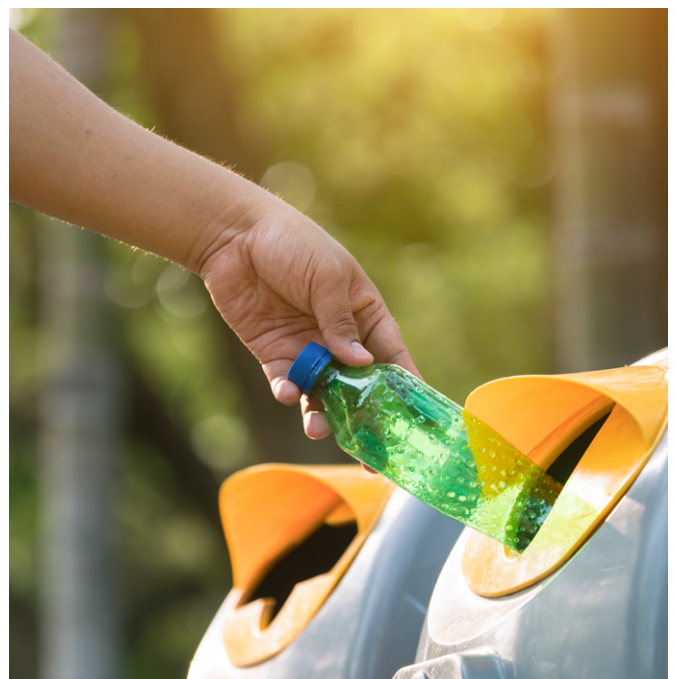


WH Smith PLC

Corporate Responsibility Report 2018



Welcome to WH Smith PLC's 2018 Corporate Responsibility Report

About this report

This is our 11th published Corporate Responsibility Report, covering our social, environmental and ethical performance for the year 1 September 2017 until 31 August 2018. It is an annual report issued alongside the WH Smith PLC Annual Report and Accounts 2018 and is published in October 2018.

Scope of this report

This report focuses primarily on the activities undertaken by our retailing operations in the UK under the WHSmith, Funky Pigeon, Card Market and Cult Pen brands. All of our international operations are included in descriptions of policies, procedures and governance arrangements, and our directly-run international operations (in Australia, France, Germany, Ireland, Italy, Qatar, Singapore and Spain) are included in certain performance data indicators as defined on pages 27 to 28. Performance data for joint venture and franchise operations are not included in this report. Some of the data reported may not be exactly aligned to the year ended 31 August 2018 but is reported for a consistent 12-month period each year. Any other variances in reporting boundary are highlighted in the relevant sections.

Who is the report written for?

Our report is written to provide information to a wide audience of stakeholders interested in understanding how WHSmith is performing in terms of managing the social, environmental and ethical impacts of our business.

We have aimed to provide general information for our stakeholders who want to understand how we manage our performance as a responsible company, and more detailed technical data for those requiring more in-depth information. The report is published on our website at www.whsmithplc.co.uk/corporate_responsibility, where it is also available as a PDF. In addition, a summary and the full report are available for our employees via our intranet.

Assurance of report content

Corporate Citizenship has been engaged to provide assurance over selected aspects of this report for the reporting year ended 31 August 2018. A copy of their independent assurance report can be found on page 26.

Your feedback

We welcome your comments and feedback on our corporate responsibility performance, either through our website www.whsmithplc.co.uk/corporate_responsibility or by writing to Head of Corporate Responsibility, WH Smith PLC, Greenbridge Road, Swindon SN3 3LD.



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Introduction by Stephen Clarke

Welcome to WH Smith PLC's 2018 Corporate Responsibility Report

With a presence in so many of the UK's high streets, railway stations and airports, WHSmith plays an important part in helping to create and maintain vibrant, sustainable communities. Despite a challenging retail environment, the business has made good progress this year, continuing to deliver profit growth, with strong performance in our Travel business and further expansion internationally.



As one of the UK's oldest retailers, serving millions of customers through our High Street, Travel and International businesses, we understand the importance of responsible business practices."

Stephen Clarke, Group Chief Executive



We employ almost 14,000 employees and source products from thousands of suppliers worldwide, and as a major retailer, our operations can have far-reaching consequences. Our customers are increasingly concerned about global issues that impact our world. It is important that they trust us to act responsibly, ensuring that we have minimal impact on the environment, that we source our products fairly and ethically, and that we support communities where we operate. We recognise that sustainability can build customer loyalty and trust in our brand, as well as making us more efficient.

We have made great progress with our corporate responsibility programme over the past 12 months. In 2017, as part of our 225th anniversary, we launched three charity partnerships with Cancer Research UK, MIND and the National Literacy Trust, organisations that were chosen by our employees as ones they would like to help. Our fundraising efforts have continued this year, and I am delighted that we have raised over £1.7m to date which is helping to fund the charities' ongoing activities in tackling cancer, protecting mental health and promoting children's literacy respectively. I would like to say a personal thank you to our many employees, customers and suppliers who have helped us so far.

Just as important as our charity work, is our determination to act responsibly and with integrity. Our corporate responsibility strategy focuses our efforts in those areas that are most significant for our business and wider society. We have long-established programmes in place to protect the environment, to ensure that our products are sourced sustainably and to ensure we treat anyone that works for us honestly, fairly and with respect. We pay close attention to the controls we put in place to ensure Group-wide consistency in our operating practices, and that everyone working for WHSmith delivers the conduct and behaviours that we expect of them.

We have long-term goals in place for each of our key areas which come to an end in 2020. I am delighted to say that we have already met our goals in relation to greenhouse gas emissions – with a 61 per cent reduction per square foot since 2007; in sustainable forestry – with 95 per cent of our own-brand stationery products now made from pulp from certified or recycled timber sources; and for charitable giving, where we have exceeded our target to donate over £10m to charitable causes over the decade to 2020. I look forward to starting to share the next part of our sustainability journey with you next year.

Finally, I would like to thank our many stakeholders, including customers, employees and shareholders, who have contributed to our work this year, and whose opinions and insight help to inform our responsible business strategy. We look forward to your continued involvement and to reporting back on further progress in 2019 and beyond.

Stephen Clarke,
Group Chief Executive
11 October 2018

About us



- WH Smith PLC is one of the UK's leading travel retailers with a smaller business located on the UK high street.
- WHSmith Travel is a leading travel retailer with a presence in a wide range of locations in the UK including airports, train stations, hospitals and motorway service areas with a growing international business, mainly in airports.
- WHSmith High Street is present mainly in prime locations on most of the significant high streets in the UK.
- WHSmith reaches customers online via www.whsmith.co.uk, its specialist personalised greetings cards and gifts website, www.funkypigeon.com, and its specialist online pen shop www.cultpens.com.
- WHSmith employs approximately 14,000 colleagues.
- WH Smith PLC is listed on the London Stock Exchange (as SMWH) and is included in the FTSE 250 Index.
- A commitment to the principles of corporate responsibility is a key focus for WHSmith.
- Find out more about WHSmith at www.whsmithplc.co.uk.

Group at a glance

Travel

WHSmith Travel is a leading travel retailer in the UK with a growing presence outside of the UK.

Travel sells a range of products serving customers in travel locations or in need of a convenience offer.

Our goal is to be the leading retailer in news, books and convenience for the world's travelling customer.

As at 31 August 2018, the business operated from 867 units (2017: 815 units) mainly in the UK in airports, railway stations, motorway service areas and hospitals. 286 of these units (2017: 233 units) are outside the UK and mainly in airports.

Travel delivered another strong profit performance, up seven per cent year on year. We made good progress in Travel's growing international business, winning an additional 42 units, bringing the total number of units open to 286 units.

High Street

High Street sells a wide range of Stationery, Books, Newspapers, Magazines and Impulse products.

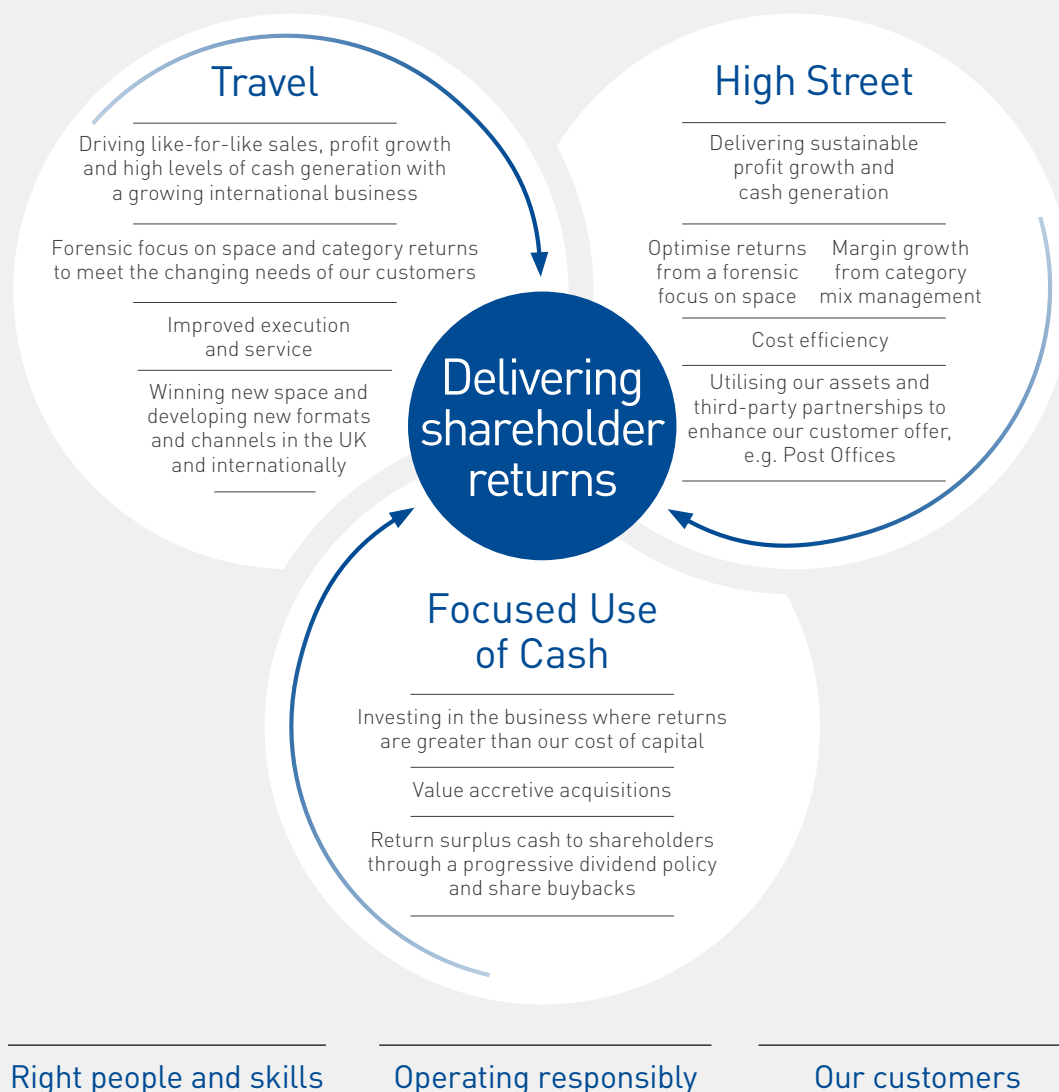
Our goal is to be Britain's most popular high street stationer, bookseller and newsagent.

As at 31 August 2018, the business operated from 607 High Street stores (2017: 611 stores), located on most of the UK's significant high streets.

Our online digital business operates through www.whsmith.co.uk, www.funkypigeon.com and www.cultpens.com which complement our core stationery and books offer.

High Street delivered a good profit performance.

Our business model and strategy to create value



Governance

At WHSmith, we have a long-standing commitment to high standards of corporate responsibility (CR). Our strategy plays an important role in risk management, business development and delivering the expectations of our stakeholders. The different pillars of our CR programme enable the business to identify and manage risks in the areas of environmental responsibility, sourcing, managing our workforce and our impact on local communities. As a brand that has been trading in the UK for over 225 years, we are committed to operating responsibly and playing an important role in the communities in which we are based.

Our CR strategy

Our CR strategy is built around four pillars:



Environment

which includes our programmes to minimise energy consumption, fuel use, greenhouse gas emissions, waste and water usage



Marketplace

which embraces our activities to deliver great customer service and ensure our products are sourced sustainably and marketed responsibly



Workplace

which incorporates our commitments, priorities and action plans to deliver the best experience we can for employees



Community

which comprises all of our charitable activities and involvement in local communities



Management and accountability

The four pillars of our strategy are based on key areas where we believe that WHSmith's business has the greatest sustainability impact. Each of those pillars includes a series of programmes with objectives and targets to drive continual improvement.

Accountability for each area rests with named members of our Board, who, in turn, are supported by senior executives responsible for delivering our objectives. In this way, we ensure our CR work is embedded across our organisation.

Our CR strategy is underpinned by our four corporate values, Accountability, Drive for Results, Customer Focus and Value our People, and was developed taking into account the expectations of our key stakeholder groups.

The Board regularly reviews our CR strategy and overall performance against our objectives. It receives a formal update on CR issues twice a year. The Group Audit Committee, which is sub-committee of the Board, and the Business Unit Risk Committees review the progress made towards achieving our long-term sustainability targets once a quarter, together with any emerging issues which need to be considered.

We use a range of CR policies and standards, which we review periodically to ensure they remain appropriate. Details of the relevant policies and the executives responsible for them can be found at the start of each section of this report. Our full suite of policies can be viewed on our website at www.whsmithplc.co.uk/corporate-responsibility.

As our business expands internationally, it has been a priority for us to ensure that our CR policies are implemented across our global operations. We have been working to ensure that key policies around issues like ethical trade, modern slavery and forestry are being effectively implemented and we are also working with our management teams across the globe to help them address priority issues. As part of this work, our international partners are asked to certify compliance with our policies every year.

Governance continued

Our stakeholders

We identify our stakeholders as those that we affect and those who affect us. Views from our stakeholders are important in helping us to shape our overall approach and individual initiatives. We engage with a wide range of stakeholders including customers, employees, local communities, suppliers, policy makers and non-governmental organisations. We have a two-way dialogue with many of these groups, which enables us to build a clear understanding of their views, explain the rationale for our approach, and discuss appropriate ways to respond to their feedback.

It is important to us to understand and include the material areas of relevance for our stakeholders within our CR activities and reporting. In order to do this, we ensure the issues, concerns and interest areas of stakeholders directly feed into our CR strategy and programmes.

Below is a table detailing our key stakeholder groups, their expectations or material concerns, and how we have engaged with them throughout the year. We will continue to include stakeholder feedback in our future plans and development of our CR strategy.

Stakeholders	Expectations	Engagement
Customers	Our customers expect that we manage our business responsibly, and in doing so, we offer a wide range of products at good value. Customers also expect that we respond to their needs and concerns.	We regularly listen to our customers and respond to their feedback. Our store teams and dedicated customer service team are in constant dialogue with our customers, and we ensure that customer feedback is communicated to the relevant parts of the business and taken into account as we develop and implement our policies, operational activities and product ranges.
Employees	Our employees expect to be treated fairly, offered secure jobs with training and the opportunity to develop their careers. They expect WHSmith to protect their wellbeing, offering a safe working environment.	We communicate with employees via regular written updates and face-to-face briefings. We provide CR updates to all staff via weekly communication channels, and everyone is encouraged to feedback on our CR activities. We conduct annual employee engagement surveys to gather staff views on working for WHSmith. At head office, we run a quarterly employee forum where team representatives are encouraged to raise any issues or concerns. We work closely with the GMB and RBA unions, whose members participate in our Health and Safety Committees. We have extensive programmes to promote employee wellbeing, for example, through our mental health first aider programme and annual Wellbeing at Work week.
Investors	Our investors expect continued creation of shareholder value through profit performance, investment and cash management, and the assurance that WHSmith operates with good governance and sustainable business development strategies.	We engage with investors in one-to-one meetings to discuss specific elements of the business and our CR programme. We communicate with shareholders through our results presentation, Annual General Meeting and our investor relations department. We also participate in the Carbon Disclosure Project.
Trade bodies and government departments	Trade bodies and government departments expect that we will uphold our CR agenda, including managing our environmental impacts, responding to local communities and providing fair and family-friendly job opportunities. Government departments also consult our business on policies that affect our industry.	We are members of the British Retail Consortium (BRC). During the year, we have participated in BRC working groups on environment, timber and responsible sourcing. We work with government departments on specific initiatives, for example, this year we have been in dialogue with DEFRA on the development of single-use plastics policy and deposit return schemes. We also work at a local level with constituency MPs in the Swindon area to look at how we can support local causes.
Non-governmental organisations (NGOs) and charities	NGOs expect WHSmith to take a leading role in CR issues, such as supporting sustainable sourcing, ethical trading and reducing greenhouse gas emissions. We work with numerous charities to support their efforts.	We regularly engage with various organisations, such as the Ethical Trading Initiative and the Business Disability Forum to take their feedback on specific aspects of our CR programmes and help improve our performance. As a brand, we champion literacy, working with World Book Day and the National Literacy Trust to improve literacy levels in the UK. This year we have continued to foster close relationships with our three 225-charity partners on an extensive programme of fundraising and employee engagement activities.
Suppliers	Our suppliers expect us to deal with them fairly and to have the opportunity to grow their business through our relationship.	We engage with our suppliers in a number of ways, including through the provision of training programmes and one-to-one meetings on specific issues, for example, forest sourcing or modern slavery. We work with key suppliers in Asia to improve labour standards for workers and ensure our products are sourced responsibly.
Landlords	Landlords expect WHSmith to deliver financial performance in line with their expectations, as well as managing environmental and social issues in line with best practice.	We work closely with our landlords to ensure that our policies on environmental issues meet their own objectives and often work collaboratively, for example, to look at ways of conserving energy or reducing waste. We occasionally collaborate on community initiatives.
Local communities	Local communities expect WHSmith to play an active part on the local high street and act as a good corporate citizen.	Our store teams are involved with town centre initiatives to promote vibrant high streets, and many of our teams have extensive links with their local communities through schools and local charities. The WHSmith Trust encourages fundraising for local charities by matching funds raised by employees. Our literacy projects and schools giveaways reach out to promote reading in schools across the UK.

Governance continued

Identifying and reviewing our key impacts

In order to ensure that our CR strategy remains relevant and addresses the most important ethical, environmental and socio-economic factors of greatest relevance to our business and wider society, we regularly evaluate existing and emerging risks and opportunities. This evaluation is informed by analysis of legislative and consumer trends; insights from engagement with peers, NGOs and CR specialists; and global initiatives such as the United Nations Sustainable Development Goals and the Global Reporting Initiative.

We consider how these issues have the potential to impact and be impacted by our business and approach. We also include

stakeholder feedback obtained as part of our engagement programmes, particularly through our customer service channels and our employee engagement surveys and forums.

We use this analysis to ensure that our CR strategy and reporting continues to include those issues which are most material to our business and therefore require the greatest focus. Our executive team is fully involved in developing our CR priorities for the year ahead, and they are also agreed by the Group Board.

This exercise enables us to confirm that some CR issues remain a high priority for us year on year, and helps us to identify new areas where we need to increase our focus. The following issues have been identified as our most material this year:



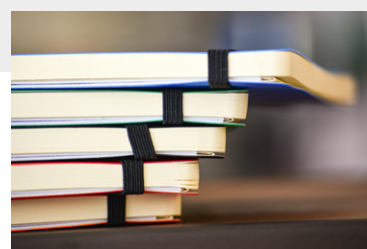
Environment

- Energy and fuel use and our greenhouse gas emissions
- Waste including single-use plastics



Marketplace

- Customer service
- Sustainable sourcing, including ethical trade, forestry and modern slavery
- Healthy eating



Workplace

- Health, safety and employee wellbeing
- Employee equality and diversity



Community

- Community engagement
- Charitable contributions to good causes



The narrative within the body of this report discusses our management of each of the CR issues which we consider to be of greatest materiality to our business and to our stakeholders.

Environmental management


Executive accountability:

Kevin Hall,
High Street Stores Director

Jacqueline Kelleher,
Travel Stores Director

Board accountability:

Robert Moorhead,
Chief Financial Officer and
Chief Operating Officer

Relevant policies:
Environmental Policy

Our commitment

We are committed to managing the environmental impacts of our operations and the products that we sell. Environmental management also makes good business sense: using resources efficiently and minimising energy and fuel use to reduce greenhouse gas (GHG) emissions helps to reduce cost. We regularly review progress against our objectives and targets, aiming for continual improvement year on year.

Managing our carbon emissions

Global GHG emissions (tonnes CO₂e)

	2017/18 ^A	Percentage of carbon footprint	2016/17
Scope 1 emissions Combustion of gas to heat and cool WHSmith stores, offices and distribution centres.	2,659	10%	2,653
Scope 2 emissions (location-based) Electricity purchased for WHSmith's own use to power, light and heat stores, offices and distribution centres.	18,667	67%	21,419
Scope 3 emissions Combustion of fuel for the transport of products from distribution centres to stores using vehicles owned by third parties. Also emissions from WHSmith employee business travel (by air, rail and owned and non-owned motor vehicle).	6,430	23%	7,094
Total	27,756	100%	31,166

^A Reliability of the WHSmith totals for the selected CR performance data has been assured by Corporate Citizenship, as described on page 26.

Methodology and scope

Our methodology for the reporting of GHG emissions has been developed using the following guidance: GHG Protocol (including the Corporate Standard and Scope 2 and 3 guidance documents); CDP guidance (including the 2018 Climate Change Responder's Pack and the Technical Note on Accounting of Scope 2 Emissions); and guidance from the Climate Disclosure Standards Board. We have also begun to incorporate the recommendations of the Task Force on Climate-Related Financial Disclosure into our reporting. Conversion factors from the UK Government department for the Environment, Food and Rural Affairs (DEFRA) have been used to calculate GHG emissions.

Greenhouse gas reporting guidance now recommends disclosure of two different Scope 2 emission values: one using a 'location-based' method and one using a 'market-based' method. The location-based method uses an average emissions factor that relates to the grid on which energy consumption occurs, and is usually a country-level electricity emissions factor. The market-based method applies where supplier-specific information or energy certificates are available, and uses an emissions factor specific to the electricity purchased. Our primary metrics in the table above use the location-based method, based on DEFRA country conversion factors. When calculated using the market-based method, our Scope 2 emissions based on supplier-specific factors for the electricity we procure were 21,582^A tonnes CO₂e in 2017/18, giving total greenhouse gas emissions of 30,671^A tonnes CO₂e.

This year we have reported our emissions from transport of products from distribution centres to stores as Scope 3 as these services are provided by third parties. Previously, they were reported as Scope 1.

Our emissions for Scope 1 and 2 GHG emissions for directly-run international businesses have been estimated by taking an average consumption for a store in the UK, and multiplying that figure by the number of stores we run internationally. International emissions are reported separately on the following page and not included in the table above.

Environmental management continued

Reducing energy consumption

As a business, we use energy to light and heat our stores, distribution centres and offices. We have been working for many years to reduce the amount of energy we use, recognising opportunities to reduce our overall GHG emissions and operating costs for the business.

Our energy consumption in 2017/18 was 80,400 MWh, an increase of seven per cent over the previous year, mainly as a result of a colder than average winter and a warmer than average summer which required greater heating and cooling respectively.

Our absolute combined total of Scope 1 and 2 greenhouse gas emissions decreased by 11 per cent to 21,326 tonnes CO₂e. This represents a reduction of 61 per cent against our long-term GHG reduction target to cut emissions from stores and distribution centres by 45 per cent per square foot by 2020 (against a 2006/07 baseline).

Over the last ten years, we have worked hard to establish a culture where energy efficiency is part of business as usual. The ownership for energy consumption sits with our store managers who have direct accountability for energy costs, therefore driving high levels of awareness and engagement among our employees. Store teams are aided by our central building management system which monitors energy consumption through a network of automated meter readers in all of our High Street stores and our larger Travel stores. These meters enable us to identify any discrepancies quickly and take appropriate corrective action.

This year, we completed phase 3 of a three-year project to roll-out energy efficiency best practice to stores. The project has involved assessing energy performance of each store, benchmarking against expected consumption levels, and then altering energy settings for lighting, heating and air conditioning to minimise energy consumption, whilst maintaining a welcoming and comfortable environment for customers.

We have also introduced additional air conditioning controls to 229 High Street stores and 369 Travel stores which switch off air-conditioning units when temperatures are within an optimal range. This project has provided an average reduction of 18 per cent in energy consumption across our stores.

Emissions from lighting make up a significant part of our carbon footprint and improving the efficiency of our lighting therefore remains a priority. Trials have continued to identify the best form of lighting to replace current LED lights which are now coming to the end of their life.

We have identified new equipment which provides sufficient lighting for wall displays and till points, reducing the need for more energy-intensive perimeter lighting in store. These lights are expected to deliver a further 10-15 per cent reduction in consumption, and roll-out will commence next year.

We estimate Scope 1 and 2 emissions from our international stores to be approximately 2,000 tonnes CO₂e for this year, which is approximately 10% of the value for UK operations. Accurate calculation of our international footprint is difficult as many of our energy supplies are provided by landlords.



Since 2007, we have achieved:

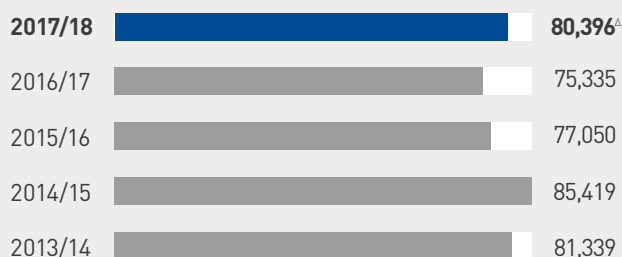
61%

reduction in greenhouse gas emissions from our buildings per square foot of floorspace

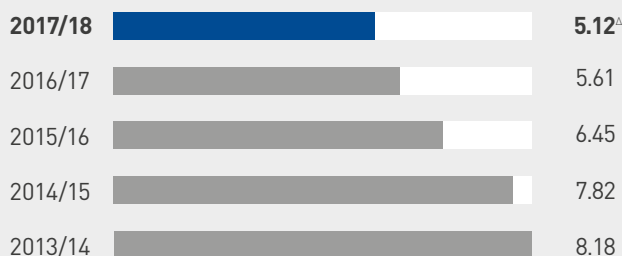
28%

reduction in greenhouse gas emissions from transport and distribution per pallet of goods moved

Energy consumption (buildings) (MWh)



GHG emissions intensity (buildings) (kg CO₂e per 1000 sq ft)



^a Reliability of the WHSmith totals for the selected CR performance data has been assured by Corporate Citizenship, as described on page 26.

Environmental management continued

Improving transport efficiency

WHSmith's transport delivery network is a long and complex one, covering well over a thousand stores across the length and breadth of the UK. The emissions from the vehicles used to distribute products between our distribution centres and stores make up a significant part of our GHG emissions and we work hard to maximise efficiency wherever we can. Emissions this year were 5,131 tonnes CO₂e and since 2007, we have reduced our GHG emissions per pallet moved by 28 per cent.

We work with our transport providers to carry out regular and in-depth reviews of our transport operations to help to optimise routing and delivery frequency. Our fuel consumption has reduced by 14 per cent this year, primarily as a result of the introduction of double deck trailers, which are suitable for both High Street and Travel distribution centres. These allow us to achieve greater efficiencies by allowing us to transport more goods in fewer journeys.

This year we have added two new storage centres in South Wales and Kent, bringing the total number of outbases to 13. We are able to transport stock from our three main distribution centres to these outbases and then local transport is used to deliver to stores in the area, reducing overall mileage and GHG emissions.

Where we can, we look for opportunities to collaborate with our suppliers and other companies to reduce emissions, for example, sharing vehicles with third parties in more sparsely-populated areas. Another initiative is our Collection Service where we share space in our lorries and reduce traffic on the roads. If a supplier site is near to one of our transport routes, we collect products from their site, using spare capacity in our lorries and reducing the overall emissions associated with transporting our products.

We also monitor GHG emissions from employee business travel which were 1,299 tonnes CO₂e in 2017/18, a very slight rise of seven per cent due to more travel by our teams as a result of expansion of our travel and international business. Although business travel is a small proportion of our overall carbon footprint, we continue to look at ways to reduce our emissions, by asking employees to consider whether travel is necessary and encouraging them to use public transport.



Fuel use (distribution) (million litres)

2017/18	<div><div></div></div>	1.95 ^a
2016/17	<div><div></div></div>	2.26
2015/16	<div><div></div></div>	2.15
2014/15	<div><div></div></div>	2.01
2013/14	<div><div></div></div>	2.17

GHG emissions intensity (distribution) (tonnes CO₂e per pallet moved)

2017/18	<div><div></div></div>	17.2 ^a
2016/17	<div><div></div></div>	19.6
2015/16	<div><div></div></div>	18.5
2014/15	<div><div></div></div>	18.6
2013/14	<div><div></div></div>	19.9

^a Reliability of the WHSmith totals for the selected CR performance data has been assured by Corporate Citizenship, as described on page 26.

Environmental management continued



Waste management

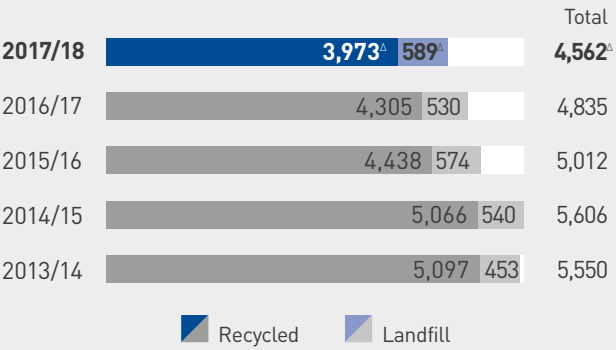
There has been increased interest in society’s approach to material use and waste reduction this year, in particular through heightened public awareness of the potential environmental impacts of single-use plastics. Waste is not only damaging to the environment but costly for our business, so we are focused on reducing waste and maximising reuse and recycling wherever we can. In our High Street stores, we operate a dry mix recycling system which enables our stores to recycle most forms of waste, including plastics and metals. Store teams receive regular updates and training to ensure that they are separating their waste correctly and maximising the amount of waste they recycle. Waste is also carefully separated in our distribution centres and offices, again to maximise the volumes which are recycled.

The total amount of waste generated this year has decreased slightly in comparison with 2016/17. This slight decrease is predominantly due to greater efficiencies in the use of secondary packaging and the use of reusable skips rather than cardboard and non-reusable plastic. At the same time, the proportion of waste going to landfill has slightly increased this year to 13 per cent, partly as a result of increased fly-tipping and mixed contamination of waste disposal facilities outside our stores, and partly due to our refurbishment programme which has resulted in the need to dispose of some materials that cannot be recycled.

The waste recycling data we collect covers our distribution centres, offices and those High Street stores where WHSmith has direct control of the waste management contracts. For our High Street stores in shopping centres, recycling programmes are operated by our landlords. For these stores, we make some assumptions about the levels of recycling, so that our overall waste volumes reflect the waste managed in all of our High Street stores. We do not capture the waste recycling carried out in our Travel stores or in any of our international stores where waste management is handled by our landlords.

The number of food lines that we sell is growing, and eliminating food waste is a priority for our Travel business. One of the main sources of food waste is from unsold sandwiches which have

Total waste arisings (tonnes)



reached their use by date. We have implemented a number of initiatives over the past two years, including a new stock control system to improve forecasting and ordering of chilled food sales, so that we only stock the chilled food that we expect to sell, reducing waste volumes. We have also instigated changes in our markdown strategies for chilled food to reduce waste volumes as far as we can. This year we delivered a 28 per cent reduction in sandwich waste.

Reducing plastic waste and other packaging

Excessive packaging continues to be a concern for consumers and environmental stakeholders, and much of the heightened interest this year has been on single-use plastics. Packaging materials are designed to protect items to maintain quality and enhance product shelf life. But excessive packaging can negatively impact the environment, because energy and raw materials such as forestry products or oil are used in the manufacturing process. Plastic can also impact the air, land and marine environments when it is no longer needed.

It is important therefore that we reduce unnecessary packaging, both for environmental reasons, but also to minimise the cost impacts on our business which are three-fold: from the purchase price of the packaging itself, paying for it to be transported to our distribution centres and stores, and the waste disposal costs once the packaging is discarded. We regularly review the type and quantities of packaging over which we have some control, including primary packaging of our own-brand products and the secondary packaging used to protect goods during transit and distribution. We seek to identify opportunities to minimise packaging where possible, and use more environmentally-preferable solutions such as cardboard and reusable skips for internal transfer of stock.

28%
reduction in sandwich waste achieved this year

Environmental management continued

Each year, we report the quantity of the packaging we handle to the Environment Agency and pay a packaging levy to fund the recovery and recycling of a set percentage of this material. The majority of this packaging is from food and drink products supplied by other major brands, where we have limited control over the materials and quantity of packaging used. However, a sizeable minority of packaging comes from our own-brand stationery goods and the buying team has an ongoing programme to work with our design team and our suppliers to improve the way we package our products.

Reducing the number of plastic carrier bags we give to customers has been a focus for many years, with our staff habitually asking customers whether they need a carrier bag and promoting the use of re-usable bags. In line with other retailers, we introduced a charge for single-use carrier bags when the carrier bag-levy was introduced in the UK, and since then we have introduced a Bag for Life into all of our High Street and Travel stores.

We have been heavily engaged with the government consultations this year on reform to packaging regulations and the introduction of a deposit return scheme which would enable retailers to take back plastic bottles for recycling once a customer has finished with them.

This year we have removed all plastic stirrers, replaced plastic straws with compostable ones and introduced re-usable cups into our Coffee House coffee shops and office restaurants. We have also introduced a much wider range of refillable water bottles into most of our High Street and Travel stores.

Helping our customers to reduce waste

We want to make sure that any waste electrical equipment or batteries from the products we sell do not end up in landfill at the end of their lives. Collection points are in place in the majority of our stores for customers to recycle their old batteries and this year we have collected five tonnes of batteries for recycling.

In order to improve facilities for customers to recycle waste electrical and electronic equipment (WEEE), we are members of the Distributor Takeback Scheme. This scheme provides funding for local authorities to enhance the WEEE takeback facilities in their civic amenity sites.



We provide signage in-store which informs customers about the importance of recycling the valuable components within these products and directs them to their local civic amenity site with WEEE recycling capability.

Conserving water resources

Water resources are in increasingly high demand in many parts of the world and this trend looks likely to continue. In comparison with some other businesses, we do not use large quantities of water in our operations, only for employee use in our stores and offices.

We continue to ensure that water use is managed responsibly and many of our stores have water meters in place to monitor the water we use and identify any possible savings. Our design specifications for new stores and store refurbishments include water-saving features for sanitary ware.

We have very little control over the major component of our overall water footprint which comes from the water used by suppliers in the manufacture of the products that we sell.

Targets: Environment

Target	Baseline	Baseline year	Current status	Proportion of target met
By 2020, reduce CO ₂ e emissions from stores and distribution centres by 45 per cent per square foot (from 2007 baseline).	13.19 t CO ₂ e/1,000 sq ft	2007	5.12 CO ₂ e/1,000 sq ft ^A	Target met
By 2020, reduce CO ₂ e emissions from transport by 20 per cent per pallet (from 2007 baseline).	24.9 kg CO ₂ e/pallet	2007	17.9 kg CO ₂ e/pallet ^A	Target met
By 2020, we will send less than five per cent of waste to landfill.	n/a	n/a	13 per cent to landfill ^A	92 per cent

^A Reliability of the WHSmith totals for the selected CR performance data has been assured by Corporate Citizenship, as described on page 26.

Responsibility in the marketplace



Executive accountability:

Carl Cowling,
Managing Director –
High Street

Toby Keir,
Managing Director –
Travel

Board accountability:

Stephen Clarke,
Group Chief Executive

Relevant policies:

**Ethical Trading Code of
Conduct and Human
Rights Policy
Forest Sourcing Policy
Marketing Code of Practice**

Customer focus

Maintaining a high level of customer service across the Group is a strategic priority for our business. We have a number of initiatives in place to ensure customers continue to enjoy the experience in our stores and online. Our mystery shopper programme is used to monitor customer service standards across our estate, helps us to better understand our store experience from the customer's perspective and provide us with actionable feedback that can be incorporated into our operating practices. Any key learnings for us in terms of how improvements can be made are disseminated to regional store teams.

Our people are critical to delivering our customer service vision and we recognise and reward staff who deliver excellent customer service. In our High Street business, we operate a recognition scheme which awards a gold badge to store staff by our Regional Business Managers during their store visits and to staff named in any compliment letters from customers. Last year, we delivered a training course to store managers, including examples of different levels of customer service, and providing them with the necessary skills to have conversations with store staff to continue to improve customer service levels.

In our Travel business this year, we have re-briefed staff of our expectations in terms of customer service. Implementation of these customer service expectations is tracked as part of our regular store reviews. Our senior management team continues to visit each and every store, assessing and scoring the store on a specific set of criteria focused on customer service and store standards.

Our recruitment policies focus on identifying candidates with expertise and passion for the products they will be selling, particularly for our specialist stores, such as Bookstores and TechExpress. Finally, we celebrate success and share best practice through our 'Customer Hero' programme where we recognise those colleagues who go above and beyond to deliver excellent customer service.

Our commitment

We are committed to meeting our customers' expectations to provide a wide range of products while operating a responsible business. Our customers expect us to provide them with choice, value for money and a good shopping experience. Customers also expect assurance that our products are safe, made with care for the environment and that factory workers are treated fairly. We have active programmes in place to work towards exceeding our customers' expectations, in our stores, online, and behind the scenes across our supply chains.

Improving access for customers

It is our aim to make our stores accessible to all customers. We pay particular attention to our disabled customers and have had a programme in place for a number of years to ensure that our stores can accommodate their needs.

We carry out disability access audits across all of our stores and have an ongoing capital development programme which prioritises ongoing improvements. This covers the installation and upkeep of specialised equipment and access features such as customer lifts, internal ramps, automatic doors and other adjustments such as induction hearing loops. Regular tests are undertaken on the equipment we have in place, to ensure everything is working correctly and that appropriate signage is in place for customers.

We want to ensure that all of our staff know how they can best assist customers with disabilities. We provide training to all of our employees, using materials and guidance provided by the Business Disability Forum (BDF), of which WHSmith has been a long-standing member.



Responsibility in the marketplace continued



Responsible retailing

We take our responsibility for the products we sell seriously, and we are committed to listening to our customers' feedback.

Our Marketing Code of Practice sets out the standards we follow in our promotional activity, marketing and advertising. In practice this ensures we sell products that are safe, fit for purpose, meet legal standards and are never described in a misleading manner, particularly for products designed for children.

We carry out regular reviews of product ranges, displays and promotions to ensure that they meet our responsible marketing guidelines and undertake regular benchmarking against other convenience retailers and newsagents to ensure we are meeting industry standards.

We rotate our promotions on a regular basis so that they include a wide range of products, ranging from water and new book releases to seasonal items like adhesive or stamps.

We continue to focus on extending our healthy ranges, giving our customers a wider choice when they buy food or drink from WHSmith. We extended our *Munch Better* chilled food range this year, and we now have 25 lines under the sub brand. Sales have grown this year to 55 per cent of our chilled food sales and we continue to innovate in this area.

All of our *Munch Better* lines are under 400 kilocalories and amber or green on the nutritional traffic light system. Our queuing system now includes a range of protein bars, *Graze* products and own brand *Munch* lines that span raw nuts and fruit, and we have moved fresh fruit to front of store in all hospital sites.

Initiatives like this, together with our improved ranges, have contributed to healthier snacking sales growing by over 18 per cent within Travel last year.

Within Hospitals we have fully complied with the Commissioning for Quality and Innovation (CQUIN) criteria in England and the Healthcare Retail Standard (HRS) criteria in Scotland, which set out requirements for all retailers operating on NHS sites. In compliance with these criteria, we ensure that there are no price promotions, advertisements or till point positioning of sugary drinks and foods high in fat, sugar or salt in our hospital stores, and that healthy options are widely available. This year, we have also fulfilled our commitment to NHS England to have a sales mix of low sugar drinks to high sugar drinks in the ratio of 90:10 of all volume sold.

Product safety is one of our key priorities and our quality teams in the Far East and the UK conduct a rigorous quality and safety assessment process to ensure that all products are safe, fit for purpose and meet legal standards as well as our brand standards. We pay particular attention to products designed for children. We closely monitor developments in legislation to ensure that products are compliant and have recently revised our product recall process to ensure that we act quickly should a product be found not to meet our high standards.

Some of the products we sell carry age restrictions, for example, some adhesives, tobacco and lottery products. This year, we have also voluntarily introduced measures to restrict the sales of energy drinks to under-16s. All staff take part in training sessions at least twice a year to ensure that they are informed of the latest legislation and selling guidelines.

We closely monitor the chemicals used in our own-brand products, specifically with regard to the European legislation known as REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals). We work with our suppliers to ensure that they understand their obligations under the legislation and that they provide us with the information we need to ensure compliance and product safety.



Responsibility in the marketplace continued

Paper sourcing

Paper-based products are a core part of WHSmith's business and sustainable timber sourcing is one of our key CR priorities. We are committed to minimising the environmental impact of the paper used in our own-brand products, and aim to ensure that all virgin (i.e. non-recycled) material used in our products is from known, legal, well-managed and credibly-certified forests.

As part of our work towards this objective and in line with the requirements of the EU timber regulations, we carry out an in-depth and rigorous assessment of supplier forest sourcing systems.

We have set certified or recycled timber as a minimum standard, which gives additional assurance that pulp is from low risk sources. We use the two leading global standards developed by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) for certification.

Our sourcing teams both in the UK and the Far East work with our suppliers to help them understand our requirements and how the data they provide is needed to demonstrate that the pulp used in a WHSmith product is sourced from a certified or recycled source.

We have made significant progress and this year we are able to report that we have achieved our 2020 target, moving our percentage of certified and recycled material to 95 per cent from last year's value of 90 per cent. This progress has been made by continued dialogue with our suppliers and getting more of them to move to using certified or recycled materials.

This improvement has been delivered as a result of the efforts of our buying teams both in the UK and the Far East, working to communicate our forestry requirements to suppliers and increasing the number of products produced from certified or recycled papers.

Ethical trading

Ethical trade is a key part of our CR programme and one of the most important risks for us to address. Our ethical trade activities are designed to support our commercial strategy, so helping to manage and reduce risk and build stronger and more transparent relationships with our suppliers.

Our ethical trade programme has three elements – training for buyers so that they understand the role they need to play, factory audits to assess risk, and supplier engagement projects to improve conditions for workers.

WHSmith is a member of the Ethical Trading Initiative (ETI), an alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe.

Our Ethical Trade Code of Conduct is based on the ETI's Base Code and underpins our ethical trade strategy and programmes. We will only place orders with suppliers who are committed to working towards compliance with this Code. Our objective is then to work with our suppliers to bring about incremental change through our programme of factory audits and ongoing engagement.



95%

of our own-brand stationery products use pulp from recycled or certified sources

Our worker representation initiative is now present in 14 of our supplier factories, helping to engage workers and resolve any grievances

The Group Board reviews our ethical trade strategy annually, looking in detail at our audit and engagement programmes, emerging trends and risks, targets and performance. The Board also reviews WHSmith's modern slavery risks, policies and controls. Each quarter the Business Unit Risk Committees review key ethical trade KPIs, including latest audit results, factory gradings, completed corrective actions and engagement projects.

We focus on suppliers of own-brand stationery products in the Far East, which is a strategically important part of our business and also where we can have most influence. Our supply chain comprises around 250 first tier suppliers, mostly based in China.

We have the strongest relationships, and most influence, with our top 15 suppliers by value, where we buy a high proportion of their supply and tend to have longer-term commercial relationships. Outside of this supply base, we tend to be a small customer, buying relatively small quantities, often of seasonal product. Our ability to influence supplier activity is limited, but we seek to raise awareness of the business case for better working conditions to encourage suppliers to work with us.

We have an in-house ethical audit team based in Hong Kong, Shenzhen and Shanghai, reporting into the Director of Asian Sourcing. This team carries out both audit and engagement work, with the two roles combined so that there is an end-to-end process for identifying any labour standard issues and continuing the dialogue with the factory to agree and implement solutions.

Responsibility in the marketplace continued

The Head of Corporate Responsibility works closely with the team, in development of ethical trade strategy and monitoring of progress. The Trading Directors in the UK are regularly briefed on ethical trade issues specific to the suppliers they work with. Monthly ethical trade review meetings take place, where audit findings are reviewed and engagement plans agreed.

Our team audits suppliers of our own-brand goods in Asia at least every two years for compliance with our Code of Conduct, grading them Black, Bronze, Silver and Gold. A factory must achieve a Bronze grading or above if we are to work with them.

We use a mix of announced and unannounced audits. We are increasing the number of unannounced audits to ensure that we are seeing as a true a picture as possible of the factory conditions. The most frequent issue identified in our audits is in the area of health and safety practice.

We are members of SEDEX (Supplier Ethical Data Exchange) which provides additional risk assessments and audit data for some of our suppliers.

Our team spends a significant part of its time delivering our engagement work to support suppliers as they seek to improve working conditions. Engagement focuses on resolving specific issues identified during audits, as well as wider projects working with a range of suppliers on a key issue, for example, worker representation or health and safety. We see these as being key issues for workers in China, and ones which can deliver business benefits for our suppliers.

Our Worker Representation Initiative has been extended this year to 14 factories. We work with factory managers in China to develop better worker representation and engagement. The aim of the project is to help some of our key suppliers to have fully functioning worker management committees, representing workers on any matter affecting their rights and resolving issues with management. Nearly 100 issues have been raised across the 14 factories this year, with a number of grievances being successfully addressed and remedied.

This year, we have introduced a new hotline service provider, Clear Voice, into our factories. Clear Voice specialises in the design of worker hotlines and grievance handling procedures and has helped us to make factory workers aware of how to make use of our worker hotline to raise issues they are concerned about. We have been able to investigate and follow up on some of these issues to improve worker conditions. Raising worker awareness of the hotline is a priority for us in the year ahead to ensure that employees are aware of the hotline and know how to use it if they have any concerns.

Finally, our understanding of modern slavery risks continues to grow, and we have developed a due diligence process to make sure we are identifying and assessing any potential and actual risks, and then providing appropriate risk control, mitigation and remedy where needed. We have reported on this area in detail in a separate Modern Slavery Statement. This is available at www.whsmithplc.co.uk/docs/Modern_Slavery_Statement_FINAL.pdf

Targets: Marketplace

	Targets	Current status	Proportion of target met
Ethical trading	By 2020, 90 per cent of supplier ethical trade improvement plans completed on time.	88 per cent of improvement plans completed on time this year ^Δ	98 per cent
Forestry	By 2020, 95 per cent of own-brand stationery products to be made from pulp from certified or recycled timber sources.	95 per cent of own-brand stationery products from certified or recycled sources ^Δ	Target met

^Δ Reliability of the WHSmith totals for the selected CR performance data has been assured by Corporate Citizenship, as described on page 26.

Workplace practice



Board accountability:
Stephen Clarke,
Group Chief Executive

Executive accountability:
Anthony Lawrence,
Group Human
Resources Director

Relevant policies:
Code of Business Conduct
Suite of employee policies
Health and Safety Policy



Our commitment

People are the greatest resource of any business, and it is important that we take care of both their wellbeing and their careers. WHSmith is committed to providing all of our employees with learning opportunities to help them develop and to ensuring that employees feel engaged in the business and its priorities. We have four key business values: Customer Focus, Drive for Results, Value our People and Accountability. These values are at the heart of the way we manage our business and assess the performance of all our staff.

Engaging with our staff

We understand the importance of connecting, conversing with, and congratulating our staff. To understand how employees feel about our business, we conduct annual employee engagement surveys across the head office population and all of our distribution centres, and are extending these to our High Street and Travel store management population. The surveys aim to understand employee views on learning opportunities, team working, our working environment and how we manage employee health and wellbeing. The results are reviewed and shared with all staff, and actions are agreed to respond to specific points of feedback.

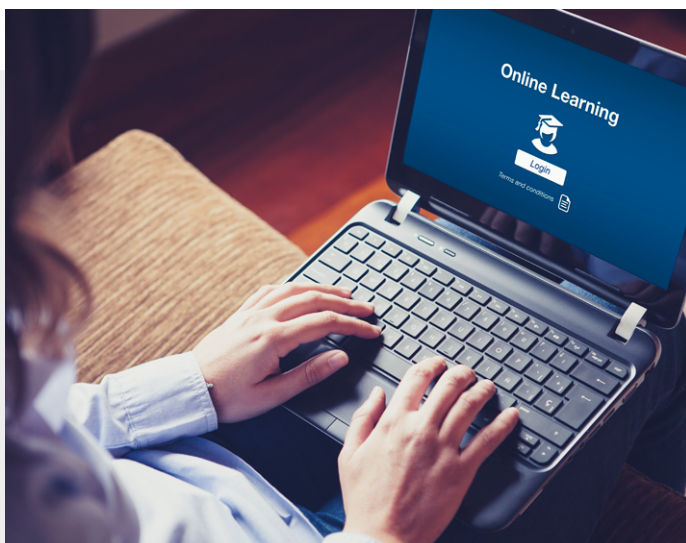
We have a number of different ways of engaging and communicating with our employees on a regular basis. Each team elects departmental representatives to attend our employee forum which meets quarterly in our London and Swindon offices. The forum provides an opportunity for employees to discuss different issues and for sharing ideas about how to make the office a better place to work. The senior leadership team holds quarterly employee briefings to update employees on business strategy, and we also hold regular team briefings across the business. Further information is disseminated through weekly e-newsletters and the intranet. All of these engagement channels provide



opportunities to update staff on the Company's performance, to celebrate and recognise success and to provide a mechanism for staff to raise issues and ask questions.

Our weekly 'Hall of Fame' gives employees a chance to highlight and show appreciation for their peers' successes and hard work when a colleague has gone the extra mile. A short description of why the colleague is appreciated is disseminated in a Hall of Fame e-newsletter. We also have an employee recognition scheme, Shining Stars, which takes place in both our High Street and Travel businesses, and where each department nominates and votes for their team's 'Shining Star'. This year 37 employees received Shining Stars awards and celebrated with the senior management team and head office population. We also celebrate the achievements of our store staff as they work hard to deliver our business plans and strategies. We operate an Annual Store Awards programme, which includes Most Improved Store, Store of the Year, Store Manager of the Year, Regional Manager of the Year and a Special Recognition Award.

Workplace practice continued



Realising potential

Our Learning and Development programmes are designed to support our employees to reach their potential in whichever way they would like their career to progress. As part of this, we focus on supporting and developing talented individuals within WHSmith.

Throughout the year, we provide various programmes and initiatives that are designed to engage our employees in learning and development. We regularly review and develop these activities, to ensure that they continue to meet the requirements of our business and the learning and development needs for our employees.

We continue to implement our 'Realising your Potential' initiative, focusing on improving succession planning and talent review within the business. The initiative includes three six-month courses focusing on developing the skills and behaviours that we know will support an individual's progression as well as delivering business benefits to our organisation.

The courses focus on leadership and management development, career development and negotiation. All courses include individual coaching, psychometric testing, 360-degree feedback and workshops, and are supported by online learning.

Mentoring also plays a critical role in the development of our talent pipeline at all levels as it provides targeted one-to-one support from a more senior role model. Managers and Senior Executives act as mentors supporting employees with their unique development requirements to ensure they are ready to take on more stretching roles.

We have now trained as many mental health first aiders as physical health first aiders

In May 2018, we held 'Learning at Work Week' at our London and Swindon offices, and employees were encouraged to attend as many workshops as they wished. Many of the workshops were hosted by members of the senior leadership team and the Board, but we also invited external experts to run sessions. The workshops covered a range of themes such as Leading the Future of Retailing, The Networked Learner, Physical and Mental Wellbeing and Talent and Performance.

We also ran a number of business skills workshops in Head Office as standalone sessions to support individuals to learn some of the key skills they need to do their job effectively. These included Project Management, Excel, Presenting skills and Teradata sessions. Individuals have regular career conversations with their managers during the year, with more formal performance reviews taking place annually. In addition to monitoring performance, we also use a model of employee potential to help us to identify, develop and retain our talent within the business.

Our Academy programmes are designed to improve the internal succession into higher management roles within our business, focusing on the technical and behavioural elements required to be successful within WHSmith.

Our current wave of apprenticeship qualifications for 37 of our team leaders in our Travel Business is due to complete in November 2018, resulting in a nationally recognised Level 3 Retail Qualification for those taking part.

In our High Street business, where we are transforming a number of our highest volume stores, we have provided extra training and development to store managers.

Valuing our people

One of the key points of feedback from our employee engagement surveys continues to be the importance of work-life balance to our employees. We have a number of initiatives to promote flexible working, with line managers encouraged to consider requests for flexible working hours and home working.

All head office employees are able to leave work at 4pm on Fridays, and they also receive an extra day's holiday on their birthday.

Other initiatives to promote better work-life balance include our 'School Starter' scheme which grants working parents half a day's paid leave to take their child to their first day at school, phased retirement plans to allow employees to voluntarily reduce their working hours as their retirement date approaches and 'V-Time Working' which enables employees to voluntarily reduce their working hours for a defined period, to cope with life-changing events and in doing so reduce the levels of stress they face.

One of our key initiatives for helping our employees is our programme of activities in relation to mental health which is described in more detail on the next page.

Workplace practice continued

Making a commitment to mental health

At WHSmith, we believe that it is just as important to support our colleagues' mental wellbeing as it is to look after their physical wellbeing.

Our strategy is led from the top, with our CEO, Stephen Clarke, signing the Time to Change pledge in February 2017 at an event attended by over 200 employees, many of whom also signed their own pledge. As part of this event, we were delighted when Sue Baker, Director of Time to Change, described the WHSmith mental wellbeing plan as a 'blueprint' for other retailers.

Our mental wellbeing strategy is underpinned by two partnerships with specialist mental health organisations: we work with Time to Change to raise awareness of mental health issues and the associated stigma among employees; and with Mental Health First Aid (MHFA) England to provide training on how to support mental health in the workplace.

On World Mental Health Day in July 2016, WHSmith made a pledge to have as many mental health first aiders as physical health first aiders and to train all line and store managers to be mental health aware.

Having worked closely with MHFA England to create a tailored approach to delivering the training to suit the nature of our business, we now have six instructors qualified by MHFA to deliver the training and have achieved our target of matching the same number of mental health first aiders as physical health first aiders across the business. Training for line and store managers is well progressed with over 90 per cent of office line managers trained as well as the vast majority of store managers.

The training helps our Mental Health First Aiders to develop a number of skills, which they can then use to support their colleagues, including:

- An in-depth understanding of mental health and the factors that can affect wellbeing.
- Practical skills to spot the triggers and signs of mental health issues.
- Confidence to step in, reassure and support a person in distress.
- Enhanced interpersonal skills such as non-judgemental listening.
- Knowledge to help someone recover their health by guiding them to further support - whether through self-help resources, through us as their employer, the NHS, or a mix of support facilities.

We are implementing awareness-raising which is tailored to each area of the business. This includes briefings by our MHFA instructors and First Aiders, some of whom have shared their personal experiences, talks by guest speakers from MIND and Place2Be and the introduction of wellbeing posters in our stores and distribution centres.

The posters include information on the freephone, anonymous 24/7 support line provided for all employees, as well as contact details for the First Aiders in each region, information on the WHSmith Benevolent Fund, which provides help in times of hardship, and the anti-bullying Speak Up line.

time to change

let's end mental health discrimination



MHFA England



We are now in the early stages of measuring the impact of training and awareness-raising, with encouraging signs so far - a material reduction in the stigma associated with reporting an absence as one due to mental ill health, and a significant increase in take up of support services. We are continuing to look at better ways of reporting and analysing absence data and First Aider incidents.

Finally, our ongoing work with Place2Be on the promotion of free resources for our employees to share with local schools to support Children's Mental Health Week each February complements our mental wellbeing strategy. The objective is to encourage employees to think about mental health in a positive way and take steps to make a difference in the lives of children who they have a connection with. As part of the project, primary and secondary schools receive an email about the event and this is also communicated to all WHSmith employees to encourage as much engagement as possible.

Although we are extremely proud of the progress we have made at WHSmith, we know there is still much more work to do, including making sure that we keep our First Aiders' training up to date with refresher courses, reviewing aspects of our culture which can be changed to better promote mental wellbeing, and progressing options such as e-learning to extend the training to an even larger number of employees.

Another way in which we provide support and assistance to current and retired employees is through the WHSmith Benevolent Fund. The WHSmith Benevolent Fund is a registered charity which was established by Lord Hambledon in 1925 for the benefit of current and retired employees of WHSmith and their families who are in financial difficulty or hardship and in need. The Fund awards cash grants to help alleviate cases of hardship, grants for mobility scooters, stairlifts and other mobility aids, and also provides care breaks and recuperative holidays. Over the last decade, the Benevolent Fund has made grants to serving and retired staff members and their families in excess of £1m.

We want to ensure that our employees have a way of speaking out if there is a problem at work. Our 'Speak Up' line is a confidential telephone line which employees can call if they have a concern about something or someone within the business. Issues raised on this line are escalated to senior management where appropriate.

Workplace practice continued

Promoting diversity

We recognise that every one of our employees is core to the success of our business, regardless of their age, race, religion, gender, sexual orientation or physical ability. We are committed to promoting a culture of inclusion and diversity through our policies, procedures and working practices. In addition, we aim to ensure all of our employees receive equal treatment at the point of recruitment and selection, and subsequently through their terms and conditions of employment, promotion, training, development opportunities and employment benefits.

As a business, we are committed to promoting a culture of inclusion and diversity. We have worked hard to implement a number of initiatives to support this and our aim is to continue to develop these initiatives for every stage of the employee cycle from sales assistants to senior executives and those who undertake leadership roles to ensure that we attract, retain and engage all types of diversity across the business.

We monitor our diversity profile versus our peers and the national average to ensure that WHSmith's employee profile and that of our management team reflect our commitment to diversity. In terms of gender diversity, we measure our performance across the Group, looking at Board level, our senior management and store management populations. To promote gender diversity, we understand the importance of work-life balance and promoting agile working. Our line managers are encouraged to consider requests for flexible working hours and home working. Our first gender pay report was published earlier this year and is available at www.whsmithplc.co.uk

We continue to develop our succession pipeline, to ensure we have a number of women ready for promotion. Mentoring plays a critical role in the development of our talent pipeline at all levels, providing targeted one-to-one support from a more senior role model. All of our senior female executives act as a mentor to support women with their development requirements. We continue to work with 'Everywoman' who provide a host of personal development tools aimed at women, including monthly webinars, workbooks and relevant career development articles.

The partnership also provides our employees with links to an external network of professional women in other organisations so that contact, connections and relationships can be made easily. Both external research and our own employee surveys highlight that role models are critical in encouraging women to develop their careers.

Nearly

30%

of our senior management positions are now held by women



We continue to work with workingmums.co.uk, which provides an online job and community website for professional and working mothers. The website allows us to advertise our roles and showcase our commitment to gender diversity and to raise our brand profile as a family-friendly employer, supportive to working women both currently in the business and to those wishing to join the organisation. We are also a member of the 30% club which helps businesses create sustainable strategies to increase the number of women in senior executive roles.

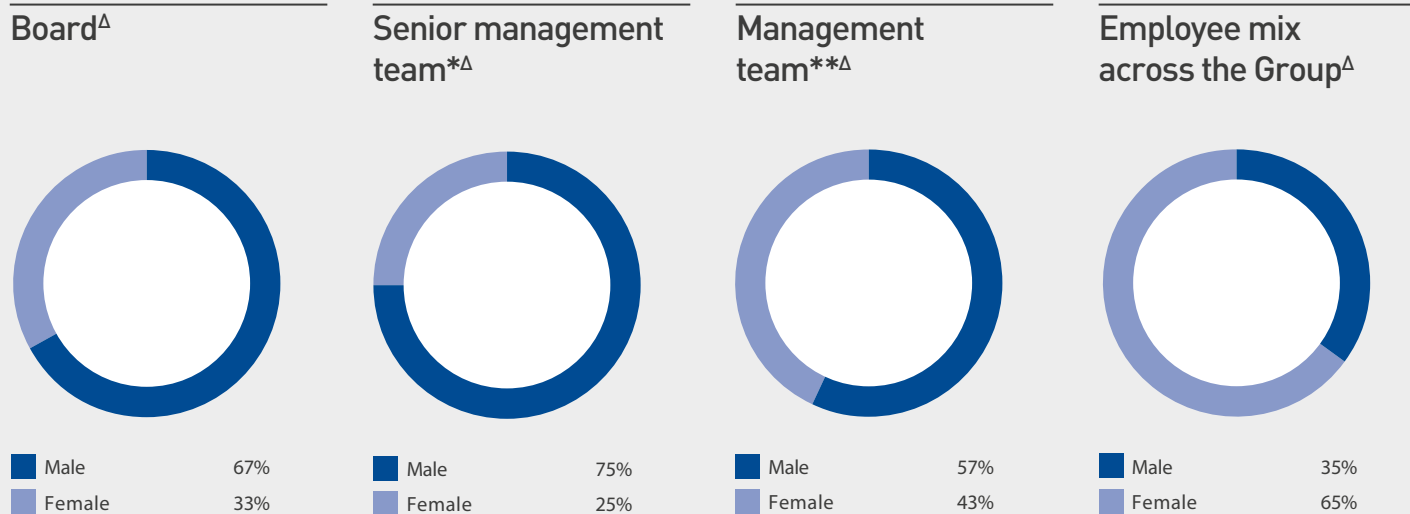
WHSmith this year won an award for providing opportunities for people with disabilities, who have not previously been in employment. We have sought to identify ways in which we could employ more people with disabilities, raising our awareness of conditions such as autism, hearing impairment and learning disabilities to understand what adjustments are needed to assist those who need additional support. Our distribution centre at Greenbridge established a Warehousing Apprenticeship scheme and has been working closely with Pluss, a Social Enterprise that supports thousands of people with disabilities each year to achieve full time work, qualifications and a sustainable career. One of our Apprentice Warehouse Operatives employed under the scheme commented:

"After I left college, I didn't know what life was going to bring me. I went back to college to please others. It was difficult to find work as I didn't know where to start or what I wanted to do. I had low self-esteem as I didn't believe I could do any of the jobs I kept looking at. I eventually found Pluss. I feel proud to tell people I have a job especially as it is WHSmith – a worldwide company. It's also reassuring to know I have done well and made others happy."



Workplace practice continued

Employees by gender

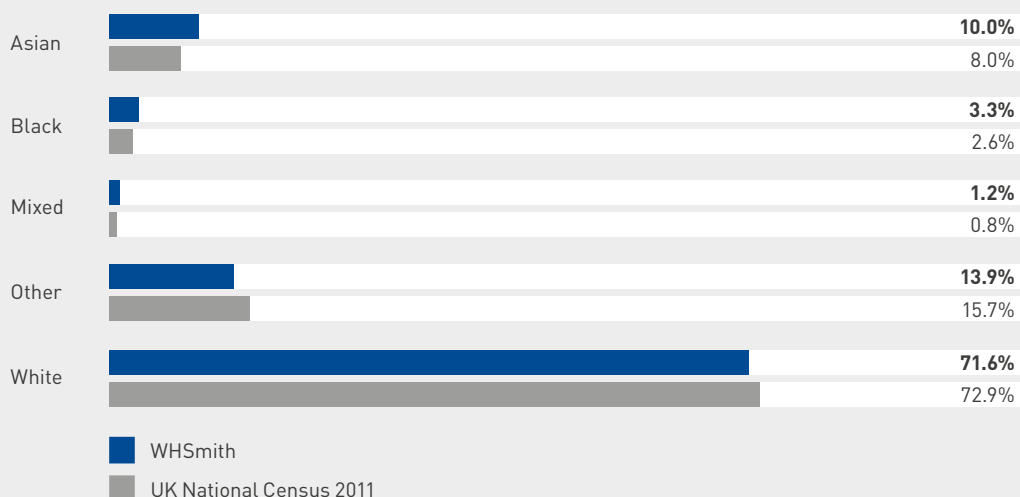


* This group comprises employees who are members of the senior executive committees (who are not also members of the Board).

** This wider group includes store managers and senior Head Office staff (who are not also members of the senior management team).

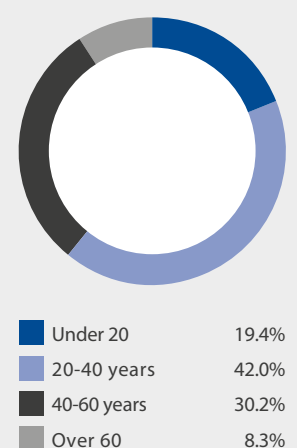
^Δ Reliability of the WHSmith totals for the selected CR performance data has been assured by Corporate Citizenship, as described on page 26.

Ethnic origin – all employees^Δ



^Δ Reliability of the WHSmith totals for the selected CR performance data has been assured by Corporate Citizenship, as described on page 26.

Employees by age



Workplace practice continued

Employee share ownership

WHSmith operates a HM Revenue & Customs Approved Save-As-You-Earn share option scheme (Sharesave Scheme), which provides employees with the opportunity to acquire shares in the Company on favourable terms. At the end of the savings period, the participant has the opportunity to buy the shares at a special option price that is fixed at the start of the scheme and at a discount to the share price at the time.

Health and safety

Our Board is committed to maintaining high standards of health and safety. The management team, supported by professional safety advisers, monitors key safety performance indicators and an annual report detailing trends, performance and recommendations is presented to the Board. Our Health and Safety Committee meets regularly and comprises employees, senior managers, trade union representatives and professional safety advisers.

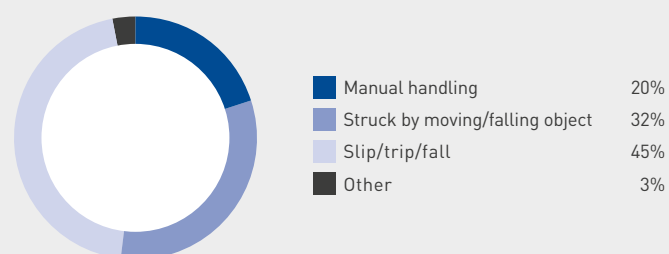
We evaluate our health and safety performance against our peers to ensure we continue to adopt best practice. We benchmark other organisations' published performance data against our own and also through collaborative working via the British Retail Consortium's Risk and Safety Policy Advisory Group, which meets regularly to review health and safety issues and share best practice.

We have targeted ongoing reductions in the number of reportable accidents, and we continue to see a reduction, with the number of reportable accidents more than halving over the last six years.

Health and safety training is provided through our e-learning database, where we are working with the training provider, Upskill. Training modules are easy for all staff to access from any location, with training guidance covering key issues such as fire safety, manual handling and food hygiene.

Our programme includes a focus on employee wellbeing as part of our wider health and safety framework and monitoring programme. We also work with our insurers to operate an Employee Assistance Plan response line, available to all staff in the event they wish to obtain further support on health-related matters.

Accidents per year 2017/18



Accidents and injuries

	2018	2017	2016	2015	2014	2013	2012	2011
Major injuries	5 ^A	4	4	8	4	13	7	8
Injuries resulting in over seven days' absence from work/hospitalisation	26 ^A	30	33	38	47	51	62	67
All RIDDORS	31 ^A	34	37	46	51	64	69	75

Targets: Workplace

	Baseline	Baseline year	Current status	Proportion of target met
By 2020, 35 per cent of senior management positions held by women.*	14%	2010	29% ^A	83%
By 2020, 60 per cent of head office senior management appointments to be internal promotions.	38%	2010	71% ^A	Target met

* Senior management includes Board.

^A Reliability of the WHSmith totals for the selected CR performance data has been assured by Corporate Citizenship, as described on page 26.

Community impact



Board accountability:
Stephen Clarke,
Group Chief Executive

Executive accountability:

Anthony Lawrence,
Group Human
Resources Director

Relevant policies:

Community
Engagement Policy

Our charity partnerships

In 2017, as part of our anniversary celebrations to mark 225 years since the opening of the first WHSmith news stand in 1792, we started fundraising to help to make a lasting difference to three charities. We asked employees across the UK to vote for the charities they would like to support and, as a result, we selected Cancer Research UK, MIND and the National Literacy Trust. At the start of our anniversary year, we set ourselves an ambitious target to raise over £2m for the three charities, and our fundraising efforts have continued during this year.

We want to ensure that our fundraising makes a fundamental change to peoples' lives and so we worked with the three charities to identify projects which we could help to support which would make a meaningful difference. Our funding for Cancer Research UK is providing essential funding for their research to help beat cancer. The funds we raise for MIND are being used to support their work with children and young people, developing a programme to provide support. The funds we raise for the National Literacy Trust are being used to establish a National Literacy Trust hub in the Swindon area, helping thousands of children to discover the joy of reading and raising literacy levels.

Our charity fundraising has involved every part of our business, across our High Street and Travel stores, Cardmarket, Funky Pigeon and offices and distribution centres. Our charity partners have attended employee briefings and conferences to help our employees understand more about the work they do and the difference our fundraising is making.

An action packed, fun-filled year of fundraising

This year has seen another busy calendar of charity events across all of our operational sites, with a high profile presence in our stores ensuring our customers have been fully involved. Stores have continued to fundraise with charity collection tins and buckets for customers to donate in store and we have sold a variety of products to raise money for our charity partners.

In February, we marked World Cancer Day with sales of Unity Bands raising funds for Cancer Research UK. In March, our stores celebrated World Book Day in support of the National Literacy

Our commitment

WHSmith is at the heart of communities across the UK, and we are committed to making a positive impact wherever we operate our stores. We contribute to the socio-economic development of local communities through our work to champion literacy and support good causes. We also want to provide customers with opportunities to support their favourite charities through the products we sell.

Trust, with hundreds of school children coming in for storytelling and behind the scenes tours. MIND's Spring Clean initiative in April saw head office employees donate clothes, shoes, bric-a-brac, books and DVDs to stock up MIND stores across the UK in preparation for Mental Health Awareness week, which we also supported in stores in May. WHSmith became one of the official partners for Cancer Research's UK's Stand Up To Cancer campaign which takes place in October, and we organised a charity gala ball where we raised £175,000 for Stand Up To Cancer.

One of the key ways that we raise money for our partner charities is through the sale of products with charity links. Our buying teams developed a range of exclusive products, including WHSmith charity bears, bags and sweet tins. We were delighted that some of Britain's favourite authors, including Jeffrey Archer, James Patterson and Jodi Picoult, agreed to work with us, writing exclusive short stories for us to sell in aid of our charity partners. Stores also sold a cookbook, featuring eight popular chefs, with money from the proceeds of each copy being donated to Cancer Research UK. The run-up to Christmas is a particularly important time to raise funds from charity product sales, with Christmas cards and wrap all being sold in aid of our charity partners.

Staff fundraising continued in earnest, and a team of 54 employees completed the Three Peaks challenge over a weekend in September 2017, scaling the three highest mountains in England, Scotland and Wales. There were also many other fundraising events organised by local teams in stores, head office and our distribution centres, including sponsored runs, walks, bike rides, cake sales and head shaves.

We are now well on our way to reaching our £2m target, thanks to the help of WHSmith customers and employees across the country, who have provided fantastic support raising over £1.7m in support of our charity partners so far.

In the past decade, we have donated more than

£10 million

to local communities

Community impact continued

How do our donations help?

Vital fundraising for Stand Up To Cancer

One in two people born after 1960 in the UK will develop cancer at some point in their life and, today, three out of four will survive cancer within the next 20 years, compared to the survival rate of one out of four recorded in 1970. Our contribution to Cancer Research UK provides vital fundraising for research to help beat cancer, including Stand Up To Cancer's work. Our fundraising will help fund research to treat bowel, lung and skin cancers in particular.

MIND's 'whole school' programme

Half of all mental health problems have been established in young people by the age of 14, rising to 75 per cent by the age of 24. No young person should face a mental health problem alone, and the funds we have raised are enabling MIND to kick-start the development of their flagship whole school approach for Children and Young People, which tackles the mental wellbeing of all – children, parents, teachers and staff. Our support means that MIND can roll-out its programme into 24 schools and further education colleges across the UK, reaching over 11,000 children, young people, teachers and parents.

The National Literacy Trust's Swindon Hub

As the UK's leading bookseller and stationer, we are particularly passionate about literacy and life-long learning. Research findings consistently conclude that one of the most effective ways of helping children to reach their potential is to engage them in reading for pleasure. Children who read for pleasure make greater progress in mathematics, vocabulary and spelling between the ages of ten and 16 than those who rarely read. Young people who read regularly are significantly more likely to attain a professional or managerial position than those who do not read. Our money is being used to develop a literacy hub in Swindon to promote the love of reading to thousands of local children and young people. With our support, and that of Swindon Borough Council, the National Literacy Trust is:

- Running literacy courses for young adults as part of a 'Words for Work' employability programme, literacy programmes for secondary school children and Early Words Together programmes for pre-school children.
- Creating the Lost Words Trail around Swindon to encourage children to spend time with their family and have fun exploring Swindon. The trail is inspired by The Lost Words by Robert Macfarlane, a book full of nature-themed words that are falling out of children's common usage.
- Hosting events for different groups, including a morning of storytelling, crafts, augmented reality and a books giveaway for foster families; and a pop-up story shop in the local shopping centre where children enjoyed storytelling, craft activities, and book donations supplied by WHSmith to inspire reading at home.
- Running a campaign to search for Swindon's top 100 children's books.

Believe in Happy: Greeting cards for those suffering with mental health



One of the more innovative ideas for helping our partner charities this year came from one of our Funky Pigeon card designers who had her own experience of mental health difficulties. She had received a 'Get Well' card from her grandmother, and later recognised that this was a lovely way to be told that others were thinking of her and she was not alone in her recovery. On her return to work, she set out to raise awareness with the creation of two card ranges for friends and family to send to loved ones who may be experiencing a difficult time with their mental health. The designs were developed after extensive research on the psychological impact of colours, and one of the ranges incorporated a logo to represent Project Semicolon, a movement dedicated to the prevention of suicide. Alongside the card ranges, an associated gift range of products were sold through FunkyPigeon.com, with 30 per cent of the sale proceeds being donated to Mind.

The WHSmith Group Charitable Trust

The WHSmith Group Charitable Trust is an independent registered charity has two principal objectives:

- to support the local communities in which WHSmith staff and customers live and work; and
- to support education and lifelong learning, helping people of any age to achieve their educational potential.

We encourage our employees to be actively involved in their local communities and many of our staff fundraise or volunteer their time for charities, community groups and other local good causes. To support and encourage staff involvement, the Trust matches employee fundraising and volunteering. During the Trusts' 2017 financial year, it made 60 grants as part of the programme, worth over £30,000 in total.

These grants go to match employee fundraising for charities our staff feel passionate about. These include small local charities such as hospices, playgroups, Scout and Brownie packs, as well as big national campaigns such as Save the Children, Help for Heroes, the British Heart Foundation and the National Autistic Society.

The Trust also recognises the time that employees spend volunteering for charities and matches the value of the time they spend. This may be time spent volunteering for a local care centre, for example, or the time many of our employees spend volunteering in local schools. The Trust also makes grants to employees who are members of a school parent-teacher association or Board of Governors.

Community impact continued



Working with the National Literacy Trust to encourage Young Readers

WH Smith PLC and the WHSmith Trust have supported the National Literacy Trust's Young Readers Programme since 2005. Projects run as part of the partnership have reached thousands of children across the UK, through summer play-schemes, family reading programmes and most recently, a project promoting peer reading in schools.

The Young Readers Programme motivates children and young people to read for enjoyment through a series of events that celebrate the fun of reading. At each event the children put into practice skills taught as part of the programme to select a free new book of their choice to keep, increasing book ownership, which has been shown to have a positive impact on educational attainment.

During 2017/18, we worked with the National Literacy Trust to deliver the second year of a three-year partnership, continuing our support of the Young Readers Programme, and introducing 'live literature' events to bring children into direct contact with authors, storytellers and illustrators, to bring books to life and inspire children to want to discover the world of books and reading. Over the year, the WHSmith Trust's funding has allowed the National Literacy Trust to work with 1,500 children in 24 primary schools across the UK, allowing them to choose more than 4,500 free new books to keep. Over the course of our entire partnership, we have now helped to deliver fun, literacy-focused events for 24,000 children and given out over 60,000 books across the UK.

The project focuses on schools in five areas of the UK, each identified as needing additional support for children's literacy. These areas are Glasgow, Peterborough, Manchester, Swansea and Teesside. In each area, the local WHSmith store team has been involved, working with the schools and hosting school visits to the store. All participating schools are provided with an annual gift of £150 worth of books selected from their local WHSmith store, to boost their school or classroom libraries to use as an ongoing resource to support children's shared reading time within the school setting.

The culmination of the project year in each location is a live author event in inspirational local settings. These include Glasgow's Mitchell Theatre, Manchester Central Library and Teesside's Riverside Football Stadium, and are run with the support of local partners, encouraging the development of sustainable links between schools and the wider community.

At the end of the current project year, feedback from teachers illustrated the impact on participating children and their attitudes to reading:

- 100 per cent of teachers felt the Young Readers Programme had been effective in motivating the children they work with to read.
- 93.9 per cent said it had a positive impact on children's reading enjoyment.
- 100 per cent of teachers noted a positive change in pupils' reading attainment over the course of the project.
- 53.6 per cent felt it was important to own books having taken part in the project.
- Participating children also showed increased confidence in their reading skills and increased motivation to read a broader range of materials, which are associated with greater reading proficiency.

Celebrating World Book Day

World Book Day was designated by UNESCO as a worldwide celebration of books and reading, and is marked in over 100 countries around the globe. It is the biggest annual celebration of books and reading in the UK and is sponsored by National Book Tokens, with a group of publishers, booksellers and interested parties all working together to promote the enjoyment of reading. WHSmith continues to take a leading role in the delivery of the UK's World Book Day initiative.

World Book Day is an important day in the year for our High Street business with many stores running special events like competitions, fancy dress, author signing sessions and tours of the bookshop, to see a book's journey from delivery to the shop floor. Local schools are invited into store so that children can take part and use their £1 World Book Day vouchers. This year, despite the challenges of winter weather, World Book Day was a great success with 280,000 £1 book vouchers redeemed. Two-thirds of our stores ran events, using World Book Day as an opportunity to talk to local schools and establish or build on existing relationships. Thousands of children picked up their £1 book at these events and had a chance to listen to stories, and talk about reading.

In addition to providing and redeeming £1 World Book Day vouchers, we also partnered with the WHSmith Trust to donate WHSmith vouchers to schools across the UK for them to choose books to increase their school library resources. Over 200 schools were helped in this way with £20,000 of vouchers being donated.

Community impact continued



Supporting our local communities

Vibrant high streets and town centres are good for the community and for our business. Community engagement has been defined as one of the 'four Cs' we ask stores to follow in creating the WHSmith working culture – Customers, Colleagues, Commercial and Community. Our store teams are active members in their communities, with many store managers and staff giving their time to support local councils, town centre management and high street security groups to promote a thriving business environment. In addition, most of our stores regularly support local schools and charities through donations of depreciated stock, and by inviting schools into our stores for events promoting literacy and a love of reading.

Staff from our head offices have been involved in a host of volunteering activities this year, helping to paint community centres and host get-togethers for local people to combat loneliness in the community. They also hosted a careers event in conjunction with the Harbour Project, a charity which supports refugees from their applications for asylum to becoming integrated members of the community. Eight of our volunteers welcomed six refugees of varying backgrounds and English language ability, telling them a little about the WHSmith history and answering questions about working in the UK. We also provided advice on how to negotiate an interview, demonstrating with examples of typical questions and answers, and how best to phrase responses.

Community investment 2017/18^A



Targets: Community

Target	Baseline year	Current status	Proportion of target met
In the decade to 2020, we will have invested £10m in local communities through donations of cash, employee time and gifts in kind.	2010	£10.1m ^A	Target met
In the decade to 2020, staff and customer fundraising initiatives will have raised over £1.25m to support partner charities.	2010	£2.3m ^A	Target met
In the decade to 2020, we will have worked in partnership with the WHSmith Trust to help over 65,000 children discover the joy of reading.	2010	58,500 children have taken part in literacy projects	90 per cent

^A Reliability of the WHSmith totals for the selected CR performance data has been assured by Corporate Citizenship, as described on page 26.



Other donations through our stores

We have a longstanding relationship with Save the Children and during Autumn and Winter 2017, we worked together to raise essential funds for children in desperate need. WHSmith employees and customers were proud to raise over £40,000 for Save the Children's Christmas Jumper Day 2017. As well as selling Christmas cards, Christmas giftwrap and teddy bears in aid of Save the Children, WHSmith employees across the UK were champions of the charity's Christmas Jumper Day campaign. Our employees were some of the four million people who donned a sweater to support Save the Children.

The proceeds from the sales of single-use carrier bags in our UK stores are donated to good causes. In our Travel business, the levy from single-use bags went to Shelter to support the charity's vital work with individuals and families affected by homelessness. In our High Street business, the carrier bag levy is administered by the WHSmith Community Fund, which makes grants to hundreds of customer-nominated schools and charities across the UK. This year, we helped good causes supporting hospices and hospitals, community projects such as children's play facilities and cycleways, and schools and pre-schools. More information on the criteria for these grants is available at www.whsmith.co.uk/communitygrants.

Measuring our community investment

We use the London Benchmarking Group's (LBG) reporting model to calculate our community contributions to provide a standardised way of managing and measuring our corporate community engagement.

The chart presents a breakdown of our community contributions, using the LBG's reporting model. We measure the direct contributions we make to the community, in the form of cash donations, gifts in kind and also staff time and management costs.

Independent Assurance of WHSmith Corporate Responsibility Reporting 2017/18

ISAE 3000 Statement

The nature of the assurance

Corporate Citizenship has been engaged by WHSmith to provide independent limited assurance of the data within its Corporate Responsibility (CR) Report 2017/18. This statement is intended specifically for the Directors of WHSmith.

The scope of the assurance includes the following topic areas:

- CR Governance
- Stakeholder Engagement
- Materiality
- Greenhouse Gas Emissions
- Waste
- Paper sourcing
- Ethical Trading
- Diversity
- Health and Safety
- Community Impacts

The assurance covers the period from 1 September 2017 – 31 August 2018.

WHSmith is entirely and solely responsible for the production and publication of the data assured, Corporate Citizenship for its assurance.

The data within the CR Report primarily relates to the retailing operations of WHSmith in the United Kingdom under the WHSmith, Funky Pigeon, Cardmarket and Cult Pen brands. Data relating to paper sourcing and ethical trade includes information from all directly-run international operations. WHSmith's franchise operations and indirect international stores are excluded from the report and therefore the scope of our assurance work.

Our work has involved reviewing selected claims and data included in the report against the GRI principles for Defining Report Quality.

This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the relevant subject-matter specific ISAE for GHG data (ISAE 3410, Assurance Engagements on Greenhouse Gas Statements). GHG quantification is subject to inherent uncertainty due to factors such as incomplete scientific knowledge about the global warming potential of different GHGs and uncertainty around the models and parameters used in estimating GHG emissions.

Corporate Citizenship has complied with the requirements for independence, professional ethics and quality control as stipulated by ISAE 3000.

Assurance work performed

The assurance work was commissioned in July 2018 and was completed in October 2018. Detailed records were kept of meetings, assurance visits and correspondence relating to the assurance. The assurance process was undertaken by a multidisciplinary team of three, including one Senior Consultant a Senior Researcher and a Director acting in a supervisory capacity.

The assurance engagement was undertaken to a limited level. With regard to Principles for Defining Report Content our work has involved, but not been limited to, the following elements:

- A review of the material taken into account by WHSmith when considering Sustainability Context and Stakeholder Inclusiveness;
- An evaluation of the data, process and judgements underpinning WHSmith's definition of Materiality;
- A review of the text of the report at various stages of development to evaluate Completeness; and
- Meeting with and interviewing staff responsible for the development and delivery of the WHSmith Corporate Responsibility programmes. These interviews tested all four principles for defining content: Completeness, Materiality, Stakeholder Inclusiveness and Sustainability Context.

With regard to Principles for Defining Report Quality our work has involved, but not been limited to, the following elements:

- A review of the assertions and key performance indicators within the text of the report, marked with the symbol Δ;
- Scrutiny of the underlying systems used to produce the data, an examination of the controls and guidance accompanying these systems, including interviewing WHSmith staff with functional responsibility for collecting, consolidating and reporting the data to test definitions and gain a fuller understanding of the processes used for collection and control; and
- Making a representative sample of spot checks on the underlying activity data used in calculating the key performance indicators.

These activities enabled us to reach a conclusion about the Completeness, Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness of the Report and its contents.

Our experience and independence

Corporate Citizenship is a specialist management consultancy, advising corporations that seek to improve their economic, social and environmental performance around the world.

It is a leading assurer of corporate responsibility and sustainability reports. This is the fourth year that Corporate Citizenship has provided independent assurance services in relation to WHSmith's corporate responsibility reporting. We have provided no other services to WHSmith during the period under review.

Conclusion

Based on the scope of work performed, nothing has come to our attention to suggest that any of the performance data included in the scope of assurance, marked with the symbol Δ in WH Smith's Corporate Responsibility Report 2017/18, is materially misstated.

Corporate Citizenship Limited,
London,
10 October 2018

Definitions of corporate responsibility key performance indicators

This report, referred to as the WH Smith PLC Corporate Responsibility Report 2018, details the Group's CR performance for the year 1 September 2017 until 31 August 2018. This is issued alongside the WH Smith PLC Annual Report and Accounts 2018.

Some of the data reported is not exactly aligned to the year ended 31 August 2018 but is reported for a consistent period each year. Further details are provided in the table below.

This report focuses primarily on the activities undertaken by our retailing operations in the UK under the WHSmith, Funky Pigeon, Cardmarket and Cult Pen brands. Our directly-run international operations (in Australia, France, Germany, Ireland, Italy, Qatar, Singapore and Spain) are included in performance data indicators as detailed in the table below. Performance data for joint venture and franchise operations are excluded from this report. Other variances in reporting boundary are highlighted in the relevant section.

Environment

Energy consumption (kwh)	<p>The amount of gas and electricity used to power, light and heat our stores, offices and distribution centres, expressed as an absolute value.</p> <p>Energy consumption for our directly-run international stores has been calculated by multiplying the average consumption for a UK travel store by the number of stores in non-UK markets.</p>
Fuel consumption (litres)	The amount of fuel used to power vehicles used to transport products between our distribution centres and UK stores.
Total greenhouse gas emissions from energy, transport and business travel (tonnes CO₂e)	<p>The tonnage of equivalent carbon dioxide emissions from:</p> <ul style="list-style-type: none"> the combustion of natural gas and from power stations generating the electricity which we buy to power, light and heat stores, offices or distribution centres; the transport of our products from distribution centres to UK stores; and air, rail and car travel by our UK staff between different business premises. Sea, bus and taxi travel are excluded. Where actual mileages were unavailable assumptions were made based on the cost of travel purchased to ensure a more representative total figure is disclosed. <p>These emissions are calculated from energy and fuel data using standard DEFRA conversion factors.</p>
Scope 1 greenhouse gas emissions (tonnes CO₂e)	<p>The tonnage of equivalent carbon dioxide emissions associated with the combustion of gas on the premises to heat stores, offices or distribution centres.</p> <p>These emissions are calculated from fuel data using standard DEFRA conversion factors.</p>
Scope 2 greenhouse gas emissions (tonnes CO₂e)	<p>The tonnage of equivalent carbon dioxide emissions from power stations generating the electricity which we buy (used to power, light and heat stores, offices or distribution centres).</p> <p>These emissions are calculated from energy data using standard DEFRA conversion factors.</p>
Scope 3 greenhouse gas emissions (tonnes CO₂e)	<p>The tonnage of equivalent carbon dioxide emissions associated with business travel by WHSmith employees via air, train and car. Sea, bus and taxi travel are excluded. Where actual mileages were unavailable assumptions were made based on the cost of travel purchased to ensure a more representative total figure is disclosed.</p> <p>Also the tonnage of carbon dioxide emissions associated with the transport of our products from distribution centres to UK stores using vehicles owned by third parties.</p> <p>These emissions are calculated from fuel data using standard DEFRA conversion factors. Scope 3 air emissions are based on emission factors with radiative forcing included.</p>
Equivalent carbon dioxide emissions per pallet moved (kg)	<p>The amount of equivalent carbon dioxide emissions which are calculated to have been emitted by the combustion of fuel during the transport of each pallet of product to our UK stores. Equivalent carbon dioxide emissions are calculated from fuel usage using standard DEFRA conversion factors.</p>
Total High Street landfill waste arising (tonnes)	<p>The quantity of waste sent for disposal in landfill.</p> <p>Distribution centres, office and Biffa-managed UK High Street store waste is based on collections which occurred during the year.</p> <p>Individual landfill bin weights are based on averages following a sampling exercise.</p> <p>The Biffa-managed High Street store waste is extrapolated to the remainder of the UK High Street estate where waste collection data was unavailable.</p> <p>The figure reported does not include the waste disposed of by Travel or International stores where waste disposal is controlled by landlords.</p>
Total High Street recycled waste arising (tonnes)	<p>The quantity of waste collected for recycling.</p> <p>Distribution centre, office and Biffa-managed UK High Street store recycling is based on collections which occurred during the year.</p> <p>Individual recycling bin weights are based on averages following a sampling exercise.</p> <p>The Biffa-managed High Street store waste is extrapolated to the remainder of the High Street estate where waste collection data was unavailable.</p> <p>The figure reported does not include any recycling waste disposed of by Travel or International stores where waste disposal is controlled by landlords.</p>

Definitions of corporate responsibility key performance indicators continued

Responsible marketplace	
Percentage of own brand stationery products which are from certified or recycled sources	<p>The percentage of own-brand stationery products, which are made from pulp which comes from recycled sources or certified sustainably managed forests. The certified sustainably managed forest schemes are the Forest Stewardship Council or Pan European Forest Certification schemes.</p> <p>The percentage reflects the number of own-brand stationery units which fall into the category above and which were delivered to WHSmith or sold by Funky Pigeon during the year. The data is for the UK business and also the own-brand products supplied to WHSmith's international stores.</p>
Number of ethical trade improvement plans completed on time	<p>After each factory audit, we agree an ethical trade improvement plan with the factory management, outlining the areas where we believe they need to improve their ethical trade policies and performance. A date is agreed with the factory management for these improvements to be completed. We measure how many action plans are returned to WHSmith on time, together with evidence of improvements having been made. The data is for own-brand products supplied to WHSmith's UK and international stores.</p>
Workplace	
Senior management team	This group comprises employees who are members of the senior executive committees (who are not also members of the Board).
Management team	This group comprises UK-based store managers and senior head office staff (who are not also members of the senior management team).
Major injury	A reportable major injury would include fractures, other than to fingers, thumbs and toes; dislocation of the shoulder, hip, knee or spine; loss of sight (temporary or permanent); any other injury leading to unconsciousness, or requiring resuscitation, or requiring admittance to hospital for more than 24 hours of an employee, contractor or member of the public. Data is for the UK business only.
Injuries resulting in over seven days' absence from work/hospitalisation	An injury which causes an employee or contractor to be away from work or unable to perform their normal work duties for more than seven consecutive days (not counting the day of the accident) or which requires hospitalisation of an employee, contractor or member of the public. Data is for the UK business only.
RIDDOR (Reportable under the Reporting of Injuries, Diseases and Dangerous Occurrence Regulations)	An injury which resulted from an accident arising out of or connected with work activities which was required to be reported to the external safety regulatory authorities under the requirements of UK legislation in relation to employees, contractors or members of the public. Data is for the UK business only.
Community	
Cash donated (£)	The gross monetary amount that the Company pays in support of a community organisation or project in the UK. This includes direct donations and membership and subscriptions to community organisations.
Gifts in kind (£)	The non-cash resources which the Company has committed in the UK to community activities, which can include product, equipment, or other non-cash items from the Company to the community. These are valued at cost, rather than RRP, where appropriate.
Staff time (£)	The staff time contribution is the cost to the Company of the paid working hours contributed by employees in the UK to a community initiative or activity. The business average cost of employee time is used.
Management costs (£)	The costs incurred by the Company in making its contributions in the UK. Such costs will include the salaries, benefits and other overheads of community affairs staff along with research and communications spend if designed to help the community engage with the Company.
Additional definitions	
Employee	A person working directly for the Company and paid directly by the Company.



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Find out more at

whsmithplc.co.uk