

Pentland Group

Corporate Responsibility review 2022

This Corporate Responsibility review evaluates the progress made during the period January to December 2022 and outlines plans for 2023.

You can view our previous Corporate Responsibility reviews [here](#).

Contents

Message from our Chairman	3
---------------------------	---

About Pentland Group

Our approach to corporate responsibility	6
2022 highlights	8
Partnerships and memberships	9

JD Sports Fashion plc

Governance	11
Social	12
Environmental	15

Pentland Brands Limited

Positive Business	18
Governance	20
People	21
Planet	24

Message from our Chairman

Our reputation as a responsible family business has always been important to us and we have set ourselves ambitious goals for our actions to have a meaningful impact for good.

In an era where environmental concerns, social responsibility, and ethical business practices are paramount, it is crucial for all companies to adapt and lead the way towards a more sustainable and inclusive world. The Pentland Centre for Sustainability at Lancaster University, which we co-founded in 2015, is exploring and delivering valuable research on sustainability in business. Both Pentland and our major subsidiary, JD Sports Fashion (JD) have made progress in driving a sustainable future.

People are at the heart of our business, and we're committed to respecting our

communities. The Rubin Foundation has maintained its support for charities focused on climate change, inequality and education, funding disadvantaged young entrepreneurs through The Prince's Trust and offering a public policy scholarship for developing countries with University College London.

Pentland Brands continued to support its communities in 2022, positively impacting 190,000 people across 12 global regions. The JD Foundation offered support to charities benefitting disadvantaged communities throughout the UK. In 2022, it supported 24 charities that help young people with mental health and wellbeing issues.

We continue to work closely with various global organisations, industry bodies and academic institutions, pursuing industry-wide solutions that benefit society and the

environment. We're members of The World Federation of the Sporting Goods Industry (WFSGI) and The Federation of the European Sporting Goods Industry (FESI), both aiming to increase sports participation to encourage health and wellbeing.

We understand that the road ahead may not be easy, but we are committed to building brands that make life better and to being good corporate citizens. We invite you to find out more in this report.

Stephen Rubin
Chairman

Pentland Group



About Pentland Group

We are a family business building and delivering positive brands in sports, outdoor and fashion. We take a long-term view on developing and positioning our brands; we are passionate about our people and committed to being good corporate citizens.

Pentland Group businesses employ over 76,500 people worldwide. Although our companies are always developing, people and values remain at the heart of what we do.

Pentland Group companies, in which we hold 50% or more equity, are required to comply with our policies and we use our influence to help others increase its impact where we can. Therefore, this report exclusively focuses on the commendable sustainability efforts carried out by JD Sports Fashion and Pentland Brands.

JD Sports Fashion plc

Pentland Group holds a 51.64% share in JD, the UK's leading retailer of branded sportswear, fashion and outdoor clothing and equipment. JD is listed on the London Stock Exchange and is managed as an independent operation by the JD Board of Directors. The JD environmental, social and governance approach can be viewed on its **website**.

Pentland Brands Limited

Our Pentland Brands division is the name behind some of the world's best sports, outdoor and lifestyle brands. It controls Speedo, Berghaus, Canterbury of New Zealand, elleste, Endura, SeaVees, KangaROOS, Mitre

and Red or Dead. It is the UK footwear and apparel licensee for Kickers. It also manages the Fitco business. The Pentland Brands approach to positive business can be viewed on its **website**.

Lacoste Chaussures

Pentland Group and the Lacoste Group set up a 50:50 joint venture business to manage the design, production and manufacturing of Lacoste's footwear globally. The Lacoste Group approach to corporate social responsibility can be viewed on its **website**.

Our approach to corporate responsibility

We believe in doing the right thing, not necessarily the easiest thing – as individuals and as an organisation. Respect for people and the environment has always been at the heart of our business and we strive to make all our decisions in good conscience. As a Group, we have long maintained a commitment to treating everything with the view that we are responsible for keeping and improving things for future generations.

Our focus is to:

- Help people to live active, healthy lifestyles by building a business with social purpose
- Protect human rights by doing business ethically and sustainably
- Enable an ethical and transparent supply chain
- Reduce the environmental impact of our operations and materials

The Pentland Brands policies are set out in its **Our Standards** document. JD Sports Fashion plc and affiliate businesses have their own independent boards and set their own policies on corporate governance and risk management. We partner with NGOs, academics and others in our industry to create change for the better and give back to our communities.



UN Global Compact

We were one of the original British signatories of the United Nations' (UN) Global Compact and have fully supported its ten principles on human rights, labour, environment and anti-corruption. We remain committed to supporting the UN Sustainable Development Goals, which address the global challenges we face. Pentland Brands has selected the eight goals it believes can make the biggest difference.

SUSTAINABLE DEVELOPMENT GOALS



World Economic Forum

This report is aligned with the World Economic Forum (WEF) recommended approach to sustainability reporting created by the International Business Council (IBC). It evaluates progress around metrics organised under four pillars.

Metric	Sustainable Development Goal	Location in our report
Principles of governance	8, 12	11, 20
People	3, 5, 8	12-14, 21-23
Planet	9, 12	15-16, 24-26
Prosperity	9, 16	9

2022 highlights

- 1 JD continues to work towards managing climate risk. It retained its A- grade for Climate Change and improved to an A- grade for Water Security from the CDP (Carbon Disclosure Project). Its scope 3 Science Based Targets were approved by the Science Based Targets Initiative (SBTi) Board.
- 2 Pentland Brands introduced employee personal development plans that now include annual positive business targets. It also changed its employee annual bonus scheme so that, regardless of the sales revenue and profit targets achieved, bonuses are only triggered if the business first delivers its annual positive business targets.
- 3 Alongside the Rubin Foundation Charitable Trust, our businesses supported numerous charities that encourage inclusion and diversity, enable learning opportunities and empower young people.
- 4 Pentland Brands partners with several international charitable organisations to support causes that resonate with its brands' consumers and positively impact the communities in its offices, supply chain and sourcing markets. It supported 190,000 people and donated 135,000 products across 12 global regions.
- 5 JD's private label brands sourced 98% of cotton via the Better Cotton Initiative, a flagship scheme to reduce water usage within the supply chain.
- 6 Pentland Brands made progress in driving a sustainable future. It joined the Science Based Targets initiative (SBTi) to validate its net zero plans. Additionally, Berghaus was the first brand in the Pentland Brands portfolio to certify as B Corp.
- 7 JD achieved 'Zero Waste to Landfill' accreditation across four of its largest UK and European distribution and office locations.
- 8 The Pentland Centre for Sustainability in Business continued to deliver stimulating research on sustainability in business, working towards a world where business furthers sustainability outcomes in its activities.
- 9 The JD Foundation has raised over £5.9 million since it was founded in October 2015, supporting 24 charity partners in 2022 that positively impact disadvantaged young people throughout the UK.
- 10 Pentland Brands continued to work towards a vision of a more sustainable future. Kickers launched its first 100% vegan collection, Speedo increased recycled materials in its products and Berghaus championed repairs over replacing through its free repairs service.

Joining forces for change

We partner with leading charities, organisations and academic institutions to scale positive change. More information can be found on our [website](#).



The World Federation of the Sporting Goods Industry

This independent non-profit association represents the global sporting goods industry alongside promoting responsible business practices and encouraging sports participation. In 2022 Andy Rubin, Deputy Chair of Pentland Group Ltd, was elected as the WFSGI Chair of the Board of Directors, pledging to continue working together to reduce impact on the planet, inspire more people to move more and promote free and fair trade.



Federation of the European Sporting Goods Industry

Federation of the European Sporting Goods Industry

The Federation of the European Sporting Goods Industry (FESI) represents the interests of the sporting goods industry in Europe. In 2022 Pentland supported FESI's StrongHER campaign to encourage more young women to exercise or play sport, aiming to tackle the statistic that 33% of young women between 15 and 24 never exercise or play sport*.

*Eurobarometer



Pentland Centre for Sustainability in Business

Pentland Group continues to support the Pentland Centre for Sustainability in Business at Lancaster University, which we co-founded in 2015. The Centre carries out research to find practical solutions to social and environmental challenges.



Charity support

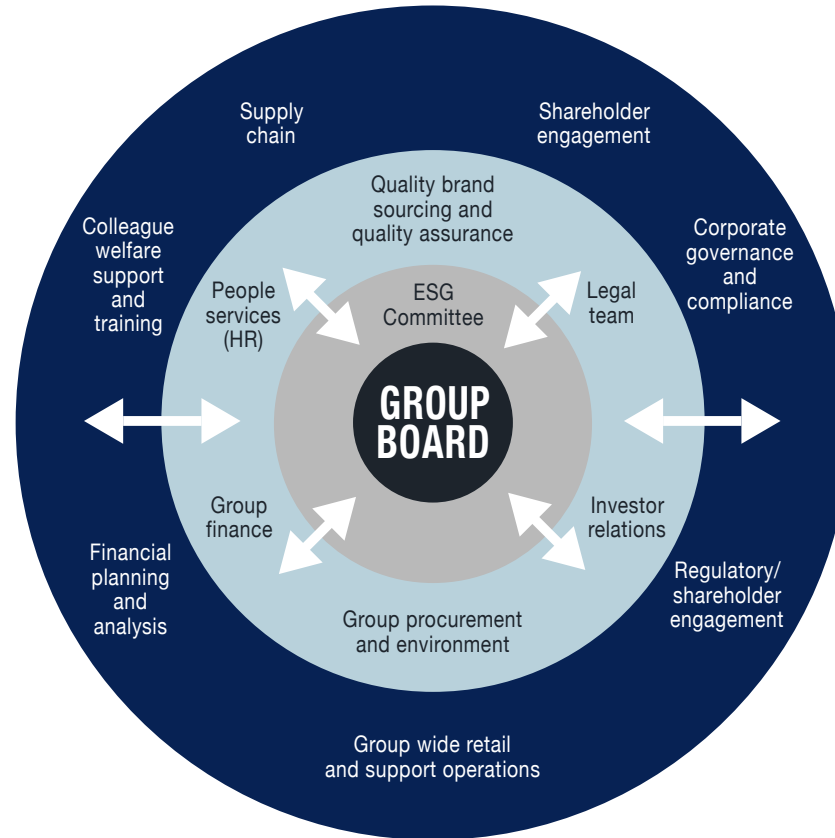
We continue to make significant charitable donations whilst running the Rubin Foundation Charitable Trust. Our support extends to the British Paralympic Association, Mencap (helping those with learning disabilities) and Hope for Youth (an organisation helping young people in Northern Ireland). We have supported The Prince's Trust for over thirty years, specifically helping young start-ups in North London. We also provide an annual Pentland scholarship for a graduate from the southern hemisphere at the University College London.

JD Sports Fashion plc



Governance

As an FTSE 100 company, JD recognises and embraces its responsibility to deliver long-term shareholder value by making positive, lasting changes to material ESG matters. Its ESG Committee (founded in 2020) governs its global, group-wide approach to sustainability, including people strategy, climate change, sustainable sourcing, the circular economy and governance. Further information on JD's ESG committee and credentials can be found on its corporate [website](#).



Social

Ethical sourcing

The JD Ethical Code of Practice ('Code') establishes the procedure for protecting workers and providing assurance that its private label products are manufactured within safe and fair conditions. It states that people working for its suppliers are to be treated with respect, and their health and safety and basic human rights must be protected and promoted. The Code follows the International Labour Organization minimum standards. The full form can be found on JD's corporate [website](#).

JD will not tolerate, nor condone, abuse of human rights within any

part of its business or supply chain. It is committed to complying with the applicable laws and regulations in all of the territories in which it operates. It will conduct itself with professionalism, honesty and integrity while working with suppliers and third parties to ensure that high ethical standards are maintained. More detail can be found in its Modern Slavery report found on its corporate [website](#).

JD works to ensure that all entities comply with its key supply chain and environmental policies. In 2022 it implemented a 'remuneration input tool' with the objective of identifying the cumulative remuneration value for worker facilities and benefits.

All benefits were over and above regulatory and legal pay requirements. Further data on auditing and sourcing can be viewed in the [JD annual report](#).

Supply Chain

JD continues to map its supply chain, mapping to tier 4 in 2022. This exercise requires continual engagement with partners.

Summary of partners

2022	2021
188 agents	191 agents
481 factories	536 factories
18 sourcing countries	19 sourcing countries



Social

JD knows its talented colleagues across the globe are instrumental to its success. It strives to help people grow within the business and the communities it serves.

Wellbeing

JD is passionate about its colleagues' wellbeing, focusing on mental, physical, financial and social health. In 2022 it upskilled managers to join its Wellbeing Network, launched a Menopause Policy and raised awareness for mental health. All colleagues also have access to its wellbeing awareness modules. It continues to achieve excellence in the areas of Health and Safety and the protection of its colleagues in its working environment.

Inclusivity

Diversity and inclusion are vital to JD. In 2022 it participated in National Inclusion Week and launched campaigns for Pride, Black History Month, Disability Awareness Week and International Men's and Women's Days to further promote a culture of belonging. Colleagues are encouraged to provide feedback in its Allyship initiative. In the broader retail community, it's a founding member of Diversity in Retail and works with the British Retail Consortium's D&I Charter.

JD increased the gender diversity of the Board, increasing female Board members to 44% (28 January 2023). The breakdown

of the Plc Board and the Group as a whole by gender at the end of the financial period ended 29 January 2023 can be seen in JD annual report [here](#).

Development

JD is proud to invest in talent with many varied pathways to success. Its range of programmes, from graduates to senior talent, allows its people to develop at any stage of their career and in any specialism they wish. There are over 708 different development opportunities available globally.



Social

JD Foundation

The JD Foundation is a registered charity founded by the JD Group in October 2015 with a mission to support disadvantaged young people throughout the UK. Primarily, it offers funding to several charity partners and supporting partners with colleague fundraising and volunteering. JD is building a new three-year strategy to ensure its vision aligns with that of the JD Group. More information can be found in its annual report.

- £5.9 million raised since October 2015
- £4.6 million donated so far
- 24 charity partners



JD supported these charities in 2022:

Once Upon a Smile

provides emotional and practical support to bereaved families.

Kidscape

focuses on children's safety providing practical support, training, and advice to challenge bullying and protect young lives.

HideOut Youth Zone

provides children and young people somewhere safe to go, something positive to do and someone trusted to talk to.

Environmental

Climate change

JD continues to prepare for climate-related risks and works towards minimising its footprint.

Some achievements include:

- It retained an A- Climate Change grade from the CDP for the third successive year, surpassing its sector average by three grades.
- Its scope 3 Science Based Targets were approved by the Science Based Targets Initiative (SBTi) Board, based upon the 1.5 degrees scenario.
- It achieved its RE100 target of 100% renewable energy usage for Western European sites. The RE100 represents the world's most influential companies, committed to 100% renewable power.

Greenhouse gas emissions

JD remains committed to presenting data reflecting energy usage and carbon footprint.

	2023 (UK & ROI)	2023 (International)	2023 (Total)
Energy Usage - (Electricity (kWh))	109,027,355	168,831,325	277,858,680
Energy Usage - Natural Gas (kWh)	14,613,056	20,412,256	35,025,312
Total Energy Use (kWh)	123,640,411	189,243,581	312,883,992
Carbon Emissions Location based (Tonnes CO ₂ e)	21,556	53,978	75,534
Carbon Emissions Market based (Tonnes CO ₂ e)	2,851	42,455	45,306
Intensity metric Market based emissions (kgCO ₂ e/m ²)	4.7	49.9	31.2

Water stewardship and biodiversity

The growth and extraction of raw materials are water-intensive activities. JD has adopted more sustainable behaviours within its design and supply chain to reduce its environmental impact. Progress includes:

- Improving its CDP Water Security to an A- grade, three grades above the retail average.
- Reducing the usage of virgin polyester.
- Increasing use of Better Cotton to over 98% in private label products.

Environmental

Sustainable sourcing

JD continues to work on sustainable sourcing, looking at materials, raw material sourcing, supply chain transparency and sustainability in JD Private Labels. It's proud to be a member of Better Cotton, an organisation that trains farmers to use water efficiently, care for soil health and natural habitats and reduce harmful pesticides. It's also a member of the government-backed Waste and Resources Action Programme (WRAP) Textiles 2030 initiative, a worldwide initiative to reduce the environmental impact of clothing.

Circular economy

JD has developed a supply chain to extend material and product life at every opportunity. Whilst this is not 'circularity' by definition, extending product life represents an investment in the same principles that support the circular economy. To reduce the impact of stock returns, it works with marketplace supply chain partners, each aligned to its zero-waste principles. It also invested in additional product return infrastructure and resources at its core UK Distribution Centre. Its Outdoor business successfully launched a tent return portal.



Pentland Brands Limited



Positive business

Pentland Brands is committed to taking action for people and the planet. Its 100-1-0 positive business strategy forms a crucial part of its overall business strategy, setting out three ambitious goals to achieve by 2032.

Pioneering brands for good

Help 100 million consumers live a positive, active, sustainable lifestyle

Making life better

Improve the lives of one million people in its communities

Driving a sustainable business

Become a net zero business by 2032





Pentland Brands 2022 highlights

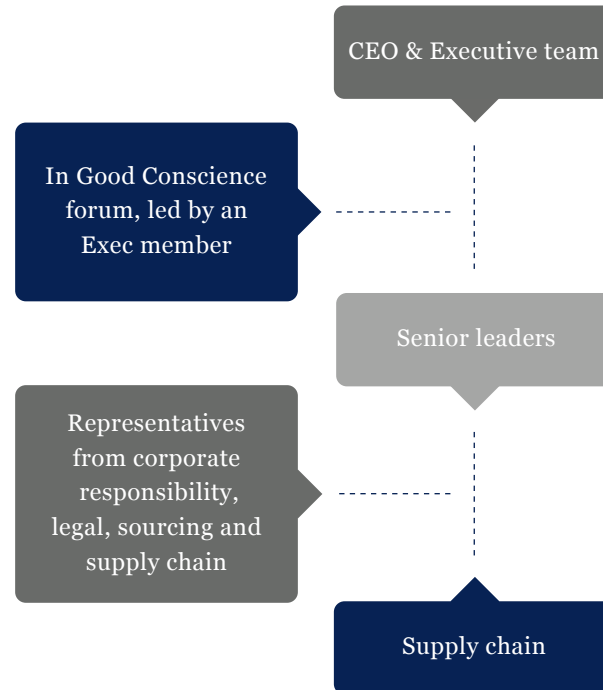
- Speedo's Swim United programme helped people become water safe
- Berghaus certified as B Corp
- Mitre donated kit and equipment to 336 charities
- Canterbury launched its Fair Game campaign to get every child in the UK a free PE kit
- Endura led hundreds of free mountain bike sessions for people with additional needs
- ellesse celebrated Pride through a unique Teletubbies collab collection
- Kickers launched its first 100% vegan footwear collection
- SeaVees created a custom sneaker with positive affirmations for mental health awareness



Governance

Pentland Brands embeds good governance and a culture of ‘doing the right thing’ through robust policies and governance structures, legal training for all employees, and social audits. This ensures it continues to act responsibly to its people, consumers and the communities it operates in.

Regular collaboration across the business ensures its continuously evaluating environmental, social and economic risks and opportunities. Its Executive team oversees all the areas detailed in **Our Standards**, including responsibility for human rights, supply chain and the environment. Its code of conduct sets out expectations for employees, suppliers and partners.



structure for 2022



People

Pentland Brands aims to create equitable, supportive and inclusive workplaces that foster a positive and productive work environment.

Inclusivity

Pentland Brands is working hard to incorporate diversity and inclusion into everything it does, from brand campaigns to recruitment processes. It's four employee networks helped make it a better place to work and its diversity and inclusion learning series gave practical tips on how to be more inclusive in the workspace. It also supported young talent from unrepresented communities break into the world of work.

Pentland Brands aims to improve the representation of women and people from ethnic minority groups in Director level roles, which it plans to do through a combination of continued succession planning, talent pipeline development and external recruitment. In 2022, the highest level of its organisation - the Pentland Brands Executive team - included 40% female representation (April 2022). More information can be found in the latest Pentland Brands **Gender Pay Gap report**.

Wellbeing

Pentland Brands supports its employees in creating a healthy work-life balance. It has gym access at some offices, offers all

employees unlimited access to online programmes to support mental wellbeing and provides confidential 24/7 access to counsellors and information specialists in emotional, health, management, legal, debt, elder and younger care and financial advice. It offers enhanced shared parental and neonatal leave and paid time off for women to attend IVF appointments and has a wellbeing hub.

Development

Pentland Brands believes in equipping its people to reach their potential and supports them in their personal and professional learning journeys. In 2022 it launched a digital-first learning channel to enhance the digital

skills of over 600 employees across its global organisation.

It introduced a new approach to embedding positive business with all employees' personal development plans by including annual positive business targets. It changed the employee annual bonus scheme so that, regardless of the sales revenue and profit targets achieved, bonuses are only triggered if the business first delivers its annual positive business targets.

Pentland Brands also celebrated 20 years of supporting young creatives through its in-house internship programme Design Pool.

People

Charity

Driven by its goal to improve the lives of one million people in its communities, Pentland Brands gives at least 1% of net profit after tax to charitable causes every year through a combination of financial contributions and product donations. It supports individuals and causes that inspire young people to be more active, empower disadvantaged communities, and reduce environmental impact. It partners with global charities that help communities based in its offices, supply chain and sourcing.

190,000+*
people supported

135,000+
products donated

1,000+
charitable organisations supported

12
global regions reached

*This figure excludes the number of people supported through brands.



People

Supply chain workers

Pentland Brands strive to build a fair, ethical and transparent supply chain that protects and respects workers' rights and improves working conditions. It does this through robust policies and governance processes, regular risk assessments and audits, and transparent supplier relationships. It also works with organisations and businesses from across the globe on industry-wide solutions to continuously improve its ethical trading practices.

It seeks to have 100% visibility of its supply chain and is continually increasing visibility. In 2022 it continued mapping and assessing risk for its tier 2 suppliers.

The **Pentland Brands Modern Slavery report** outlines its actions to mitigate modern slavery and increase visibility in its supply chain. More information about its supply chain model, policies, and tier 1 and tier 2 supplier lists can be viewed [here](#).



Planet

Pentland Brands is working on ways to minimise impact.

Carbon emissions

In 2022 it joined the Science Based Targets initiative (SBTi). This will validate its transition plans to net zero and provide a clear roadmap to reduce impact in line with the Paris Agreement goals. It's working on reducing its emissions in several ways, including shifting to less impactful packaging, choosing materials and innovating products with lower impact, and trialling circularity solutions. It's also investing significantly in tools to support carbon data mapping and tracking in 2023.

Greenhouse gas emissions

Pentland Brands GHG emissions for owned operations in the UK was 2,904 tonnes of carbon dioxide equivalent (tCO₂e). Although it is currently focused on capturing data in line with UK legislation, it will start gathering data from its global regions moving forward. More information can be found in the **Pentland Brands Positive Business Report**.

GHG by year (tonnes CO₂e)

Emissions Source	2021	2022	Share (%)	YoY variance (%)
Fuel combustion: natural Gas	1,593	1,002	35%	-37%
Purchased electricity	90	80	3%	-11%
Fuel combustion: transport	123	269	9%	119%
Air	N/A	1,444	50%	N/A
Hotel	N/A	63	2%	N/A
Rail	N/A	46	2%	N/A
Total Emissions (tCO₂e)	1,806	2,904	100%	61%
Revenue (£m)	344	379.9		10%
Intensity: (tCO₂e per £m)	5.25	7.64		46%

*See Pentland Brands Positive Business report for more detailed information.

UK operations

Pentland Brands is working to minimise its office footprint through efficiency initiatives, procuring 100% renewable energy for electric energy across the whole of its UK estate and shifting its company car scheme to fully electric or hybrid cars.

Planet

Biodiversity

Pentland Brands have helped plant mangroves across Africa through Eden Reforestation Projects, funding the planting of 7.8 million trees.

Water

It worked with organisations to provide clean and easily accessible water to communities in water-stressed areas in its sourcing markets. ellesse funded a water project in India through charity: water, Speedo funded a water project in Vietnam through Planet Water Foundation, and Pentland Brands supported three additional ongoing water projects through charity: water.

Materials

Its brands continued to work towards a vision of a more sustainable future by shifting towards more responsible materials, avoiding harmful chemicals, and trialling innovative products that reduce some environmental effects. Its in-house innovation team works to create products that support health, wellbeing and confidence and solve current social and environmental challenges. In 2022 Speedo launched a Biofuse 2.0 goggles that use less fossil-based carbons vs traditional plastics.



Planet

Circularity

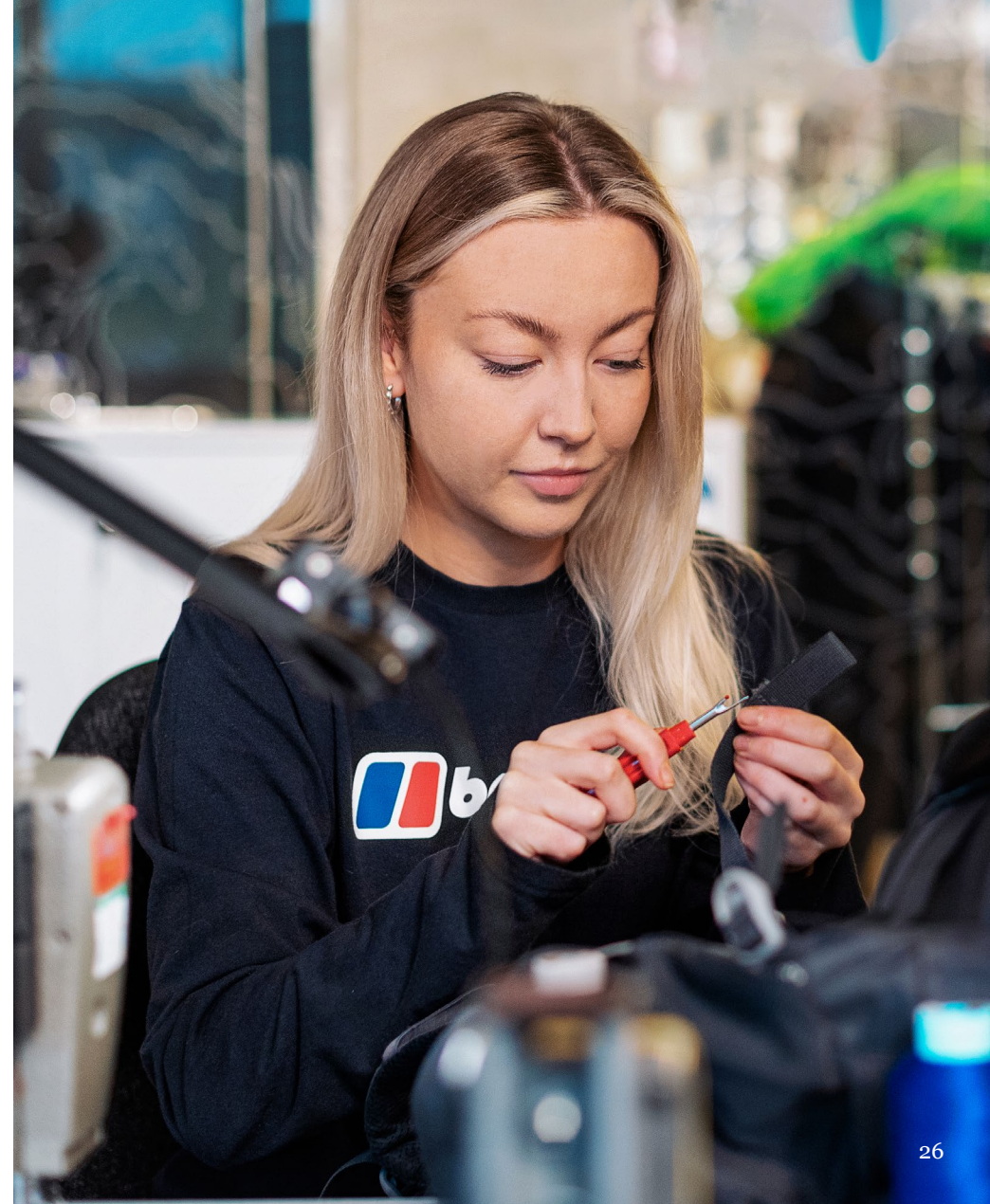
Pentland Brands continues to explore ways to reuse resources and close the loop on waste. Berghaus offers its customers free repairs through Repairhaus, its in-house repairs service, repairing 6,000 items for free in 2022. Kickers started working with Reskinned, a preloved platform that resells, repurposes or recycles these products so that nothing goes to waste.



Packaging

Across Pentland Brands, it's working towards integrating packaging solutions that use more recycled materials and lessen the amount of virgin plastic. It made progress in increasing recycled plastic in its transit packaging.

More information can be found in the **Pentland Brand Positive Business report**.





The Lacoste Group approach to corporate social responsibility, including its vision, objectives and long-term commitments, can be viewed on its [website](#).

