

Environmental, social and governance

The Group's ESG strategy focuses on making a difference to the environment, its people and its communities.

To further realise its purpose, the Group has launched its ESG strategy, which commits the Group to eight long-term ESG goals focused on the environment, its people and its communities.

The ESG strategy has been developed taking into account the Group's principal risks and uncertainties (pages 36 to 39) and stakeholder engagement (pages 24 to 25). The Directors have chosen to focus on six of the United Nations' 17 Sustainable Development Goals that they consider most relevant to the business.

ESG Strategy development is led by the CEO through the Group Leadership Team. The Directors are collectively responsible for reviewing the ESG Strategy, which was approved by the Board in April 2021.

Our ESG journey

Across an extended period, the Group has contributed to society through its core purpose and built on this through its support for charities.

In FY20 and FY21, the Group successfully focused on encouraging inclusivity in greeting card designs, on raising employee engagement, and on improving the sustainability of its supply chain.

The Group's focus for FY22 and beyond will be on delivering against our ESG strategy whilst strengthening disclosure. In particular, the Board notes the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and intends to expand disclosures against the TCFD framework in future annual reports.

Risks and uncertainties

The Group's risk management framework covers the assessment and management of ESG risks. Principal risks and uncertainties include the securing, development and retention of talent (refer to pages 36 to 39). Other ESG-related risks such as climate change and the use of natural resources are captured in the Risk Register and monitored but are not currently considered to be amongst the Group's principal risks and uncertainties. An assessment of how these matters may present potential risks and opportunities to the business beyond the period covered by the Viability Statement will be undertaken during the year ahead.

Governance

The Board receives a full, formal update on the Group's delivery against ESG strategy and targets twice annually.

The Moonpig Group Foundation is an account within the Charities Aid Foundation ("CAF"), a donor-advised fund and Registered Charity (Number 268369). Governance of the charity itself is provided by the trustees of the CAF. Giving requests to the Moonpig Group Foundation are managed internally by a committee that is chaired by the CEO.

Environmental, social and governance continued

ESG strategy

moonpig group plc

Moonpig Group's purpose is to help people connect and create moments that matter

UN Sustainable Development Goals



Ensure healthy lives and promote well-being for all at all ages



Achieve gender equality and empower all women and girls



Ensure sustainable consumption and production patterns



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Protect, restore and promote sustainable use of terrestrial ecosystems and sustainably manage forests

Environment

Consume resources more sustainably, and move towards a positive impact on the environment

Goal 1

Net zero carbon emissions (Scope 1 and Scope 2) by 2030

Goal 2

100% sustainably sourced paper, card and packaging by 2022

Goal 3

Reforest at least 330 hectares of woodland by 2025

People

Promote high performance, high engagement and high levels of inclusion

Goal 4

Increase the combined leadership representation of women and ethnic minorities to at least 50% by 2025

Goal 5

Reach and maintain an employee engagement score at or above 72% in line with the New Tech benchmark

Communities

Generate a positive impact in the communities that the Group serves and hires from

Goal 6

Invest £1.0m between 2020–2025 leveraging the Moonpig Group Foundation to causes that spark moments of joy

Goal 7

New hires into technical roles to be at least 45% from women by 2025

Goal 8

Reach and maintain a customer Net Promoter Score of at least 70

Environmental, social and governance continued

Environment

The objective of the Group's environmental strategy is to ensure that it consumes resources sustainably and moves towards a positive environmental impact from its operations. The ESG strategy includes three environmental goals, which focus on reducing carbon, and promoting sustainable use of natural resources and reforestation.

Goal 1 – Net zero carbon emissions by 2030

The Group commits to reduce absolute greenhouse gas emissions arising from its own operations (Scope 1 and Scope 2 emissions). It aims to deliver at least a 50% reduction by 2030 versus total emissions of 635 tCO₂e in the baseline year of FY20. This goal has been validated by the Science Based Target initiative ("SBTi"), and is aligned with the Paris Agreement's aspiration to limit global warming to 1.5°C.

The Group intends to start measuring indirect emissions in its value chain (Scope 3 emissions), for instance relating to third-party manufacturing, the distribution of products and the technology that powers its online presence. It will work with partners to identify ways to achieve reductions on these emissions.

The Group is committed to offsetting Scope 1 and 2 emissions that cannot be reduced on a yearly basis and will invest in forestry carbon sequestration projects to cover any emissions remaining by 2030. In FY22 the Group has committed to investing £15,000 to offset its emissions.

Goal 2 – 100% sustainably sourced paper, card and packaging by 2022

The Group's supply chain strategy focuses on ensuring that 100% of paper, card and packaging is sustainably sourced by the start of calendar year 2022. This builds on the significant steps that the Group has already taken to reduce its use of resources. It means that the Group will minimise the forestry impact of the wood product it uses, either by using paper fibre from sustainably managed forests, or by using recycled fibre.



FSC certification

The Group's Dutch manufacturing site has had a full FSC Chain of Custody accreditation since 2010, which covers the Group's status as a manufacturer. This means all cards printed from the site are verified as coming from responsibly managed forests. This certification ensures that FSC materials and products have been checked at every stage of processing, so customers purchasing products sold with FSC claims can be confident that they are genuinely FSC certified and from responsibly managed forests. This year the Group achieved the same status for its UK manufacturing site, meaning all cards manufactured by Moonpig Group are now FSC certified. The Group is currently working to ensure that all of its packaging and envelopes, as well as outsourced cards, are procured from certified manufacturers and are either FSC or PEFC certified or made from over 77% recycled content.

Goal 3 – Reforest at least 330 hectares of woodland by 2025

The Group relies on forestry resources to make its products and therefore considers that it has responsibility to address the issues facing forests. Along with FSC accreditation, and reducing use of virgin pulp, we aim to be "forest positive", hence the Group has partnered with relevant experts to reforest at least 330 hectares over five years so that it plants woodland at the rate that its paper use depletes it. The reforestation will be performed in areas of an ecologically sensitive nature and by FY22 the Group aims to plant nearly a fifth of this target.

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Energy use and greenhouse gas emissions

The table below sets out the Group's mandatory report on greenhouse gas emissions and global energy use pursuant to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the government's policy on Streamlined Energy and Carbon Reporting (SECR).

In FY21, the Group's Scope 1 and 2 carbon emissions were 675 tCO₂e. As the Group was not in existence in its current form prior to the restructuring (as described in note 1 to the Financial Statements on pages 103 and 104), this is the first year for which it has reported on greenhouse gas emissions and energy use.

The Group has delivered reductions during prior years by implementing efficient LED lighting within the London offices and Guernsey factory, where it also runs electric warehouse vehicles. In Guernsey, the sole provider of electricity to the island, Guernsey Electric, supplies 93% (in 2020) renewable electricity. The Group also purchases renewable energy for its London office.

Looking forward, the Group intends to purchase renewable energy for its Dutch offices and identify projects to improve the heating and cooling of its warehouses and offices. Lastly the Group intends to implement a Group-wide Environmental Management System.

Energy consumption (kWh)	FY21		
	UK	NL	Total
Gas	13,427	1,109,564	1,122,991
Electricity (purchased)	782,131	896,019	1,678,150
Total energy consumption	795,558	2,005,583	2,801,141
Mileage claims (miles)	–	14,772	14,772

GHG Emissions (tCO ₂ e)	FY21		
	UK	NL	Total
Scope 1: Emissions from combustion of gas	2	204	206
Scope 2: Emissions from purchased electricity	64	405	469
Total gross emissions	66	609	675
Intensity ratio: tCO₂e per £1m of revenue	–	–	1.83

The greenhouse gas reporting period is aligned to the financial reporting year. The Group reports emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"). The 2020 UK Government GHG Conversion Factors for Company Reporting are used to convert energy use in operations to emissions of tCO₂e. Carbon emission factors for purchased electricity are calculated according to the "location-based grid average" method. This reflects the average emission of the grid where the energy consumption occurs. Data sources include billing, invoices and the Group's internal systems.

For transport data where actual usage data (e.g. type and size of engine) was unavailable, conversions were made using average fuel consumption factors to estimate the usage. Mileage claims are provided in number of miles and converted into tCO₂e using an average car calculation.

Netherlands gas consumption figures are estimated from yearly (Jan-Dec) consumption figures.

Environmental, social and governance continued

People

The objective of the Group's people strategy is to promote high performance, high engagement and high levels of inclusion. The Group's employees are its greatest asset, the vital connection between customers and products. The ESG strategy includes two people goals, which focus on inclusion and engagement.

Goal 4 – Increase the combined leadership representation of women and ethnic minorities to at least 50% by 2025

The Group wants its organisation to be representative of its customers and the communities in which it operates. The Group is working to help raise inclusivity across the wider technology sector with an initial focus on gender and ethnicity.

The Group's approach to breadth of representation on the Board and the Group Leadership Team is set out in the Nomination Committee Report at pages 62 to 64. The Nomination Committee approved a Board Diversity Policy in July 2021 which includes a commitment to meet the Hampton-Alexander target with respect to gender representation on the Board of Directors by the FY22 AGM.

The Hampton-Alexander Review and Parker Review each place emphasis on the need to improve representation within the leadership pipeline. In line with the review recommendations, the Board has committed to increasing the combined representation of women and ethnic minorities in the Extended Leadership Team to at least 50% by 2025.

The Group will achieve this through initiatives that include coaching and mentoring for women and ethnic minority leaders, the introduction of supportive employee resource groups (which focus on inspiring women, tackling racism, and supporting the Group's LGBTQ+ community) and the introduction of recruitment processes that incorporate controls to counter bias.

Combined leadership representation of women and ethnic minorities

As at 30 April 2021	Non-Ethnic Minority Male ²	Women & Ethnic Minority ³	Total	% Women & Ethnic Minority ³
Board	4	3	7	43%
Leadership Team ¹	20	16	36	44%

- 1 Comprises the Group Leadership Team (including Executive Directors and Directors of Group subsidiaries), and their direct reports who are also members of the Extended Leadership Team.
- 2 Processing of data on employee ethnicity requires explicit consent. In any instance where a relevant employee has not consented to the collection of data, they are counted in the denominator but not the numerator for the above percentage of women and ethnic minority leaders.
- 3 Ethnicity is special category data under Data Protection legislation and is therefore not collected and held for all employees. Data has been collected on the basis of explicit consent, for the purposes of monitoring racial and ethnic diversity at senior levels.

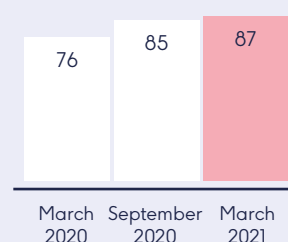
Goal 5 – Reach and maintain an engagement score at or above 72% in line with the New Tech benchmark

The Group has set a goal to reach an employee engagement score at or above 72% consistent with the Culture Amp New Tech benchmark. In the latest employee survey, 87% of employees were proud to work for the Group, higher than the tech benchmark score of 86%. However, the overall employee engagement score is below benchmark at 69%.

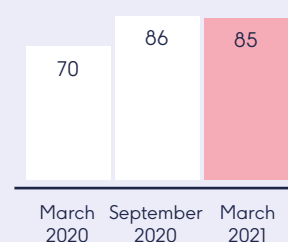
The Group has an innovative, agile and entrepreneurial workforce with a broad range of roles, spanning factory operatives, marketing, creative, commercial, HR and finance, together with technology and data science specialists.

Primary responsibility for employee engagement sits with the CEO and the Group Leadership Team. From a governance perspective, Susan Hooper is the independent Non-Executive Director who has been appointed as the Board's designated representative for workforce engagement.

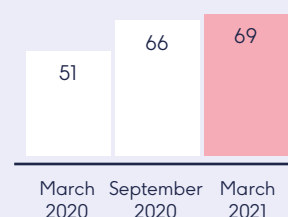
I feel proud to work for this company (%)



I would recommend this company as a great place to work (%)



Overall employee engagement score (%)



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Community

The objective of the Group's community strategy is to support local community groups and charities, the technology sector and customers. The ESG strategy includes three community goals, which focus on charitable giving, creating opportunity in under-represented communities and continuing to improve the customer and recipient experience.

Goal 6 – Invest £1.0m between 2020-2025 through the Moonpig Group Foundation

The Group has a long history of charitable activity, from supporting mental health charity Mind, to Comic Relief, the employment trust in Guernsey and Alzheimer Nederland. It is in this context that the Group created the Moonpig Group Foundation in January 2021 with an initial donation of £250,000 from the Group's Chair.

The Group has committed to invest £1.0m between 2020 and 2025 through the Moonpig Group Foundation to causes that spark moments of joy, helping communities to be more resilient and lead to happier, healthier lives. It will fund causes that support wellbeing, inclusivity in the technology industry and access to opportunity for underserved communities.

During FY21 the Group made charitable donations totalling £678,000 (FY20: £214,000), of which £300,000 was to the Moonpig Group Foundation and the balance was to other charities including Mind, Comic Relief and NHS Charities.

Goal 7 – New hires into technical roles to be at least 45% from women by 2025

The Group has committed that at least 45% of technology hires will be women by 2025. For these purposes, the definition of technology talent includes the teams in technology security, engineering, product and analytics. As at 30 April 2021, 27% of employees in these teams are female (April 2020: 28%) and 50% of the overall workforce is female.

To deliver against this goal, the Group has committed to enhancing its recruitment practices, supporting apprenticeship programmes and engaging with bootcamps. It is also supporting technology recruitment firm ShecanCode, who help women enter and excel in the tech community, and supporting Women in Tech Wednesdays.

Gender representation

As at 30 April 2021	Male	Female	Total	% Female
Board	5	2	7	29%
Group Leadership ¹	5	2	7	29%
Extended Leadership ²	19	10	29	34%
Total Group	208	211	419	50%

1 Comprises the Group Leadership Team excluding Executive Directors.

2 Comprises direct reports to the Group Leadership Team who are also members of the Extended Leadership Team.

Goal 8 – Reach and maintain a top-quartile customer NPS score of at least 70

The Group's mission is to help people connect, and it is important that the Group's customers believe it is doing this. The Group uses Net Promoter Score to track customers' willingness to recommend it to someone else, based on end-to-end experience.

The Group's weighted customer NPS score across its brands was 67 in FY21. This places it in the top quartile for tech companies. As the Group continues to make the full customer and recipient experience better, it aims to maintain a top quartile NPS score of at least 70.



NPS score
FY21

67