

Pentland Group

Corporate Responsibility Review 2019



This Pentland Group Corporate Responsibility Review evaluates the progress we made in 2019, and outlines our plans for 2020.

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

Introduction

A view from our Chairman, Stephen Rubin	3
Who we are	5
UN Global Compact	9
2019: a year in review	11

Corporate Responsibility at Pentland Brands Limited

Positive Business strategy	18
Brands with purpose	19
Our footprint	32
Our future	44

Corporate Responsibility at JD Sports Fashion plc

People	51
Energy and the environment	56
Ethical sourcing	61
The JD Foundation	64

A view from our Chairman, Stephen Rubin

Looking back at 2019, it is clear that the business context for corporate responsibility has changed considerably. Building a sustainable business has never been more important to our stakeholders - our people, our partners and our consumers.

As one of the original members of the UN Global Compact, and continued advocate of the UN Sustainable Development Goals, I am pleased with the progress of our businesses in supporting and fulfilling our sustainability ambitions in 2019.

Pentland Brands Limited accelerated its Positive Business strategy, sharing plans and ambitions to take action for people and our planet. This new direction is driven by employees, who are passionate and like-minded individuals, and believe in building a better future for the world we live in.

JD Sports Fashion Plc continues to recognise the importance of protecting the environment and minimising the impact of its operations. It has taken steps to advance its reputation as a sustainable organisation by participating in environmental

performance benchmarks and working towards its broader ambition for all its existing global operations to be powered by renewable energy by 2025.

Our people remain at the heart of what we do, and our employees play a vital role in our success. Pentland Brands continues to champion diversity and inclusion (D&I), with three D&I networks in the UK and a working group in Asia playing a vital part in shaping its initiatives. In September 2019, it celebrated its third Global Inclusion Week, which saw employees come together to discuss ideas for improvement.

A key focus area for our businesses is to maintain an ethical supply chain where people are treated fairly, honestly and with respect. Both Pentland Brands and JD have evolved their approaches to ethical sourcing, with Pentland Brands obtaining 'achiever' level with the Ethical Trading Initiative (ETI) and JD introducing its new Code of Practice, to ensure all products created by its brands and suppliers are manufactured in safe and fair conditions.

The Group continued to give back to those in need during the year in a number of different ways.

The Rubin Foundation continued to support charities focused on climate change, inequality and education. The Foundation continued to support the Pentland Centre for Sustainability at Lancaster University, funding disadvantaged young entrepreneurs through The Princes Trust and a public policy scholarship for developing countries with UCL. The JD Foundation continued to support charities working with disadvantaged young people in the UK focused on mental health and homelessness. Pentland Brands continued to support charity partners in communities where they operate working to help disadvantaged young people through empowerment and sport.

I am proud of the progress our businesses have made in 2019 and I am confident in their ability to build on this in the years to come. Together, we will continue to take action for the causes that we believe in, working together to make a difference and create a positive environmental and social impact. I look forward to sharing our progress with you.

Stephen Rubin
Chairman, Pentland Group

COVID-19

While this report is a reflection on 2019, we acknowledge that the impact of COVID-19 on our corporate responsibility activities has been extensive and far-reaching and will continue through 2020 and beyond. Our priority remains the wellbeing of our people, partners, customers and consumers, alongside building a sustainable business.

You can read more about Pentland Brands' response to COVID-19 **here**.

You can read more about JDs' response to COVID-19 **here**.

Who we are



About Pentland Group

We are a family-owned business that owns and invests in companies to create value for stakeholders.

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 employs over 50,000 people and has annual sales of \$6.4 billion.

How we work

Our businesses are changing rapidly, but our people and our values remain at the heart of what we do. We have three business divisions: Pentland

Brands, Pentland Retail and Pentland Investments.

Pentland Brands

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

Pentland Retail

Our retail division comprises the activities of JD Sports Fashion plc, the UK's leading retailer of branded sportswear, fashion and outdoor clothing and equipment, in which Pentland Group holds a 55% share.

Pentland Investments

Through our Pentland Investments division, we are a shareholder in companies such as Hunter Boot Ltd and Tracksmith. We also invest in businesses across a number of different industries.

Included in this Corporate Responsibility review are businesses with an annual revenue of over £500 million, in which Pentland Group owns a majority share. The scope is therefore Pentland Brands Limited and JD Sports Fashion plc.

Our story

Pentland Group took its first steps as the Liverpool Shoe Company in 1932. Founded by Minnie and Berko Rubin, what began as a small shoe business expanded until we were both a manufacturer and a wholesaler of footwear.

As a family-owned company, doing business responsibly has been important to us from the beginning. Our Business Standards set out our expectations for ourselves, our partners and our suppliers to ensure that we continue to do business in the right way.

Honesty, respect, and hard work run through all that we do.

Our focus is building long-term, sustainable businesses that adapt to the changing environment. We aim to make a positive impact through our businesses, our products, our services and our communities.



Our approach

We believe in doing the right thing, not the easy thing – as individuals and as an organisation. That means doing business ethically, supporting our people, minimising our impact on the environment and partnering with others to drive our sustainability agenda.

All 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 their impact where we can.

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 are a signatory of the UN Global Compact and fully support its ten principles on human rights, labour, environment and anti-corruption.

This report details the contribution our business divisions have made to each of the ten principles in 2019.

Topic	UN Global Compact Principle	Location in our report
Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	32, 61
	2. make sure that they are not complicit in human rights abuses	32, 61
Labour	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	32, 61
	4. the elimination of all forms of forced and compulsory labour;	32, 62
	5. the effective abolition of child labour; and	32, 62
	6. the elimination of discrimination in respect of employment and occupation	39, 50
Environment	7. Businesses should support a precautionary approach to environmental challenges;	42, 55
	8. undertake initiatives to promote greater environmental responsibility; and	42, 55
	9. encourage the development and diffusion of environmentally friendly technologies	42, 55
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	32, 50

UN Global Compact

We are committed to supporting the UN Sustainable Development Goals, which address the global challenges faced by our planet. We have selected the eight goals where we believe we can make the biggest difference.

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH
AND WELL-BEING



5 GENDER
EQUALITY



6 CLEAN WATER
AND SANITATION



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



10 REDUCED
INEQUALITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



2019: a year in review

2019 saw progress across our business divisions in areas covering sustainability, social impact and supply chain. Here are some highlights.



Pentland Brands Limited

Nurturing brands with purpose

- Speedo championed diversity and inclusion through its sponsorship programme, pledging to support Paralympic teams in Tokyo 2021 and renewing its sponsorship of Team GB at the next Invictus Games.
- Endura established its 1 Million Trees initiative – a pledge to plant one million trees each year in a bid to make a difference to global warming.

Leaving a positive footprint

- Pentland Brands progressed to level ‘achiever’ with the Ethical Trading Initiative (ETI), for strengthening its approach to ethical trade through NGO collaboration, multi-stakeholder initiative representation and monitoring for improvement.
- The business hosted a Global Inclusion Week, celebrating what it means to be a diverse business and starting the conversation about how we can do more in this area.
- It also pushed ahead with its sustainability agenda, building a sustainable materials library for its tier two footwear suppliers and rolling out 100% recyclable packaging across six of its brands’ e-commerce websites.

Pentland Brands Limited

Collaborating and connecting

- Pentland Brands set up a Sustainability Steering committee and working group to drive sustainability initiatives across the business.
- It continued to collaborate with its charity partners, working towards its goals of inspiring 5,000 young people across the UK to get involved in sport and empowering 10,000 women in disadvantaged communities by 2021.



JD Sports Fashion plc

People

- JD takes a holistic approach to promote health and wellbeing through its different business areas. 2019 saw the introduction of Wellbeing Champions; 161 individuals selected and trained on how to spot signs of modern slavery and how to support employees experiencing mental health difficulties.
- JDs' training strategy has been developed to allow First Aid and Mental Health First Aid training to be available to all employees.

Energy and environment

- JD has advanced its reputation as a sustainable organisation through participation with RE100 (the world's most influential companies, committed to 100% renewable power) to demonstrate its public commitment to renewable energy.



JD Sports Fashion plc

Ethical sourcing

- 2019 saw the introduction of JD's Code of Practice, encompassing its policies in a concise document for its suppliers and brands to ensure all products are manufactured in conditions that are fair and safe.
- From October 2019 to March 2020, 2.1 million products were made from sustainable materials.

The JD Foundation

- The JD Foundation supports charities working with disadvantaged young people in the UK. In 2019 it supported 18 charities with a focus on physical health, mental health and homelessness.



Reducing our footprint

We aim to minimise our impact on the environment. We report our greenhouse gas emissions at Group level in line with the requirements of the Carbon Reduction Commitment Energy Efficiency scheme. This includes emissions from the energy we use in Pentland Brands' offices and distribution centres and in the operations and retail stores run by JD Sports Fashion plc in the UK.

In 2019, Pentland Group's carbon footprint decreased by around 15% compared to 2018, from 38,330 tonnes to 32,464 tonnes. This is the result of a drive to reduce emissions across the Group.

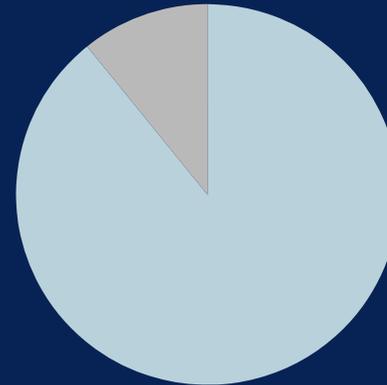
Year on Year

2017 - 18 tCO₂

total 38,330

Elec 33,713

Gas 4,617

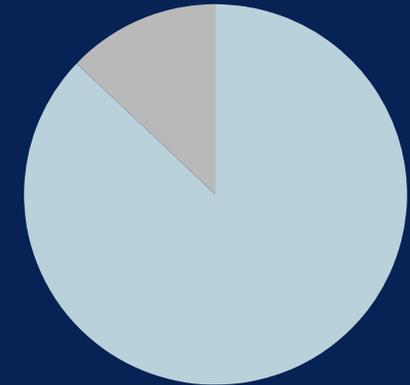


2018 - 19 tCO₂

total 32,464

Elec 27,706

Gas 4,758



Change vs Last Year

total -15%

The Pentland Centre for Sustainability in Business

The Pentland Centre for Sustainability in Business at Lancaster University was founded in 2015. The Group continues to sponsor the centre which supports innovative sustainability research to find practical solutions to social and environmental challenges.

2019 saw the Centre continue its focus on bringing robust research insights to bear informing board-level development of business sustainability strategies. A highlight was informing sustainability dialogues at the World Economic Forum (WEF), during which it continued its established Arctic Basecamp at Davos event.

This science communications event, focussed on the global impact of Arctic Change, involves scientists and climate activists camping at a prominent location in Davos, and interacting with delegates at the WEF annual meeting.

The Centre has also continued to enhance business understanding of the financial impacts from climate risks and participate in research into sustainable supply chain management.



A photograph of a woman from behind wearing a blue t-shirt with 'VOLUNTEER' printed on it. She is standing next to a young girl wearing a pink and white plaid shirt and a decorative headpiece. They are at an outdoor event with blue and orange balloons and a 'DR' sign in the background.

Corporate responsibility at Pentland Brands Limited

A positive business,
taking action for
people and our planet.

Corporate responsibility at Pentland Brands Limited

In 2019, Pentland Brands decided to take an accelerated approach to building a positive business.

It spoke to people across its organisation, analysed the efforts of similar businesses and looked closely at its operations to work out what it could change. The result is its Positive Business strategy; three targeted pillars setting out its ambitions in the areas they believe they can make the biggest difference.

Positive Business means that working ethically, transparently and sustainably is the responsibility of the entire organisation. By focusing on impact, it has created a plan that will allow Pentland Brands to achieve results faster, together.

In essence, it means...

- Operating sustainably, taking positive action to reduce its impact on the world we live in.
- Having a positive impact on its employees, partners, communities and consumers.

Which in practice, equates to...

Building purpose-led brands

- Building brands that sell products to support health, wellbeing and confidence with products that are made sustainably and enhance, not diminish, the communities in which they operate.

Owning its footprint

- Focusing on wellbeing, creating diverse, inclusive and green workplaces in which its people can be at their best. Having a transparent supply chain where workers are empowered. Delivering on its environmental targets.

Circularity and collaboration

Partnering with industry bodies, academic institutions and charities to develop its industry expertise. Innovating for success and not being afraid of change if it means improvement.

Brands with purpose

Pentland Brands' purpose is 'building brands for the world to love, generation after generation'.

Here's a snapshot of how its brands have brought its Positive Business ambitions to life.



Speedo

Supporting people

Speedo is proud to take an inclusive approach to sponsorship, supporting athletes from a variety of backgrounds and championing their passion for the pool. The brand recently announced its plans to renew its role as official swimwear provider for Team UK as part of the next Invictus Games; the international sporting competition undertaken by wounded, injured or sick military service personnel. The partnership will not only see Team UK competitors kitted out with Speedo Fastskin performance swimwear for the main event in 2021, it will also support hopefuls with gear for qualification and training events in the lead up to the Games.

In support of its inclusive strategy, Speedo will champion swimmers competing in the Tokyo Paralympic Games in 2021. The brand will support several teams as part of Team Speedo, as well as providing access to elite swimwear to allow unsponsored Olympic and Paralympic nations to compete. Since signing five-time Paralympic gold medal winner Ellie Simmonds as a brand ambassador in 2019, Speedo has continued to demonstrate its belief that swimming should be accessible to everyone – whatever unique challenges they may face along the way.



Speedo

Protecting our planet

Our oceans are at risk of being contaminated by debris created from single-use plastics. This poses a very real threat to marine life, as well as human safety, water consumption and climate change.

Speedo loves the water and believes it should be protected. This is a belief that is reflected in its products – H2O Active, its environmentally friendly fitness range, is created from 78% ECONYL® yarn. ECONYL is an innovative regenerated fibre which turns waste from fishing nets,

manufacturing by-products and even carpet into first grade nylon fabric – creating a functional fabric that's also kind to the planet.

The brand ensure that environmentally friendly fabrics featured in its collaboration with House Of Holland.



Berghaus

Supporting people

Berghaus continues to encourage people of all genders and backgrounds to improve their wellbeing by escaping outdoors. Most recently, the brand hosted the 'Women In Adventure' speaker series at Kendal Mountain Festival, the UK's main event for outdoor enthusiasts. Speakers included inspirational paraclimber, Anoushé Hussain, and the Ice Maidens, the first all-female team to cross Antarctica unsupported.

In December 2019, Berghaus was proud to keep ambulance crews in the North East of England warm

during winter callouts by donating thousands of pounds worth of waterproof and insulated jackets from its specialist range.

Berghaus is also working with ex-professional rugby player Ed Jackson, supporting his most recent expedition in which he became the first person affected by quadriplegia to summit the highest trekking peak in Nepal. The brand will continue working in partnership with Ed to adapt and create kit to support his future expeditions.



Berghaus

Protecting our planet

Berghaus creates products that are built to last and loved by people all over the world. To encourage people to love their Berghaus products throughout their lifetime, the brand offers a product lifetime guarantee – committing to fix or replace any item with a fault or defect within its expected product lifetime. This provides an alternative solution to clothing being sent to landfill and polluting the environment. It also gives consumers the option to fix their items rather than purchase new ones, saving materials and being kinder to the environment.

Berghaus is continuing to work to reduce the environmental impact of its products. Following a thorough review of its range, and how it could be made more sustainably, the brand has committed that its t-shirt collection will be 100% organic cotton by Spring/Summer 2021. You can find out more about how Berghaus has been working to make its products more sustainable on page 37.



Canterbury

In celebration of the Rugby World Cup 2019, Canterbury launched the 'Be Part Of It' campaign. Centered around togetherness in the rugby community, the campaign brought together professional players, referees and fans of all ages and genders – demonstrating Canterbury's belief that no individual is greater than the team. Celebrating inclusion in all its forms, the campaign inspired community spirit by depicting a wide array of rugby lovers standing shoulder to shoulder with players and officials to highlight that everyone can play their part in the sport.

As part of the campaign, the brand introduced its #BePartOfGood charity initiative, with Canterbury donating over £10,000 worth of rugby kit to schools to support inclusivity in the game and encourage more children to get active.

In partnership with the Rugby Football Union (RFU), Canterbury continued its support of the All School programme. The programme invites schools to participate in workshops to design a new school rugby kit. Canterbury turns the students' drawings into kits worn by the school's rugby team.



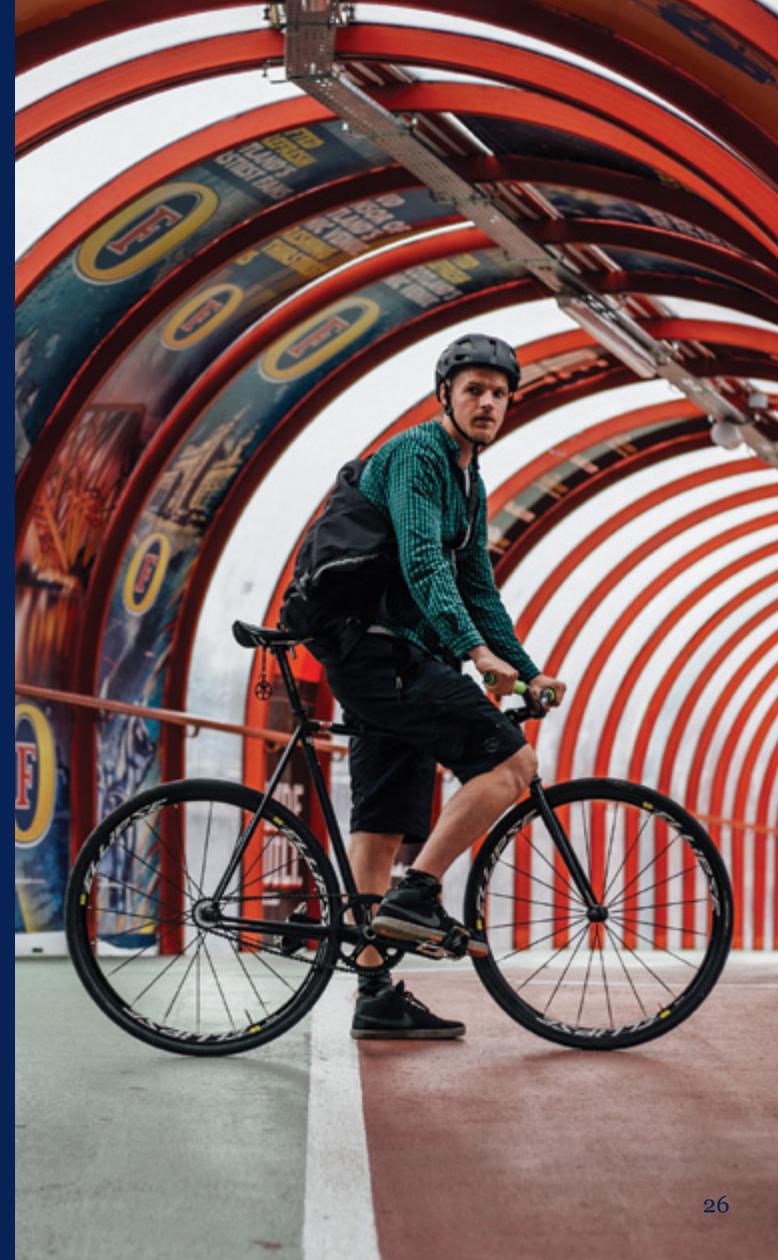
Endura

Supporting people

Endura stands for cycling, helping aficionados and amateurs alike push physical boundaries every day. The brand collaborated with London-based bicycle manufacturer Brompton, to encourage Londoners to cycle to work. With roughly 4 million people commuting in London every year, Endura supported the 80,000 Londoners beating the rush on their bikes - helping them become fitter, smarter and healthier by taking part in the cycling revolution sweeping cities across the world.

Protecting our planet

In a move to take action for the planet, Endura has committed to planting one million trees annually. For its first project, Endura will work to restore mangroves in the Maputo Bay region of Mozambique. Endura will help local communities to restore, replant and protect these vital forest systems. It's Endura's ambition to go above and beyond to create kit that has a minimal impact on the planet. The brand removed the water repellant compound PFC from its production processes in Autumn 2018, so its latest generation of fabrics are PFC-free. As part of this commitment, Endura has put in place long-term measures to ensure its cycling ranges are made sustainably while maintaining the same high quality.



Supporting people

ellesse believes in bringing the best out of everybody effortlessly. Working with its global partners to be inclusive in style, pricing and gender, ellesse believes that celebrating diversity is crucial to its success.

This year ellesse collaborated with Foot Locker to create the 'Me By Me' collection for women. Embracing female identity in all its forms, the collection celebrated female empowerment.

Each style was branded with the statement 'Me By Me' in three languages and encouraged women to express their uniqueness through their style.

The brand also supports British wheelchair tennis player Alfie Hewett and will continue to work closely with him on his journey to the Tokyo Paralympics in 2021.



ellesse

Protecting our planet

Alongside supporting people to be at their best, ellesse has made inroads into developing sustainable products. In collaboration with its apparel partner, the brand has developed 'Sustainable Tech' - a selection of apparel made from recycled fabrics, which will be part of its main range in Autumn/Winter 2020.

ellesse also collaborated with ASOS to produce a sustainable product range specifically for the high street retailer. Created in both men's and women's styles, the products were made from recycled polyester. Plastic bottles and textile waste were used to create new fibres, which saves water and reduces greenhouse gas emissions.



Kickers*

Supporting people

Kickers continues to prioritise diversity and inclusion by making its classic styles gender neutral, expanding its unisex range and using models that inspire body positivity in its flagship campaigns.

Kickers will also partner to support The Magic Breakfast Club which provides school breakfasts to disadvantaged children in the UK, and the Young Women's Trust which supports women aged 18-30 to get into work.

Protecting our planet

Kickers is continuing to look at how it can reduce its environmental impact. The brand undertook a review of its 'Back To School' range to work out how it could improve its materials. As a result, it has switched all its cotton laces to BCI Cotton, approved by the Better Cotton Initiative. Its leather comes from tanneries accredited by the Leather Working Group and the brand has also swapped its polyester footwear linings to recycled PET. Kickers is in the process of transitioning to using 98% recycled material in all its sock linings for footwear, which will be implemented from Spring/Summer 2021.



Mitre

Two centuries of team spirit

In 2019, Mitre was proud to support the Homeless World Cup Foundation – a pioneering charity which uses football to help change the lives of those living on the streets. The brand donated 640 sets of training kit and 64 training balls for all the teams taking part, plus 100 balls for the tournament.

Mitre continues to support the Walking Football Association, a unique sport for men and women over 50 looking to play football in a safe and social environment. It's also supporting local charities in Nottingham where the brand's HQ is based, donating footballs to causes supporting disadvantaged children.



SeaVees

Supporting people

SeaVees is a timeless sneaker brand for all people, and it is proud to celebrate its core values of equality, inclusivity and diversity. A highlight was its collaboration with fashion designer Trina Turk for its Pride collection, which was launched during Pride month in the USA. Proceeds from the shoes sold via the SeaVees website and flagship store were donated to the Pride Pacific Foundation - an organisation local to the brand's office in Santa Barbara - that provides services for the LGBTQ+ community.

Protecting our planet

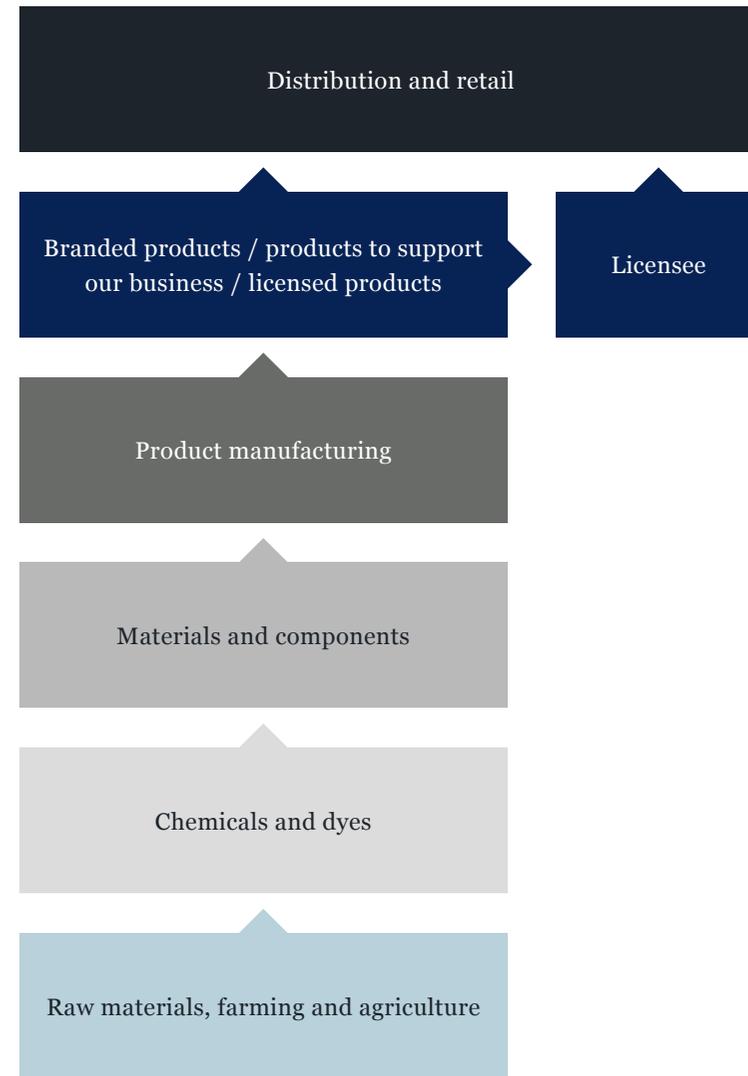
SeaVees believes nothing is more important than community and is committed to bettering its shoes, people and the environment by ensuring that sustainability is integral to its business plans. Under the '1% For The Planet' initiative, it donates 1% of its gross sales value to environmental causes.

SeaVees is also bringing its sustainability ambitions to life through its products. Launched for Spring/Summer 2020, SeaVees has created its first and almost completely recycled men's and women's capsule collection, SeaChange. The brand is partnering with SeaTrees, a charity that helps fight climate change by regenerating ocean ecosystems, to restore one foot of Californian kelp forest for every pair of SeaChange shoes sold.



Footprint

With suppliers in 22 countries around the world, Pentland Brands recognises that the impact of its supply chain is significant and far-reaching. It closely monitors each stage of its production process, analysing how it can use its influence to protect people and the environment throughout the entirety of the product life cycle.



An empowered, transparent and ethical supply chain

Pentland Brands is committed to doing business ethically, with a focus on supporting the environment and communities in which it operates. It is working hard to tackle the risks of modern slavery and it strives to protect rights and improve conditions for everyone in its supply chain.

All Pentland Brands tier 1 suppliers are required to sign its Supplier Agreement and Corporate Responsibility Charter to commit to **Our Standards** in protecting people and the planet. Pentland Brands has detailed policies in place to protect vulnerable workers in its supply chain, which are available on the Pentland Brands website:

- **Child labour and youngworker policy**
- **Migrant worker policy**
- **Homeworking policy**

The Pentland Brands corporate responsibility team reports directly to a member of its executive team and works closely with the wider executive team to provide advice, guidance and expertise in all supply chain-related issues.

More information about how Pentland Brands is working to create an empowered, transparent and ethical supply chain can be found in its **2019 Modern Slavery report**.



Working with suppliers

Pentland Brands owns one factory in Scotland, through the Endura brand, and it co-owns four factories: three in Sri Lanka and one in Vietnam. It engages with its suppliers and partners to ensure working conditions are safe and that workers are paid fairly and treated with respect.

It is transparent about who it sources from because it means the factories are accountable for their standards and it can work in a way that's both open and constructive. Pentland Brands publishes a list of the **tier 1 suppliers** that manufacture its products on its website.



+ Sourcing country

Working with suppliers

For its owned brands, Pentland Brands sources directly from 182 factories. For its licensed brands, it works with the licensee to influence conditions in their sourcing factories. For both owned and licensee suppliers, Pentland Brands aims to provide maximum support by stationing corporate responsibility officers in and around its sourcing locations.

It has an established factory review process, which means that it is able to carry out monitoring from when it first considers working with a new supplier and regularly for the duration of the partnership.

Pentland Brands conducts regular audits for all its tier 1 suppliers, to ensure compliance with its Our Standards. These audits are performed by a combination of certified third-party audit providers, its corporate responsibility team and other organisations, such as Better Work.



Taking action

If an issue is identified, the Pentland Brands corporate responsibility team works with the factory to analyse the root cause, remedy the issue and make lasting improvements to working conditions in line with Our Standards. It recognises the impact that terminating a relationship with a supplier could have on their workforce so, where possible, they avoid doing so. If a factory consistently fails to comply with its Our Standards, Pentland Brands will exit relationships responsibly, following the ACT Responsible Exit policy to minimise any negative impact on the factory employees.

Audits in 2019

In 2019, Pentland Brands conducted 134 audits, compared with 104 in 2018. Nine of these were part of the Better Work programme. It also carried out 17 Initiative for Compliance and Sustainability (ICS) audits as part of its joint venture with the Lacoste Group.

The increase in audits is a result of changes in its internal corporate responsibility processes and procedures to increase audit frequency, more information on which can be found in the Pentland Brands Audit policy. It has also onboarded new factories as a result of bringing the production of ellesse apparel back in-house.

You can find out more about the types and locations of the Pentland Brands assessments, including details of issues remediated and how they are supporting their suppliers, in the auditing section of the Pentland Brands Positive Business report.

Ethical Trading Initiative (ETI)

Founded in 1998, the ETI is the leading membership organisation promoting respect for workers' rights across the globe. Pentland Group has been a member of the ETI since 1998 and since then, we've worked with them to promote respect for workers' rights across the globe.

In 2019, Pentland Brands was rated as 'achiever' level by the ETI, from a previous 'improver' level. It was able to demonstrate an uplift in factory activities beyond auditing, supporting its suppliers in delivering its ethical principles, and a strong level of senior support.

Pentland Brands has aligned its work with the ETI principles by focusing on its purchasing practices, raising employee awareness of the signs of modern slavery and developing its dedicated corporate responsibility resource.

“Responsible businesses have huge leverage in the countries they source from, enabling them to collaborate with national and local stakeholders, including governments, trade unions, NGOs and other businesses, to drive change, ensure labour laws are observed and workers' rights are protected. ETI members are expected to work with their suppliers to ensure the ETI Base Code is understood, applied, and observed, to drive continuous improvement in working conditions, to push for greater transparency within their supply chains to enable them to better identify, and mitigate the risk of modern slavery, and to act quickly to remedy modern slavery wherever it is discovered.”

Ethical Trading Initiative

Materials

Pentland Brands maps its supply chain so it can better understand and manage social and environmental risks. Its supply chain is made up of four tiers:



Tier 1 – product assembly

Tier 2 – materials and components

Tier 3 – chemicals

Tier 4 - raw materials

Sourcing responsibly

Pentland Brands is committed to purchasing all its materials from credible sources and it has clear policies for putting this into practice.

The Pentland Brands **Ethical Materials policy** outlines its standards for sourcing raw materials responsibly, including materials derived from animals such as skins, down and feathers. It encourages all its suppliers to source their materials in line with industry best practice on animal welfare.

Consequently, Pentland Brands favours suppliers with sourcing accreditations. It is a member of the Leather Working Group

(LWG) and encourages its suppliers to source leather from tanneries awarded a LWG gold, silver or bronze certification. It also ensures that all down used in Berghaus jackets is certified to the Responsible Down Standard (RDS); sourced from a selection of nominated farms with high animal welfare requirements.

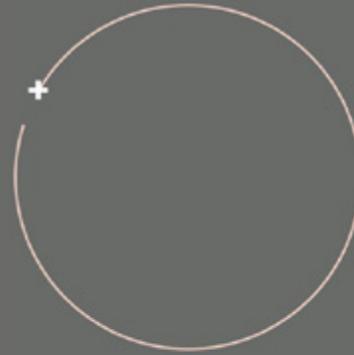
You can find out more about how Pentland Brands is using accredited suppliers on page 44 of the Pentland Brands Positive Business report.



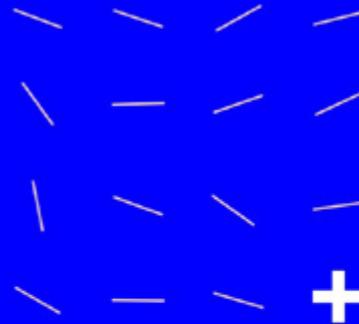
Creating a positive workplace

The Pentland Brands ambition is to create workplaces where people feel welcomed, supported and encouraged to grow and contribute. Since launching its new manifesto and business principles in 2018, Pentland Brands has focused on helping its people understand the specific behaviours that can bring its principles to life. It's not just 'what' is achieved, it's 'how' it is achieved.

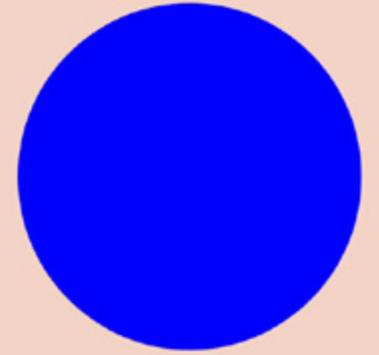
Over 750 of its people across the UK, Asia and US participated in a 'Living our Principles' workshop and, to bring the Pentland story to life, it also embedded the session into other areas of its employee life cycle, including induction sessions for new starters.



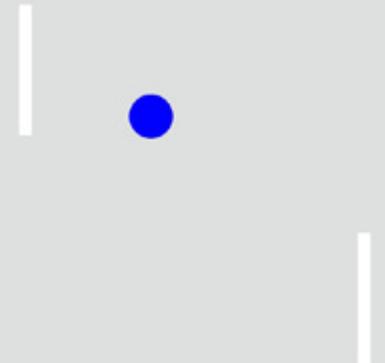
Better as
standard



In good
conscience



With clarity
and courage



Success is
a team game

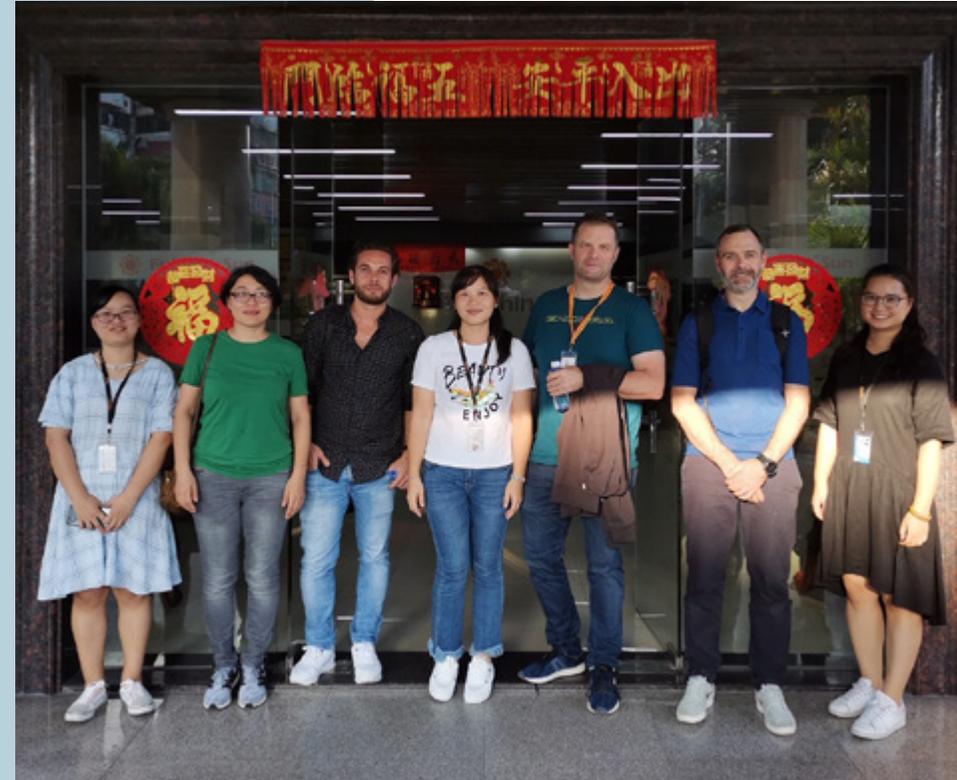
Championing diversity and inclusion

The Pentland Brands D&I steering committee and network continues to play a vital part in shaping its diversity and inclusion agenda. It now has three D&I networks in the UK, as well as a volunteer working group in Asia. Its four focus areas are gender, ethnicity, unconscious bias and inclusion, which formed the framework of the Pentland Brands D&I strategy.

Pentland Brands believes in raising awareness of the importance of inclusion by involving its people in shaping its initiatives.

Through the feedback and guidance of the people in the diversity and inclusion network, Pentland Brands reshaped its support for people returning to work after a period of long-term leave, including updated guidelines and resources for managers.

You can find out more about how Pentland Brands is supporting diversity and inclusion across its employee experience on page 50 of its Positive Business report.



Talking about mental health

Pentland Brands partners with Unmind, to support mental health and wellbeing at work, and in 2019 rolled out its Unmind support tool globally.

20.5% of people registered on Unmind

15,582 minutes of programmes listened to

174% increase in usage between July and December

Reducing environmental impact

Pentland Brands is committed to delivering on its targets for reducing waste, water and carbon emissions. It believes that every individual can make an impact – which is why Pentland Brands is looking at how it can reduce its footprint across all its operations.

Workplaces

Its UK offices are working towards using 100% renewable energy. It has also removed single-use plastics from many of its offices and uses LED lighting to save energy.

Pentland Brands tracks its greenhouse gas emissions in

order to reduce its carbon footprint in its offices and distribution centres. It is also developing a CO2 baseline for its global workplaces as well as shipping, operations and business travel, so it can more effectively measure and manage its emissions.

Packaging

Pentland Brands is taking its first steps towards using sustainable packaging, with the ultimate aim of making its packaging recycled, recyclable or compostable across its entire portfolio of brands.

In 2019, Pentland Brands introduced boxes made from

80% post-consumer waste as packaging for products purchased via its brands' ecommerce websites, replacing plastic shipping bags. This change will reduce the amount of plastic it ships by 27 tonnes every year (or nearly a million plastic bottles).

The packaging, which is 100% recyclable and retains a premium quality, is now used by its brands including Canterbury of New Zealand, ellesse, Berghaus, Kickers and Boxfresh. Pentland Brands will roll this out to Speedo and Mitre in 2020.

You can find out more about how Pentland Brands is looking to make all its packaging sustainable in its Positive Business report.

Our future

Pentland Brands believes that success is a team game, and in order to support people and our planet, it must work together so it can improve its future for generations to come. To do this, Pentland Brands, more than ever, is collaborating with other businesses, charities, NGOs, academic institutions and partners to learn, grow and take action.



A force for good

As a business, Pentland Brands gives at least 1% of its net profit, after tax, to charitable causes every year. This includes financial donations, pro bono support and donated products.

At the heart of its business is the belief that it has a responsibility to play its part in being a force for good. Its brands are designed to build health, wellbeing and confidence, through which it aims to make a positive impact.

The Pentland Brands Charitable Giving policy, which was established in 2018, helps it co-ordinate its approach to giving back and provides its people with guidelines for how to get the most out of their personal fundraising activities.

You can find out more about how Pentland Brands people have given back to their communities in its Positive Business report.



Supporting our charity partners

Pentland Brands works with four global charity partners, with the aim of supporting causes that resonate with its business. Its targets for making a difference are:

- Helping 10,000 women from disadvantaged backgrounds in our sourcing markets to reach their potential
- Inspiring 5,000 young people in the UK to be more active

Its charity partners are:

United Purpose

Pentland Brands works with United Purpose to support a project which uses sport to teach employability skills to young people living in

slums in Mumbai, India. This year, Pentland Brands collaborated on the 'Fit For The Future' project, improving the wellbeing and employability skills of young people in Bhiwandi, Mumbai. It has supported around 40 young people to develop their skills to access jobs.

The British Council

Pentland Brands supports the development of online learning resources that enable more young people, especially women, in Thailand to access the craft sector. In 2019, its 'Crafting Futures' programme supported over 100 artisans in Thailand to develop business knowledge and expertise in the design and textiles industry.



Supporting our charity partners

Panathlon

Pentland Brands is helping Panathlon expand its swim programme to support over 5,000 disabled swimmers. This year, it collaborated with Panathlon to host 39 swimming competitions across the UK, with 1,757 children and 379 young leaders participating – a 17% increase on the original target.

SportInspired

Working to tackle childhood obesity in disadvantaged communities, SportInspired creates fun and inclusive sports programmes or schools.

Pentland Brands will be supporting sports festivals and outreach programmes in four UK locations: Blackburn, London, Nottingham and Sunderland.

In 2019, over 90 Pentland Brands volunteers helped SportInspired to host inclusive sports programmes for local schools in London and Sunderland, giving over 400 primary school children the opportunity to discover a sport they love.

You can find out more about Pentland Brands charity partners in its Positive Business report.



Collaborating for better

Pentland Group and Pentland Brands work with a number of not-for-profit organisations that share our goal of being a socially and environmentally responsible businesses. We are active members and supporters of the following:

Pentland Group

Ethical Trading Initiative (ETI) – forging an alliance to improve the lives of workers around the world.

AFIRM – a collaborative effort to reduce the use and impact of harmful substances in the apparel and footwear supply chain.

In Kind Direct – for many years, Pentland Group has partnered with In Kind Direct to help channel surplus stock to good causes. In 2019, products worth an estimated retail value of over £100,000 were donated to 522 charities via In Kind Direct.



**Ethical
Trading
Initiative**



Collaborating for better

Pentland Group and Pentland Brands work with a number of not-for-profit organisations that share our goal of being a socially and environmentally responsible businesses. We are active members and supporters of the following:

Pentland Brands

Action, Collaboration, Transformation (ACT) – bringing together brands, retailers, manufacturers and trade unions to address the issue of living wages in the textile and garment supply chain.

Sustainable Apparel Coalition (SAC) - developing tools to improve and standardise the reporting of environmental impact across supply chains.

The Microfibre Consortium – developing practical solutions for the textile industry to minimise microfibre release to the environment from textile manufacturing and product life cycle.



Corporate responsibility at JD Sports Fashion plc



Corporate responsibility at JD Sports Fashion

Approach

JD Sports Fashion plc takes environmental and social responsibility very seriously. It is always seeking ways in which it can reduce its impact on the environment and protect and increase the wellbeing of the people with whom it engages with at all levels of the business, internally and externally.

In working towards its business objectives, it aims to act in a responsible and ethical manner with all stakeholders, including suppliers, employees and of course, its customers.

People

The talented individuals working within JD are integral to its continued success. As the Group expands globally, so does the network of people who operate in accordance with its company values and standards. Most recently, it has focused on the recruitment, wellbeing and development of its people.

JD is committed to promoting policies which are designed to ensure that employees and those who seek to work for the Group are treated equally regardless of gender, marital status, sexual orientation, age, race, religion, ethnic or social origin or disability.



Corporate responsibility at JD Sports Fashion

Wellbeing

Employee wellbeing is very important to JD and it has taken a holistic approach to promote it across the business.

2019 saw the introduction of Wellbeing Champions within the Group. 161 individuals were selected and trained on how to spot signs of modern slavery and how to support employees who are having mental health difficulties. Wellbeing Champions are fully trained in modern slavery awareness and are at the forefront of supporting the business' communication on this.

JD is looking expand this initiative further throughout all areas of our business in 2020.

JD also works to promote physical and mental wellbeing. First Aid and Mental Health First Aid training is available to all employees. Its partnerships with external bodies provide access to additional support to employees regarding their emotional, physical, vocational and financial wellbeing.

You can find out more about how JD is supporting wellbeing in its latest **annual report**.



Corporate responsibility at JD Sports Fashion

Learning and development

A vital component of the JD strategy is its commitment to employee development, with a focus on both internal progression and providing talent with the best resources and knowledge to excel in their careers.

Its learning strategies provide colleagues with access to a blend of e-learning, face-to-face tuition and experiential learning. Its international network of training facilities has hosted a broad range of courses, providing tuition and accreditation for 433 newly appointed store managers and almost 1,000 supervisors.

Alongside this, JD has delivered capability and behavioural skills training to a further 1,500 employees. Overall, almost 4.5 million minutes of e-learning were completed.

JD is also focusing on developing leaders. A further 58 people completed the 16-week Management Development Programme and eight people completed the Leadership Development Programme aimed at leaders wishing to further develop their skills.



Corporate responsibility at JD Sports Fashion

Health and safety

JD is fully committed to continuous health and safety improvement across all areas of its business to protect colleagues, customers and other stakeholders. It recently reviewed and revised its Group Health and Safety Policy to reflect organisational and business changes.

JD demonstrates its commitment to health and safety through active leadership, promoting best practice and by setting specific and measurable targets each year.

Its approach includes:

- Providing health checks and support for employees via Occupational Health.
- A free, confidential support service run by The Retail Trust that aids emotional and financial wellbeing.
- A web based, online induction and training programme ensuring every colleague has the competence, understanding and awareness to work safely and at minimum risk.
- Quarterly Group, and monthly distribution centre health and safety committee meetings, facilitating colleague engagement in health and safety, with everyone having the opportunity to raise safety concerns through their committee representatives.



Corporate responsibility at JD Sports Fashion

Stores

JD has received health and safety input into all its new and refitted stores, from the initial design through to opening. Its health and safety team conducts its own audit programmes to ensure the highest safety standards are maintained during the construction phase of all its shop-fit projects.

Distribution centres

In 2019, JD was proud to maintain the British Safety Council 'Five Star' accreditation, for the third successive year, for safety management at its Kingsway Distribution Centre, demonstrating an ongoing commitment to both excellent health and safety standards and continuous improvement.

You can find out more about JD's approach to health and safety in its latest **annual report**.



Energy and the environment

JD recognises the importance of protecting the environment and is committed to carrying out activities with due consideration of its environmental impact.

Independent verification of JD's continued progress on managing and reducing its environmental footprint was provided by the Carbon Disclosure Project (CDP) report.

JD retained its high 'B' score, outperforming the wider European sector average score by two grades. Participation in the CDP enables the Group to benchmark performance against industry peers, ensuring its strategy on carbon reduction is independently reviewed against comparable businesses.



Environmental, social governance (ESG)

After the JD Group's FTSE100 entry in 2019, it made a further commitment to improve its sustainability and environmental performance by establishing an ESG committee. The committee will determine its future ESG strategy, monitor adherence to its existing standards and oversee plans for the introduction of a new 'ESG and Sustainability Policy Framework' during 2020.

JD achievements include:

- Advancing its reputation as a sustainable organisation through participating in environmental performance benchmarks, such as RE100; the world's most influential companies committed to 100% renewable power.

- Continuing its progress on moving JD European stores to 100% 'Green Energy' usage, consistent with its current policy in the UK and Republic of Ireland. JD aims to reach 100% renewable electricity use for its European operations by 2022, with the ambition for all existing global operations to be renewable by 2025.
- Relaunching its corporate website, which is a reference point for ESG statements, achievements and strategy, to enable greater transparency on its practices and progress.



Customer packaging

JD continues to believe that encouraging the re-use of bags is the most effective way to reduce overall plastic usage. Its JD fascia is known for its high quality, durable drawstring duffle bags, the re-use of which is visually evident from the high street to high school.

To encourage customer consideration of the necessity of bag use, JD voluntarily charges for the use/sale of drawstring-bags.

Where local authorities permit the donation of bag-levy income, JD donates all proceeds from carrier bags charges (both voluntarily, and bags covered by the levy) to the JD Foundation. You can find out more about the work of the JD Foundation on page 64.



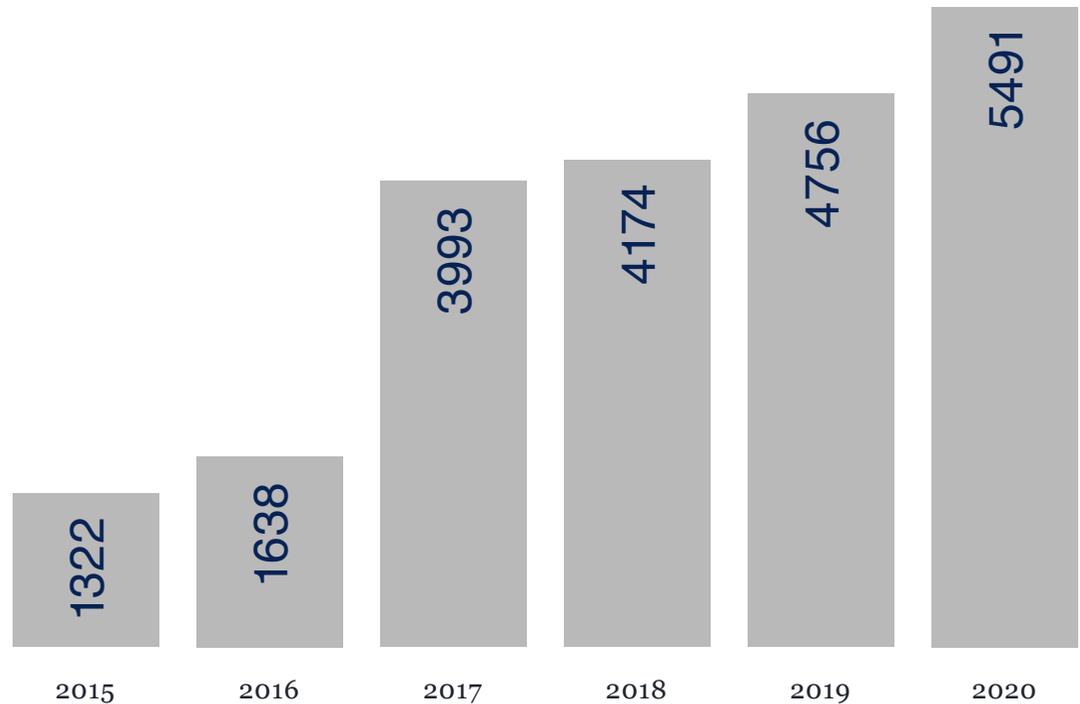
Recycling

Wherever possible, plastic or cardboard (its major packaging constituent) is removed at the earliest source within the core supply chain. In 2019, the amount of cardboard recycled increased to 5,491 tonnes (4,756 tonnes in 2018).

JD has outsourced its waste management on-site to a third-party supplier, which has enabled new initiatives such as re-processing used hangers and reducing waste streams through finding different solutions for these materials.

In 2019, 98.6% of waste was diverted from landfill, compared to 98% in 2018.

Tonnes of Recycled Cardboard at Kingsway DC



Sustainability in private label manufacturing

JD recognises the need for responsible sourcing, and this includes making sustainability an integral part of its private label production, from conception to end product and beyond.

The initial target, set in June 2019, was for upwards of two million products to be made from sustainable materials, sustainably grown cotton and/or recycled polyester.

From October 2019 to March 2020, the implementation of the research and subsequent strategy resulted in 2.1 million products being available for sale, surpassing this original target.

The target for 2020 is 4 million products to be made from sustainable materials.

You can find out more about how JD is promoting sustainable manufacturing in its latest **annual report**.



Ethical sourcing

2019 saw the introduction of the new JD Group Code of Practice, encompassing its policies into a concise document to ensure consistency for manufacturing suppliers and brands. The policy states that the people working for JD suppliers are to be treated with respect and their health, safety and basic human rights must be protected and promoted.

The Group continues to review its policies on ethical sourcing on a regular basis. It continuously assesses factory ethical and quality management and works with suppliers to improve conditions in its factories.



Modern slavery

Following the formation of a new UK Modern Slavery committee, 2019-2020 has been a milestone within JD's UK operations. With the collaboration of third-party contractors, it has been able to standardise its policies across external partners, leading to better understanding of the UK supply chain and work towards integration to the JD Group Modern Slavery programme.

JD has joined the apparel protocol and is working closely with the GLAA (Gangmasters Labour Abuse Authority). JD is committed to working with the GLAA over the coming months to improve its understanding and processes and work to eradicate modern slavery in its UK operations.

Supply chain

JD has continued to map its supply chain to the 4th tier. This strategy requires continual engagement with its partners as the manufacturing chains beyond first tier will often change due to demand and capacity.

- 1st Tier = CMT Site (Factory)
- 2nd Tier = Mill
- 3rd Tier = Dye House
- 4th Tier = Print House

- 243 Agents
(2019: 158 Agents)
- 494 Factories
(2019: 355 factories)
- 25 Sourcing Countries
(2019: 20 Sourcing Countries)

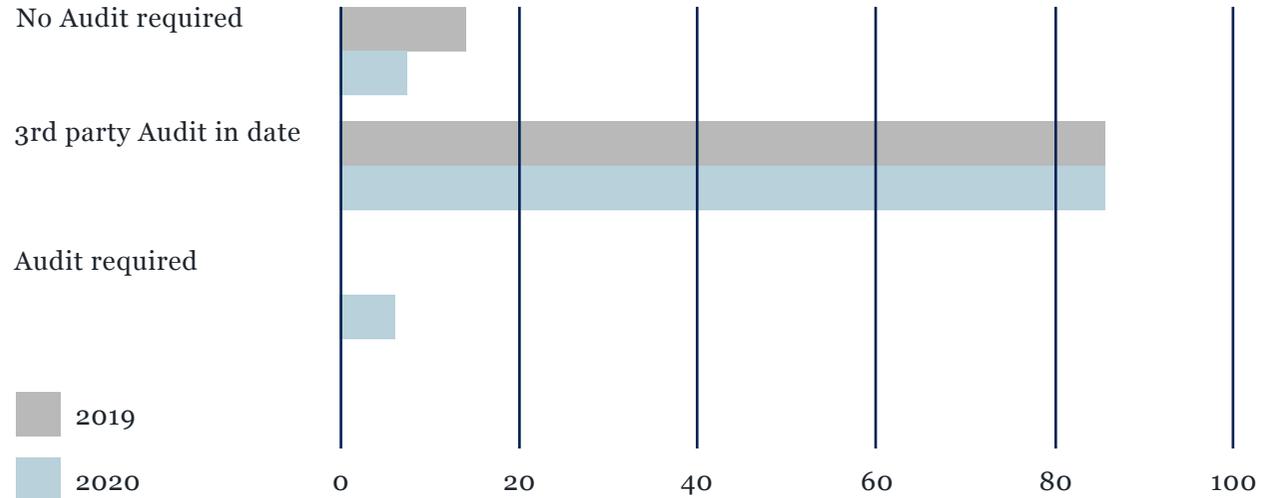
The transparency map is available on the JD plc website. This map details the city locations of all four tiers of the private label manufacturing supply chain.

Audit status 2020 vs. 2019

The protection of workers in the JD supply chain is paramount and it will continue to have zero tolerance to critical issues identified by JD personnel or third-party auditors relating to a safe working environment. Critical issues are defined as an issue that impacts workers causing hardship or harm.

86% of the factories used by JD are audited by third-party accredited audit companies, as shown in the graph below. The 86% represents 100% of the factories where an audit is required.

You can find out more about how JD is supporting ethical sourcing in its latest **annual report**.



Changing lives, saving lives: the JD Foundation

The mission of the JD Foundation is to support charities working with disadvantaged young people in the UK. The Foundation supported 18 charities in 2019 with a focus on physical health, mental health and homelessness.

The JD Foundation is a registered charity, founded by JD Sports Fashion plc in October 2015. 100% of the net proceeds from the sale of the iconic JD

Duffle Bag and all carrier bags across the JD Group are transferred to the JD Foundation.

From October 2015 to January 2020, the JD Foundation raised £3 million, with 93% of funds donated to charities. All monies raised (excluding fees) are distributed amongst the chosen charity partners, with a small reserve left for emergency funding.



Chosen charities for 2019

The JD Foundation recognises the importance of being a sustainable charity, and wants to develop long-term relationships with charities who are making a difference.

Here are just some of the charities that the Foundation supported in 2019.

The Wellspring

The Wellspring charity is a resource centre for homeless and disadvantaged people, opening 365 days a year, offering different services available such as housing referrals, health services or educational courses.

The Foundation actively promotes a circular economy with product donations including outdoor jackets, thermals, underwear and toiletries.



Chosen charities for 2019

Cardiac Risk in the Young (CRY)

With donations from the Foundation, Cardiac Risk in the Young (CRY) has been able to hold ten screening days during 2019, with 823 young people screened and 22 being referred for full cardiac evaluation.

Salford Foundation

The Inspired to Aspire mentoring programme enables students to discover the skills and attitudes needed to successfully transition from education into the world of work. The Foundation attended the Inspired to Aspire event with local businesses to support the mentoring process.

Buddies of the Birches

Buddies of the Birches is a registered charity bringing together parents, carers, children and staff connected with The Birches School; a specialist support school. 2019 saw an additional donation from the Foundation to fund the new outside area for one of the schools most complex classes.

In 2019 JD undertook a social impact assessment to evaluate the impact of the work being carried out by its charity partners. You can read the report [here](#).