconduct_english.pdf?la=en	18-Jun
SSE	http://sse.com/media/522419/SSE-plc-Annual-Report-2018.pdf	http://sse.com/media/522476/SSE-plc-Sustainability-Report-2018.pdf	http://sse.com/beingresponsible/	http://sse.com/media/454977/Doing-the-right-thing_FINAL_Web.pdf	18-Jun

CENTRICA	https://www.centrica.com/investors/financial-reporting/2017-annual-report	No individual report	https://www.centrica.com/responsibility/our-performance/reports-data	https://www.centrica.com/sites/default/files/responsibility/our_code_screen_rgb_s_lr_r14.pdf	18-Jun
BARCLAYS	https://www.home.barclays/content/dam/barclayspublic/docs/InvestorRelations/AnnualReports/AR2017/Barclays%20PLC%20Annual%20Report%202017.pdf	https://www.home.barclays/content/dam/barclayspublic/docs/InvestorRelations/AnnualReports/AR2017/Barclays%20PLC%20ESG%20Report%202017.pdf	https://www.home.barclays/citizenship.html	https://www.home.barclays/content/dam/barclayspublic/docs/Citizenship/BAR_TheBarclaysWay%20final.pdf	18-Jun
J SAINSBURY	http://www.j-sainsbury.co.uk/~/media/Files/S/Sainsburys/documents/reports-and-presentations/annual-reports/sainsburys-ar-2018-full-report.pdf	No individual report	http://www.j-sainsbury.co.uk/making-a-difference/our-values	Not observed: https://www.about.sainsburys.co.uk/making-a-difference/our-values/reports-policies-and-standards#2018	18-Jun
AVIVA	https://www.aviva.com/investors/reports	https://www.aviva.com/investors/reports	https://www.aviva.com/social-purpose/	https://www.aviva.com/social-purpose/policies/	19-Jun
BT GROUP	https://www.btplc.com/Sharesandperformance/Annualreportandreview/Downloadcentre/index.htm	https://www.btplc.com/Purposefulbusiness/Deliveringourpurpose/index.htm	https://www.btplc.com/Purposefulbusiness/	https://www.btplc.com/TheWayWeWork/index.htm	19-Jun
COMPASS GROUP	https://www.compass-group.com/content/dam/compass-group/corporate/Investors/Annual-reports/Compass_Annual_Report_2017.pdf	https://www.compass-group.com/content/dam/compass-group/corporate/Acting-responsibly/Compass%20Group%202017%20CR%20Report.pdf	https://www.compass-group.com/en/acting-responsibly.html	https://www.compass-group.com/content/dam/compass-group/corporate/Who-we-are/Policies/Compass_Group_Code_of_Ethics.pdf	19-Jun
CRH	http://www.crh.com/docs/reports-and-presentations-2017/2017-annual-report-20-f.pdf?sfvrsn=4	http://www.crh.com/docs/sustainability-2017/crh-2017-sustainability-report.pdf	http://www.crh.com/sustainability	http://www.crh.com/docs/code-of-conduct/2014-cobc_irish_singles_hires.pdf?sfvrsn=2	20-Jun
IAG	http://www.iairgroup.com/phoenix.zhtml?c=240949&p=irol-reportsannual	No individual report	http://www.iairgroup.com/phoenix.zhtml?c=240949&p=responsibility	Not identified: http://www.iairgroup.com/phoenix.zhtml?c=240949&p=irol-policy	20-Jun

BRITISH AMERICAN TOBACCO	http://www.bat.com/group/sites/UK__9D9KCY.nsf/vwPagesWebLive/DOAWWGJT/$file/Annual_Report_and_Form_20-F_2017.pdf	http://www.bat.com/group/sites/UK__9D9KCY.nsf/vwPagesWebLive/DOAWWEKR/$file/Sustainability_Report_2017.pdf	http://www.bat.com/group/sites/uk__9d9kcy.nsf/vwPagesWebLive/DO52AD7G	http://www.bat.com/group/sites/uk__9d9kcy.nsf/vwPagesWebLive/DO9EAMHQ/$FILE/medMD9G7LTW.pdf?openelement	20-Jun
ANGLO AMERICAN	http://www.angloamerican.com/~/media/Files/A/Anglo-American-PLC-V2/documents/annual-updates-2018/aa-annual-report-2017.pdf	http://www.angloamerican.com/~/media/Files/A/Anglo-American-PLC-V2/documents/annual-updates-2018/aa-sustainability-report-2017.pdf	http://www.angloamerican.com/futuresmart/our-world/communities/our-blueprint-for-the-future-of-sustainable-mining	http://www.angloamerican.com/~/media/Files/A/Anglo-American-PLC-V2/documents/approach-and-policies/sustainability/our-code-of-conduct-english.pdf	20-Jun
STANDARD LIFE ABERDEEN	https://www.standardlifeaberdeen.com/__data/assets/pdf_file/0022/15853/Code_of_Conduct_1217indd_EXTERNAL.pdf	https://www.standardlifeaberdeen.com/__data/assets/pdf_file/0015/19140/Corporate_Sustainability_Stewardship_Report_2017.pdf	https://www.standardlifeaberdeen.com/corporate-stewardship-and-sustainability	https://www.standardlifeaberdeen.com/__data/assets/pdf_file/0022/15853/Code_of_Conduct_1217indd_EXTERNAL.pdf	20-Jun
BAE SYSTEMS	https://www.baesystems.com/en/our-company/corporate-responsibility	https://www.baesystems.com/en/our-company/corporate-responsibility	https://www.baesystems.com/en/our-company/corporate-responsibility	https://www.baesystems.com/en/our-company/corporate-responsibility/trust-and-integrity/code-of-conduct	27-Jun
DIAGEO	https://www.diageo.com/PR1346/aws/media/3945/diageo-2017-annual-report.pdf	https://www.diageo.com/PR1346/aws/media/3944/diageo-2017-sustainability-and-responsibility-performance-addendum.pdf	https://www.diageo.com/en/in-society/	https://www.diageo.com/PR1346/aws/media/1202/a4_code_of_conduct_hr.pdf	27-Jun
WM MORRISON SUPERMARKETS	https://www.morrisons-corporate.com/annual-report-2018/static/downloads/Morrisons_AR_2017_Web_Full.pdf	https://www.morrisons-corporate.com/Global/corporate/Morrisons_CR_Report_2018.pdf	https://www.morrisons-corporate.com/cr/	Not identified	27-Jun
ASTRAZENECA	https://www.astrazeneca.com/content/dam/az/Investor_Relations/annual-report-2017/annualreport2017.pdf	https://www.astrazeneca.com/content/dam/az/Sustainability/2018/Sustainability_report_2017.pdf	https://www.astrazeneca.com/sustainability.html	https://www.astrazeneca.com/content/dam/az/PDF/Sustainability/Code%20of%20Ethics%20in%20English.pdf	27-Jun
TUI AG	https://www.tuigroup.com/damfiles/default/tuigroup-15/en/investors/6_Reports-and-	https://www.tuigroup.com/damfiles/default/tuigroup-15/de/nachhaltigkeit/berichterstattung-	https://www.tuigroup.com/en-en/sustainability	https://www.tuigroup.com/damfiles/default/tuigroup-15/en/about-	27-Jun

	presentations/Reports/2017/TUI_AR_2017.pdf-7661895445c56eebea39a5b74aa9e5b3.pdf	downloads/2018/Better-Holidays-Better-World-2017/TUI-Group-Better-Holidays-Better-World-Report-2017.pdf-ac70ee7344a1fabe1abf733623372b87.pdf		us/code_of_conduct_tui_gb-f255bc004ae7ac526d2ea64e980a948f.pdf	
ROLLS-ROYCE HOLDINGS	https://www.rolls-royce.com/~/media/Files/R/Rolls-Royce/documents/annual-report/2017/2017-full-annual-report.pdf	Not available	http://www.rolls-royce.com/sustainability.aspx	http://www.rolls-royce.com/sustainability/ethics-and-compliance.aspx#section-global-code-of-conduct	03-Jul
STANDARD CHARTERED	https://www.sc.com/annual-report/2017/media/doc/standard-chartered-annual-report-2017.pdf	https://av.sc.com/corp-en/content/docs/2017-sustainability-summary.pdf	https://www.sc.com/en/sustainability/	https://av.sc.com/corp-en/content/docs/code-of-conduct.pdf	03-Jul
THE ROYAL BANK OF SCOTLAND GROUP	https://investors.rbs.com/annual-report-2017.aspx	Not available	https://www.rbs.com/rbs/sustainability.html	https://www.rbs.com/content/dam/rbs_com/rbs/PDFs/OurCode_External.pdf	03-Jul
ASSOCIATED BRITISH FOODS	https://www.abf.co.uk/ar2017/dist/documents/ABF_Annual_Report_2017.pdf	https://www.abf.co.uk/cr2017/dist/documents/ABF_CR17_2017.pdf	https://www.abf.co.uk/responsibility	https://www.abf.co.uk/documents/pdfs/2015/primark_code_of_conduct_2017.pdf	03-Jul
WPP	https://www.wpp.com/annualreports/2017/	Not available	https://www.wpp.com/wpp/sustainability/	https://www.wpp.com/wpp/about/howwebehave/governance/	03-Jul
FERGUSON	http://www.fergusonplc.com/content/dam/ferguson/corporate/home/Ferguson_FullAnnualReport2017.pdf	Not available	http://www.fergusonplc.com/en/sustainability.html	http://www.fergusonplc.com/en/who-we-are/corporate-governance/code-of-conduct.html	03-Jul
NATIONAL GRID	http://investors.nationalgrid.com/~/media/Files/N/National-Grid-IR-V2/reports/2017-18/annual-report-and-accounts.pdf	Website	https://www.nationalgrid.com/group/responsibility-and-sustainability	https://www.nationalgrid.com/sites/default/files/documents/Our%20code%20of%20ethical%20business%20conduct%202017.pdf	03-Jul
CARNIVAL	http://www.carnivalcorp.com/phoenix.zhtml?c=140690&p=irol-irhome	http://carnivalsustainability.com/download-files/2017-carnival-sustainability-full.pdf	http://carnivalsustainability.com/	http://www.carnivalcorp.com/phoenix.zhtml?c=140690&p=irol-govconduct	03-Jul

SKY	https://www.skygroup.sky/corporate/articles/annual-report-2017	https://assets.contentstack.io/v3/assets/bltdc2476c7b6b194dd/blt5387bf8a1b47686a/59f1999e252ff1660cb6ecde/download?disposition=inline	https://www.skygroup.sky/corporate/bigger-picture	https://www.skygroup.sky/corporate/bigger-picture	03-Jul
DCC	https://www.dcc.ie/~/media/Files/D/DCC-v2/documents/agm-pdfs/pdfs/2018/dcc-plc-annual-report-2018.pdf	Not available	https://www.dcc.ie/responsibility	https://www.dcc.ie/~/media/Files/D/DCC-v2/documents/pdfs/dcc-code-of-conduct.pdf	03-Jul
JOHNSON MATTHEY	https://matthey.com/investors/report-archive/annual-report-2018	Integrated	https://matthey.com/enhancing-life	https://matthey.com/about-us/governance/code-of-ethics	10-Jul
RECKITT BENCKISER GROUP	https://www.rb.com/media/3355/rb-annual-report-2017.pdf	http://sustainabilityreport2017.rb.com/	https://www.rb.com/responsibility/	https://www.rb.com/media/3180/rb-code-of-conduct-2018.pdf	10-Jul
KINGFISHER	https://www.kingfisher.com/files/reports/annual_report_2018/files/pdf/annual_report_2018.pdf	https://www.kingfisher.com/sustainability/files/downloads/KFSR18_final_PDF_version.pdf	https://www.kingfisher.com/sustainability/index.asp?pageid=1	http://files.the-group.net/library/kgf/sustainability_policies/2017/pdfs/cr_00.pdf	10-Jul
SHIRE	http://investors.shire.com/~/media/Files/S/Shire-IR/documents/ar-2017/shire-annual-report-2017.pdf	https://www.shire.com/-/media/shire/shireglobal/shirecom/pdffiles/responsibility%20report/2017/shire_2017_annual_responsibility_review.pdf?la=en&hash=339BD2C4EEE39C84CFD0E2F9C1A0F6AC6F9E90D6	https://www.shire.com/who-we-are/responsibility	https://www.shire.com/-/media/shire/shireglobal/shirecom/pdffiles/policies%20and%20positions/shire-code-of-ethics-en.pdf?la=en&hash=B82DE0358BDD36952E2D3BEA290CEACEFA148B3B	10-Jul
MARKS AND SPENCER GROUP	https://corporate.marksandspencer.com/documents/reports-results-and-publications/annual-reports/annual-report-2018.pdf	https://corporate.marksandspencer.com/documents/reports-results-and-publications/plan-a-reports/plan-a-report-2018.pdf	https://corporate.marksandspencer.com/plan-a	https://corporate.marksandspencer.com/documents/policy-documents/archived-documents/2_code-of-ethics.pdf	10-Jul
ROYAL MAIL	https://www.royalmailgroup.com/sites/default/files/Royal%20Mail%20Group%20Annual%20Report%20and%20Accounts%202017-18.pdf	https://www.royalmailgroup.com/sites/default/files/2017-18%20Royal%20Mail%20CR%20Report.pdf	https://www.royalmailgroup.com/community	https://www.royalmailgroup.com/sites/default/files/CR%20Policy%20-%20May%202018_0.pdf	10-Jul

BUNZL	https://www.bunzl.com/~/media/Files/B/Bunzl-PLC/reports-and-presentations/ar-2017.pdf	integrated	https://www.bunzl.com/responsibility.aspx	https://www.bunzl.com/responsibility/cr-policy.aspx	10-Jul
EVRAZ	https://www.evraz.com/upload/iblock/dd1/Book_EVRAZ_AR17_final.pdf	integrated	https://www.evraz.com/sustainability/	https://www.evraz.com/upload/iblock/919/Code%20of%20Business%20Conduct.pdf	10-Jul
G4S	http://www.g4s.com/-/media/g4s/global/files/annual-reports/integrated-report-extracts-2017/g4s_integrated_report_2017.ashx	integrated	http://www.g4s.com/en/social-responsibility	http://www.g4s.com/-/media/g4s/corporate/files/group-policies/business-ethics-policy.ashx?la=en	10-Jul
SMURFIT KAPPA GROUP	https://resources.smurfitkappa.com/Resources/Documents/Smurfit_Kappa_Group_Annual_Report_2017.pdf	https://resources.smurfitkappa.com/Resources/Documents/Smurfit_Kappa_Sustainable_Development_Report_2017.pdf	https://www.smurfitkappa.com/vHome/com/Sustainability	https://www.smurfitkappa.com/vHome/com/AboutUs/Governance/Policies	18-Jul
RELX	https://www.relx.com/~/media/Files/R/RELX-Group/documents/reports/annual-reports/relx2017-annual-report.pdf	https://www.relx.com/~/media/Files/R/RELX-Group/documents/responsibility/download-center/relx2017-cr-report.pdf	https://www.relx.com/corporate-responsibility	https://www.relx.com/corporate-responsibility/engaging-others/policies-and-downloads	18-Jul
RSA INSURANCE GROUP	https://www.rsagroup.com/media/2629/rsa-annual-report-and-accounts-2017.pdf	https://www.rsagroup.com/media/2643/rsa-2017-cr-report-26032018.pdf	https://www.rsagroup.com/responsibility/	Not observed: https://www.rsagroup.com/responsibility/resources/	18-Jul
MONDI	https://www.mondigroup.com/media/9131/integrated_report_2017.pdf	https://www.mondigroup.com/media/9128/sd_partneringforchange_2017.pdf; https://www.mondigroup.com/media/9129/sustainable-development-report-2017.pdf	https://www.mondigroup.com/en/sustainability/	Not observed: https://www.mondigroup.com/en/corporate-governance/speakout/	18-Jul
LEGAL & GENERAL GROUP	https://www.legalandgeneralgroup.com/2017fastread/assets/files/legal-and-general-group-plc-annual-report-and-accounts-2017.pdf	https://www.legalandgeneralgroup.com/csr_reports/2017/assets/files/legal-and-general_csr_2017_160518_final.pdf	https://www.legalandgeneralgroup.com/csr_reports/2017/index.html	https://www.legalandgeneralgroup.com/media/2003/code_of_ethics_june_2013.pdf	18-Jul
COCA-COLA HBC AG	https://coca-colahellenic.com/media/3046/coc122_cch-iar-2017_final-web-ready-pdf_180315.pdf	integrated	https://coca-colahellenic.com/en/sustainability/	https://coca-colahellenic.com/media/1049/coca-cola-hbc-code-of-business-conduct-policy.pdf	18-Jul

EASYJET	http://corporate.easyjet.com/~/media/Files/E/Easyjet/pdf/investors/results-centre/2017/2017-annualreport-and-accounts-v1.pdf	Not available	http://corporate.easyjet.com/corporate-responsibility/our-commitment	Not available: http://corporate.easyjet.com/investors/governance	18-Jul
DS SMITH	https://www.dssmith.com/investors/annual-reports	https://www.dssmith.com/company/sustainability/sustainabilityreport	https://www.dssmith.com/company/sustainability	https://www.dssmith.com/people/culture/code-of-conduct	18-Jul
BARRATT DEVELOPMENTS	http://www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/reports-presentation/2017/barratt-ar17.pdf	http://www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/documents/sustainability-report-2017.pdf	http://www.barrattdevelopments.co.uk/sustainability	http://www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/policies/2017/ethics-policy-july2017.pdf	18-Jul
PEARSON	https://www.pearson.com/content/dam/one-dot-com/one-dot-com/global/standalone/ar2017/PearsonAR17_Full_Annual_Report.pdf	https://www.pearson.com/content/dam/one-dot-com/one-dot-com/global/Files/sustainability/2017-reports/Pearson_2017_Sustainability_Report.pdf	https://www.pearson.com/corporate/sustainability.html	https://www.pearson.com/corporate/code-of-conduct.html	18-Jul
NEXT	https://www.nextplc.co.uk/~/media/Files/N/Next-PLC-V2/documents/2018/annual-report-and-accounts-jan-2018.pdf	https://www.nextplc.co.uk/~/media/Files/N/Next-PLC-V2/documents/cr-reports/cr-2018.pdf	https://www.nextplc.co.uk/corporate-responsibility	Not available: https://www.nextplc.co.uk/about-next/corporate-governance/policies	26-Jul
TAYLOR WIMPEY	https://www.taylorwimpey.co.uk/corporate/investor-relations/reporting-centre/2018	https://www.taylorwimpey.co.uk/corporate/sustainability/sustainability-reports/2017	https://www.taylorwimpey.co.uk/corporate/sustainability	https://www.taylorwimpey.co.uk/corporate/sustainability/our-policies	26-Jul
SMITH & NEPHEW	http://www.smith-nephew.com/global/assets/pdf/corporate/2017%20ar%20-%20interactive%20final.pdf	http://www.smith-nephew.com/global/assets/pdf/corporate/2017%20sustainability%20report%20final.pdf	http://www.smith-nephew.com/sustainability/	http://www.smith-nephew.com/global/assets/pdf/compliance/coc_en.pdf	26-Jul
ANTOFAGASTA	http://www.antofagasta.co.uk/media/3388/antofagasta-2017-annual-report-and-financial-statements.pdf	http://www.antofagasta.co.uk/media/3251/antofagasta-minerals-sustainability-report-2016.pdf	http://www.antofagasta.co.uk/sustainability/	http://www.aminerals.cl/quienes-somos/valores-y-principios/	26-Jul

EXPERIAN	https://www.experianplc.com/media/3529/experian-2018-annual-report.pdf	https://www.experianplc.com/media/3530/experian-corporate-responsibility-report-2018.pdf	https://www.experianplc.com/responsibility/	https://www.experianplc.com/media/1117/2017-09-experian-code-of-conduct-final_english-public.pdf	26-Jul
PERSIMMON	https://www.persimmonhomes.com/corporate/media/340484/annual-report-2017.pdf	https://www.persimmonhomes.com/corporate/corporate-responsibility/sustainability-reports	https://www.persimmonhomes.com/corporate/corporate-responsibility/chief-executives-introduction	https://www.persimmonhomes.com/corporate/media/345917/code-of-ethics-2018-finaldoc.pdf	31-Jul
WHITBREAD	https://www.whitbread.co.uk/~/media/Files/W/Whitbread/report-and%20presentations/2018/Whitbread%20Interactive%202018.pdf	integrated	https://www.whitbread.co.uk/sustainability	https://www.whitbread.co.uk/~/media/Files/W/Whitbread/documents/code-of-conduct-2018.pdf	31-Jul

Appendix III - Companies (arranged by sector) and identified SDGs

Company	Industry	Talk	Walk	Total # of SDGs	1 No poverty	2 Zero hunger	3 Good health & well being	4 Quality education	5 Gender equality	6 Clean water & sanitation	7 Affordable clean energy	8 Decent work & economic growth	9 Industry, innovation & infrastructure	10 Reduced inequalities	11 Sustainable cities & communities	12 Responsible consumption & production	13 Climate action	14 Life below water	15 Life on land	16 Peace, justice & strong institutions	17 Partnerships for the goals
COMPASS GROUP	Accommodation & food services	17	9	8		1	1		1			1				1		1	1		1
WHITBREAD	Accommodation & food services	16	13	0																	
EXPERIAN	Admin & support services	17	9	0																	
G4S	Admin & support services	13	9	11		1	1	1	1		1	1	1	1	1		1			1	
PERSIMMON	Construction	15	10	0																	
TAYLOR WIMPEY	Construction	19	13	11	1		1	1	1	1		1	1		1	1	1		1		
BARRATT DEVELOPMENTS	Construction	16	14	0																	
CENTRICA	Electricity, gas, steam & a/c	16	9	0																	
RSA INSURANCE GROUP	Financial & insurance	14	8	0																	
HSBC HOLDINGS	Financial & insurance	15	9	6	1			1				1			1	1	1				
DCC	Financial & insurance	13	10	0																	
RBS GROUP	Financial & insurance	16	10	0																	

AVIVA	Financial & insurance	17	11	11	1		1		1			1	1	1	1	1	1			1	1
STANDARD LIFE ABERDEEN	Financial & insurance	16	12	4					1			1					1				1
LEGAL & GENERAL GROUP	Financial & insurance	17	12	10			1	1	1		1	1	1	1	1		1			1	
STANDARD CHARTERED	Financial & insurance	19	12	13	1		1	1	1		1	1	1	1	1	1	1			1	1
PRUDENTIAL	Financial & insurance	15	13	0																	
BARCLAYS	Financial & insurance	18	13	9	1			1	1		1	1	1	1			1				1
CRH	Financial & insurance	18	14	4									1		1	1	1				
LLOYDS BANKING GROUP	Financial & insurance	16	15	6				1	1			1	1	1			1				
SMURFIT KAPPA GROUP	Financial & insurance	19	17	10	1				1	1	1	1	1	1	1	1			1		
SKY	Information & comms	14	11	0																	
PEARSON	Information & comms	18	16	3				1				1		1							
VODAFONE GROUP	Information & comms	16	16	5				1	1			1	1				1				
RELX	Information & comms	20	16	11			1	1	1	1		1		1		1	1		1	1	1
BT GROUP	Information & comms	19	17	17	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
EVRAZ	Manufacturing	14	10	0																	
BAE SYSTEMS	Manufacturing	15	11	0																	
ROLLS-ROYCE HOLDINGS	Manufacturing	17	12	0																	
SHIRE	Manufacturing	18	13	0																	

BRIT' AM' TOBACCO	Manufacturing	18	13	8	1	1	1					1	1						1	1	1
IMPERIAL BRANDS	Manufacturing	15	14	0																	
SMITH & NEPHEW	Manufacturing	17	15	6			1			1	1	1		1		1					
MONDI	Manufacturing	18	15	8			1	1		1	1	1	1			1			1		
COCA-COLA HBC AG	Manufacturing	16	15	11			1		1	1	1	1	1		1	1	1			1	1
DIAGEO	Manufacturing	19	17	3			1	1	1												
RECKITT BENCKISER GROUP	Manufacturing	17	17	4		1	1		1	1											
ASTRAZENECA	Manufacturing	20	17	5			1	1								1	1				1
J'NSON MATTHEY	Manufacturing	19	17	6			1					1	1		1	1	1				
GSK	Manufacturing	17	18	1			1														
ANTOFAGASTA	Mining & quarrying	17	13	0																	
RIO TINTO	Mining & quarrying	17	13	0																	
ROYAL DUTCH SHELL	Mining & quarrying	17	13	6							1	1	1			1	1				1
BP	Mining & quarrying	18	13	8						1	1	1	1			1	1	1	1		
GLENCORE	Mining & quarrying	18	13	10			1			1		1		1		1	1	1	1	1	1
BHP BILLITON	Mining & quarrying	18	13	12	1	1	1	1	1	1		1		1			1	1	1	1	
ANGLO AMERICAN	Mining & quarrying	17	17	1			1														
WPP	Professional, scientific & tech	15	12	0																	
SSE	Public admin' & defence	19	17	8					1		1	1	1	1		1	1		1		

EASYJET	Transportation & storage	13	4	0																	
IAG	Transportation & storage	13	8	9			1	1	1		1	1	1		1	1	1				
BUNZL	Transportation & storage	15	12	0																	
ROYAL MAIL	Transportation & storage	16	12	4			1		1			1	1								
CARNIVAL	Transportation & storage	14	14	7			1			1				1	1	1	1			1	
TUI AG	Transportation & storage	15	15	7				1			1	1				1	1	1			1
NATIONAL GRID	Wholesale & retail trade	18	7	5				1			1	1					1		1		
J SAINSBURY	Wholesale & retail trade	15	7	17	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
FERGUSON	Wholesale & retail trade	15	8	0																	
ASSOC. BRITISH FOODS	Wholesale & retail trade	14	8	1								1									
WM MORRISON SUPERMARKETS	Wholesale & retail trade	14	9	6					1	1						1	1	1	1		
TESCO	Wholesale & retail trade	17	11	1												1					
NEXT	Wholesale & retail trade	11	11	7	1		1		1	1		1				1	1				
DS SMITH	Wholesale & retail trade	20	12	2												1			1		
MARKS & SPENCER GROUP	Wholesale & retail trade	15	14	17	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
UNILEVER	Wholesale & retail trade	20	15	10		1	1	1	1	1	1					1	1		1		1
KINGFISHER	Wholesale & retail trade	19	19	16	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Appendix IV – Companies (arranged by talk/ walk gap) and + variables attributes

Company	T/ w gap	Donations*	Emissions (tCO2e)	Scope	Emissions-related target?	Science-based?	Offset direct emissions?	FTSE4Good?	Number of targets
GLAXOSMITHKLINE	1	£ 261,600,000.00	1,559,000	1 2	25% by 2020 (2010); 100% by 2050	N	N	Y	23
KINGFISHER	0	£ 2,400,000.00	341,062	1, 2	25% by 2020 (2010)	Y	N	Y	12
RECKITT BENCKISER GROUP	0	£ 10,500,000.00	227,766	1, 2		N	Y	Y	15
ANGLO AMERICAN	0	£ 67,500,000.00	17,950,000	1, 2	22% by 2020 (BAU)	N	N	Y	30
VODAFONE GROUP	0	£ 54,400,000.00	14,980,000	1, 2, 3	40% by 2025 (2017)	Y	N	Y	6
TUI AG	0	£ 6,500,000.00	7,556,457	1, 2, 3	?	N	N	N	25
CARNIVAL	0	Not found	10,687,646	1, 2	25% intensity by 2020 (2005)	N	N	Y	10
NEXT	0	£ 3,600,000.00	159,433	1, 2, 3	10% electricity by 2021 (2017)	N	N	Y	13 focus areas
LLOYDS BANKING GROUP	-1	£ 58,000,000.00	292,842	1, 2, 3	80% by 2050 (2009)	Y	N	Y	22
COCA-COLA HBC AG	-1	£ 6,600,000.00	339g/litre	1, 2, 3	25% g/L by 2020 (2010)	Y	N	N	12
IMPERIAL BRANDS	-1	£ 3,000,000.00	277,146	1, 2		Y	N	N	15 focus areas
MARKS AND SPENCER GROUP	-1	£ 13,600,000.00	430,000	1, 2	90% by 2035 (2006)	Y	N	N	100
JOHNSON MATTHEY	-2	£ 680,000.00	445,000	1, 2	25% intensity by 2025 (2016)	Y	N	N	14
SMURFIT KAPPA GROUP	-2	£ 4,500,000.00	3,317,000	1, 2		N	N	N	11
DIAGEO	-2	£ 9,000,000.00	3,645,543	1, 2, 3		N	N	Y	22
BT GROUP	-2	£ 35,900,000.00	5,099,000	1, 2, 3	87% intensity by 2030 (2016)	Y	N	Y	16
SSE	-2	£ 6,500,000.00	21,569,000	1, 2, 3	50% intensity by 2030 (2018)	Y	N	Y	14

PEARSON	-2	£ 7,200,000.00	104,384	1, 2, 3	50% by 2020 from 2009	N	Partial	N	60
SMITH & NEPHEW	-2	£ 3,500,000.00	85,558	1, 2	80% in total life cycle emissions by 2050 (2016)	N	N	Y	13
BARRATT DEVELOPMENTS	-2	£ 1,100,000.00	39,575	1, 2, 3	N	N	N	N	14
PRUDENTIAL	-2	£ 25,000,000.00	101,071	1, 2, 3		N	N	Y	5 highlights
ASTRAZENECA	-3	£ 326,900,000.00	1,658,548	1, 2, 3	20% scope 1, 95% scope 2 by 2025 (2015)	Y	N	Y	26
MONDI PLC	-3	£ 8,500,000.00	4,470,000	1, 2	emissions intensity to 0.25 tonnes (>50%) by 2050 (2014)	Y	N	Y	16
WHITBREAD	-3	£ 4,600,000.00	3,295	1, 2	88% intensity by 2050 (2016)	Y	N	Y	12
BUNZL	-3	£ 742,000.00	123,138	1, 2	N	N	N	Y	7
WPP	-3	£ 49,400,000.00	260,000	1, 2, 3	46% by 2020 (2006)	Y	P	Y	3
SKY	-3	£ 19,800,000.00	122,267	1, 2		N	Y	Y	9
DCC	-3	Not found	118,000	1, 2, 3		N	N	N	3 KPIs
RELX	-4	£ 12,600,000.00	150,855	1, 2, 3	40% by 2020 (2010)	Y	N	Y	22
CRH	-4	£ 4,600,000.00	45,000,000	1, 2, 3	not company wide	N	N	Y	15
ANTOFAGASTA	-4	Not found	2,926,565	1, 2	N	N	N	Y	15 goals
RIO TINTO	-4	Not found	30,000,000	1, 2, 3	substantial decarbonisation by 2050 (2008)	N	P	Y	8
ROYAL DUTCH SHELL	-4	Not found	85,000,000	1, 2	Around half of CO2per megajoule by 2050 (2017)	N	P	Y	7 metrics
STANDARD LIFE ABERDEEN	-4	£ 3,200,000.00	49,295	1, 2, 3		N		Y	4
ROYAL MAIL	-4	£ 7,100,000.00	653,000	1, 2, 3	20% by 2020 (2004)	N	N	N	11

BAE SYSTEMS	-4	£ 11,000,000.00	1,200,568	1, 2, 3		N	N	N	7 priorities
EVRAZ	-4	£ 23,800,000.00	41,660,000	1, 2	N	N	N	N	3
G4S	-4	Not found	501,467	1, 2, 3	3.5% intensity per annum	N	N	N	13 KPIs
UNILEVER	-5	Not found	1,689,659	1, 2	50% per consumer use by 2030 (2008?)	Y	N	Y	12
SHIRE	-5	£ 768,000.00	324,000	1, 2, 3	20% by 2025 (2016)	Y	N	Y	9
BARCLAYS	-5	£ 42,100,000.00	347,165	1, 2, 3		N	Y	Y	20 ambitions
BRITISH AMERICAN TOBACCO	-5	£ 33,000,000.00	913,904	1, 2, 3	80% by 2050 (2000)	N	N	N	20
BP	-5	Not found	112,800,000	1, 2?	3,500,000 up to 2025	N	N	N	15
GLENCORE	-5	£ 16,000,000.00	314,500,000	1, 2, 3	5% intensity by 2020 (2016)	N	P	N	12
BHP BILLITON	-5	£ 61,000,000.00	2,000,000,000	1, 2, 3	net-zero operational emissions by 2050-2099	N	N	Y	14
LEGAL & GENERAL GROUP	-5	£ 3,700,000.00	44,796	1, 2, 3	20% by 2020 (2013)	Y	N	Y	32
ROLLS-ROYCE HOLDINGS	-5	£ 4,300,000.00	715,000	1, 2	50% by 2025 (?)	N	N	N	7
PERSIMMON	-5	£ 748,842.00	30,830	1, 2	10% intensity by 2025 (2016)	N	N	N	15 strategic objectives
WM MORRISON SUPERMARKETS	-5	£ 10,000,000.00	1,071,249	1, 2?	developing new target	Y	N	N	54
IAG	-5	Not found	122,270,000	1, 2, 3	50% by 2050 (2020)	N	N	Y	5
TAYLOR WIMPEY	-6	£ 1,100,000.00	1,135,769	1, 2, 3	50% reduction in direct emissions intensity by 2023 (2013)	Y	N	N	37
AVIVA	-6	£ 11,900,000.00	68,500	1, 2, 3	70% by 2030 (2010)	N	Y	Y	KPIs
TESCO	-6	£ 39,000,000.00	3,418,677	1, 2, 3	100% by 2050	Y	N	Y	32

THE ROYAL BANK OF SCOTLAND GROUP	-6	Not found	311,583	1, 2, 3	45% by 2020 (2014)	Y	N	Y	9
HSBC HOLDINGS	-6	Not found	580,000	1, 2	?% by 2020 (2011)	N	N	Y	3
RSA INSURANCE GROUP	-6	£ 1,900,000.00	24,286	1, 2, 3	4% FTE by 2017 (2016)	N	N	N	6
ASSOCIATED BRITISH FOODS	-6	£ 62,750,000.00	8,709,000	not stated - 'total gross emissions'		N	N	Y	KPIs
STANDARD CHARTERED	-7	£ 38,200,000.00	247,115	1, 2, 3	?	N	N	Y	28
CENTRICA	-7	£ 12,900,000.00	4,103,348	1, 2	20% by 2025(2015)	N	N	Y	22 KPIs
FERGUSON	-7	Not found	455,144	1, 2, 3	10% by 2020 (2015)	N	N	N	6
DS SMITH	-8	£ 273,000.00	2,012,000	1, 2	30% per tonne by 2030 (2015)	N	N	N	4
EXPERIAN	-8	£ 7,200,000.00	51,000	1, 2, 3	5% total footprint by 2018 (2015)	N	N	Y	9 focus areas
COMPASS GROUP	-8	£ 8,300,000.00	136,530	1, 2	50% intensity by 2030 (2008)	Y	N	Y	31
J SAINSBURY	-8	£ 35,000,000.00	1,176,481	1, 2	30% by 2020 (2005)	Y	N	N	2?
EASYJET	-9	£ 1,500,000.00	7,100,000	1?	10% by 2022 (2016)	N	N	N	5 aims
NATIONAL GRID	-11	£ 73,000,000.00	38,600,000	1, 2, 3	80% by 2050 (1990)	N	N	Y	3 focus areas

Appendix V – Sustainability Offerings characterisation

Company	Industry	Selected information/notes showcasing sustainable offerings
Embedded: Companies outline products/services on offer that demonstrate sustainable practices and are contextualised within the wider operations of the company/ or externally recognised by a third party.		
BARRATT DEVELOPMENTS	Construction	20 developments have achieved 'BfL' accreditation including 12 'Outstanding'; committed to be leading national sustainable housebuilding 56 BfL in total including 14 'Outstanding'; 51% have biodiversity action plans.
AVIVA	Financial & insurance	Won Responsible Investor Innovation and Industry Leadership award; £500m investment target 2015-20; in 2017 £527,500,000 contributed in renewables and investment; 20 products/services that include a specific environment benefit.
LEGAL & GENERAL GROUP	Financial & insurance	Future World Fund; Green Stars for all 11 eligible real asset investment funds; 4 Euro leader awards under Global ESG Benchmark for Real Assets; shareholder activism, opposing 1,000 pay packages, 2,800 director appointments; 108 company meetings on climate change; aim to have 20% of real assets have economic and social value generated.
SMURFIT KAPPA GROUP	Financial & insurance	Business model designed around a closed-loop system, integrated recycling: 75% is recycled fibre - paper-based has highest recycling rate of all packaging; full chain of custody for 88% - a unique proportion for a firm this size - a sustainable loop for our raw materials; sets out sustainability impact through value chain with SDGs.
STANDARD CHARTERED	Financial & insurance	ESG risk management for clients' operations with sector-specific standards, drawing on IFC standards and Equator Principles; 17 sectoral and three thematic position statements; in 2017 facilitated $1.2bn on clean tech and $1bn to microfinance institutions; specified number of employees trained in ESG risk management.
STANDARD LIFE ABERDEEN	Financial & insurance	ESG integration across all asset classes; aiming to be an industry leader; direct real estate portfolio achieved 21 Green Star funds in GRESB Assessment; Global Equity Impact Fund based on UN SDG as framework.
ROYAL BANK OF SCOTLAND	Financial & insurance	Leading lender to the UK renewables sector by number of transactions according to InfraDeals 2012-17; substantially reduced lending to carbon intensive parts of economy, exposure to oil and gas now just 0.5% of lending, no new lending for coal.
BT GROUP	Information & communication	Help people communicate, enjoy entertainment, do business and live their lives; a 'net positive' business, enable customers to reduce their emissions by at least 3 times the impact of BT. Ratio 2.2:1 in 2017.
PEARSON	Information & communication	First learning company to commit to reporting on impact of use of product; receives external audit to efficacy statement; develops Leadership in Energy an Environmental Design courses. 1.5million students are in an Inclusive Access course.

SKY	Information & communication	Recover products at end of life (unspecified number); efficient and reusable set-top boxes; reduced investigated complaints on content; carbon neutral.
ASTRAZENECA	Manufacturing	Improve public health at core of business model; provide detailed outline of managing impacts of products through life-cycle; AZ&Me provides medicine eligible to patients at no cost; 4-point transparent pricing policy.
GSK	Manufacturing	Improve health globally focusing on diseases where GSK have specific expertise; created global health unit to tackle biggest global diseases, malaria, NTDs, 7 new projects in 2017 by external scientists; publish clinical study reports (2,310 available by end of 2017); ranked number one on 'AllTrials' Transparency Index; transparent pricing policy including caps for least developed countries; GSK patient assistance programme; provided medicines to 126,419 in 2017; reinvests 20% of profits in to LDC healthcare infrastructure.
JOHNSON MATTHEY	Manufacturing	85.8% of sales from products that make a positive contribution to UN SDGs using in-house methodology.
MONDI	Manufacturing	Maintain 100% FSC forests; >70% FSC procured.
RECKITT BENCKISER GROUP	Manufacturing	19.4% net revenue from 'more sustainable products'; 33% by 2020, using Sustainable Innovation App - a streamlined life cycle assessment tool including raw, packaging, consumer use phases; 10% better than existing product; green chemistry to product development (including design for safe, efficiency, degradation).
SMITH & NEPHEW	Manufacturing	Focused on environmental, social and healthcare economically-advantaged innovations; developing sustainability attributes for products accounting for 75% of revenue; measure Co2, water and material efficiency for 75% of products by revenue by 2020
SSE	Public admin & defence	Offers a 100% renewable energy tariff, increased by 173% in 2017/18; promotes Living Wage and Fair Tax mark accreditation with customers; SSE will be above the average grid intensity that Committee on Climate Change believes the UK need to meet UK carbon targets
TUI AG	Transportation &storage	Aims to be most-carbon efficient airline by 2020; 8.3m stay in GSTC (global sustainable tourism council) certified hotels; 80% of TUI hotels and resorts certified; aim for 10m 'greener and fairer' holidays a year by 2020 (about 20m guests in total). Ranked 1 and 3 as most carbon efficient airlines against 200 airlines by atmosfair.
DS SMITH	Wholesale & retail trade	95% of sites have recognised chain of custody; collect 5 million tonnes annually; fully recyclable products - highest rate of any packaging material; loop targets; 14-day box-to-box cycle.
KINGFISHER	Wholesale & retail trade	32% of sales from sustainable home products; 'Net Positive' retail - 20 products/ services that help customers get more from less, reuse or use longer.
MARKS AND SPENCER GROUP	Wholesale & retail trade	83% of products by sales with at least one Plan A attribute; aim for 100% by 2020; by 2025 80% of raw materials verified as respecting integrity of ecosystems; by 2022 all packaging will be widely recyclable.

UNILEVER	Wholesale & retail trade	Sustainable Living Plan has been recognised for 7th as top of GlobeScan/SustainAbility ranking; working to halve company carbon footprint; improve a billion people's health and well-being; 18 out of top 40 brands are 'Sustainable Living Brands'.
Selective: Example(s) which indicate a sustainability offering are cited, but they are specific and do not demonstrate how the SO fits in with the company's impact as a whole.		
COMPASS GROUP	Accommodation & food service activities	Several examples of activities in line with SDGs; food waste Winnow system saved more than 5000 tonnes CO2 a year; 69% of our units provide Balanced Choices or similar health eating programmes (aim is 100% - failed target).
WHITBREAD	Accommodation & food services	100% of 'critical commodities' accredited against 'robust' standards.
G4S	Administrative & support services	Defining social impact as creating jobs, developing innovative programmes to rehabilitate, mitigate risk/impact of criminal behaviour and create safer more stable communities; mapped case studies on advancing SDGs e.g. airport security for SDG 16.
PERSIMMON	Construction	Space4 business strand built 6,450 timber frame house kits, around 40% more efficient than existing housing stock delivery based on Standard Assessment Procedure; new brick factory 100kg less c. CO2 per brick; seek to align with 12 'BfL' principles.
TAYLOR WIMPEY	Construction	Project 2020 prototypes of sustainable build technologies and off-site production techniques; environmental tips in home manual; increasing number of timber frames; sustainable transport 63% of homes built within 1km of a public transport node.
CENTRICA	Electricity, gas & air con supply	Installed 5m smart meters; invest £100m in start-ups that will make energy work better; sold over 1.6million Connect Home products - customers consume the energy creating over 90% of emissions, these products will reduce that.
CRH	Financial & insurance	Increasing (unspecified) number of products contribute to higher scores in green building rating schemes such as BREEAM®, DGNB, and LEED®; EPD; 'several' products are certified to BES 6001 standard for responsible sourcing for construction products; 10.8m tonnes of RAP and shingles RAP removed and reprocessed road surface material, while shingles are an asphalt cladding material. Together, they accounted for over 20% of total asphalt requirements amongst our companies in the US in 2017. In the UK, our Tarmac business was the first company to gain an 'Excellent' rating against an independently assessed standard; approx. 75% of US asphalt was lower carbon warm-mix - avoided 1.8m tonnes of CO2 in 2017 (compared to what?).
HSBC HOLDINGS	Financial & insurance	$100bn of sustainable financing and investment by 2025, $10.5bn of sus bonds facilitated in 2017; reduce exposure to thermal coal and manage transition for other high-carbon sectors; member of 20 sustainability forums; established centre of sus finance to provide thought leadership.
LLOYDS BANKING GROUP	Financial & insurance	Conducted review of responsible investment capabilities among key staff; launched a social bond fund in addition to the ethical and environmental funds; continued with £1bn Green Loan initiative; financed 2.75GW in UK and 8.9GW international in renewable capacity.

PRUDENTIAL	Financial & insurance	Reflecting the growing demand from institutional clients for investments which make a positive societal and environmental impact, in 2017 seeded first Impact Financing Fund with investment from the Prudential life business and two third-party investors... the fund is already financing projects including a regeneration scheme and green energy.
RSA INSURANCE GROUP	Financial & insurance	Insured over 90% of world's offshore windfarm capacity; lead London insurer to Solar Farm project in Dubai.
VODAFONE GROUP	Information & communication	Helped customers reduce two tonnes of CO2 for every one of Vodaphone last year [less clear compared to BT or Sky carbon claim]; discuss existing and future research on public health impacts of products; 50 million additional women to have mobiles in emerging markets.
BAE SYSTEMS	Manufacturing	Lifecycle Management Framework to maintain and enhance integrity of products; contributed £238m to £1.6bn on R&D; improved simulation tech to reduce consumption of carbon-intensive products e.g. helicopters; over 8000 hybrid-electric systems eliminated 170,000 tonnes of CO2.
DIAGEO	Manufacturing	Published illustrative environmental footprints for 5 brands alongside generic beverages.
IMPERIAL BRANDS	Manufacturing	Industry is one of the most highly regulated, support reasonable regulation; Next Generation Products (NGP) provide smokers with alternatives. A growing number of regulators and public health bodies have concluded that EVPs are safer than cigarettes and therefore have a role in reducing tobacco-related disease; sales of e-vapour products (EVPs) are currently worth around $4bn a year and could be worth more than $30bn by 2020.
SHIRE	Manufacturing	Established a product stewardship working group to drive cross functional actions on stewardship topics; sustainability actions with suppliers.
BP	Mining & quarrying	20 carbon neutral products/services; BP Target Neutral opportunity for customers to offset carbon emissions through reduction projects.
GLENCORE	Mining & quarrying	Products are vital to today's society, study properties and impacts of our products throughout lifecycles, work with stakeholders, comply and respond to laws/ external standards, including London Metal Exchange and London bullion Market; Home Smelter in Canada recycles end of life electronics about 130,000 metric tonnes of recyclable material.
ROYAL DUTCH SHELL	Mining & quarrying	New Energies business focuses on fuels for transport and low-carbon sources including natural gas, activities on biofuels, hydrogen and battery charging, JVs in wind, solar; apps and tech promoting efficiency; selected countries e.g. Netherlands offer customers the opportunity to offset their CO2 emissions certified Verified Carbon Standard.
BUNZL	Transportation & storage	Provide a very broad range of products, including an (unspecified) extensive range of own brand and environmentally friendly, sustainable items; acquired Earthwise Bag Company
CARNIVAL	Transportation & storage	9 next generation cruise ships on orders; 95% reduction in particulate matter, 85% reduction in NOx, up to 20% reduction in carbon emissions.

IAG	Transportation & storage	BA brand's carbon fund supported over 24 offset projects in renewables and energy efficiency, exceeded €2m; comply with EU ETS; several examples of fuel-efficient projects and savings, in 2017 95000 tonnes of CO2 saved.
ROYAL MAIL	Transportation & storage	Sustainable Advertising Mail product lower than standard products for marketing that meets sus requirements; recycling available to customers. German customers can use GLS carbon neutral 'ThinkGreen' service, 7.4million in 2017.
ASSOCIATED BRITISH FOODS	Wholesale & retail trade	60,000 tonnes of co-product sold to National Grid; work towards industry targets (ECAP & SCAP).
NATIONAL GRID	Wholesale & retail trade	Circular economy approach to unwanted IT equipment, 7000 pieces of equipment recovered.
TESCO	Wholesale & retail trade	Committed to reducing total UK food waste by half, this year 11,424 food donations were made; ensure 20 top ingredients are 100% responsibly sourced.
WM MORRISON SUPERMARKETS	Wholesale & retail trade	Wonky veg range sells 500 tonnes per week; by-products sold; minimise or recycle waste, including onsite facilities for customers.
General: There is a clear commitment to sustainability, including mention of efficiency practices but not specific enough on product/ services that are offered and their outcome.		
EXPERIAN	Admin & support services	Investing in innovative products designed to offer additional societal benefits.
BARCLAYS	Financial & insurance	€500m Green Bond priced and issued in 2017; Green Bond Principles; £2bn investment target.
DCC	Financial & insurance	World's Most Ethical Certification.
BRITISH AMERICAN TOBACCO	Manufacturing	A choice of potentially less harmful tobacco and nicotine products; World Health Organization recommends reducing.
COCA-COLA HBC AG	Manufacturing	Committed to reaching our 2020 targets; working to achieve World Without Waste System platform, to collect and recover 100% of primary packaging placed on market.
EVRAZ	Manufacturing	active environmental policy award of the Russian Ministry of Natural Environment; leader of environmental management in Russia 2017 most ecologically responsible steelmaker. Recycled 104% of waste in 2017.

ROLLS-ROYCE HOLDINGS	Manufacturing	Ensure products and tech enable a transition to a low carbon global economy.
ANGLO AMERICAN	Mining & quarrying	Divest less attractive assets; Efficiency measures; consider the entire mining ecosystem- innovation extends beyond the mine. Plan to be carbon- and water-neutral through FutureSmart MiningTM.
ANTOFAGASTA	Mining & quarrying	Apply best practices, standards and indicators incorporating environment and social controls at each stage of mining cycle.
BHP BILLITON	Mining & quarrying	Engage through ICNN sustainable development framework and other product stewardship initiatives to promote best lifecycle of products, from design to disposal.
RIO TINTO	Mining & quarrying	Closure plans for communities to address social and environmental consequences.
WPP	Professional, sci & technical	Provide sustainability work across disciplines: data, branding, comms.
FERGUSON	Wholesale & retail trade	Increased adoption and promotion of "eco" products; online business can filter products with environmental labels; 2 countries offer showrooms promoting sus products.
J SAINSBURY	Wholesale & retail trade	Launched a range of plant-based products to meet flexitarian demand.
NEXT	Wholesale & retail trade	Joined Outdoor Industry Microfibre Consortium; recycle unwanted products.
Poor: Offer made by company is not obviously focussed on sustainability or is simply not very good at explaining how they contribute to societal goals/ challenges		
RELX	Information & communication	One of RELX brand's is a flagship travel exhibition, World Travel Market, which hosts an award for Sustainable Tourism.
EASYJET	Transportation and storage	Sustainable tourism - easyJet believes that if there is a need to control the tourism activity in a particular area then this should be done by the relevant local authorities, taking account of the economic benefit of tourism.