

Pentland Group of Companies

Corporate Responsibility review 2023

This Corporate Responsibility review evaluates the progress made during the period January to December 2023 and outlines plans for 2024.

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

Contents

Message from our Chairman 3

About Pentland Group of Companies

Our approach to corporate responsibility 6

2023 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

I am pleased to present our Corporate Social Responsibility review for the past year, highlighting how the Pentland Group of Companies and our major subsidiaries, JD Sports Fashion (JD) and Pentland Brands, have committed to and delivered more sustainable practices, community engagement and ethical leadership.

Established in 1932, we, a proud family business, acknowledge the profound impact our operations can have on society and the environment. We are dedicated to responsible citizenship and to securing the long-term success of our business for future generations.

We established The Rubin Foundation in 1986 to support charitable initiatives. Through this, we have funded underprivileged young entrepreneurs through The Prince's Trust for thirty years and provide scholarships for students from developing nations at UCL and the London Business School. Ten years ago, we founded and continue to support The Pentland Centre for Sustainability in Business

at Lancaster University, which conducts valuable research on business and product sustainability. This year alone it has published 73 papers.

Pentland Brands and JD continue to invest in people and the planet. In 2023, Pentland Brands impacted 175,000 individuals globally and hosted their inaugural vendor roadshow to collaborate on innovative and sustainable solutions with vendors. Meanwhile, the JD Foundation has raised over £7.5 million for UK charities since being founded in 2015. JD also remains focused on climate risk management, retaining an A- grade for Climate Change.

We partner with global organisations, industry bodies, and academic institutions to pursue solutions that benefit society and the environment. As members of The World Federation of the Sporting Goods Industry (WFSGI) and The Federation of the European Sporting Goods Industry (FESI), we promote sports involvement for improved health. The World Health Organisation reports that 81%

of adolescents globally do not engage in sufficient physical activity, underscoring the urgency of collaborative efforts to address this issue.

We also support the UN Global Compact and its Sustainable Development Goals. This voluntary initiative is the world's largest corporate sustainability initiative. We are proud to have been one of the first British companies to join and align our strategies with its ten universal principles related to human rights, environment and anti-corruption.

While we recognise there are many challenges ahead, we remain dedicated to building brands that act as responsible corporate citizens and are delighted that two of our Pentland Brands subsidiaries have become B Corps.

Stephen Rubin
Chairman

Pentland Group of Companies



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 91,000 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, 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 the **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

2023 highlights

- 1 JD remains committed to managing climate risk, retaining an A- grade for Climate Change, achieving a 'B' grade for Water Security, and gaining approval from the Science Based Targets Initiative (SBTi) Board for their Scope 3 Science Based Targets.

- 2 Pentland Brands partners with several charitable organisations that support causes resonating with their consumers and benefiting communities around their offices, supply chain and sourcing markets. They supported 175,000 people, donated 133,000 products, and impacted over 1,800 charitable organisations.

- 3 Alongside the Rubin Foundation Charitable Trust, our businesses backed numerous charities promoting inclusion, education and youth empowerment. For the first time, we partnered with London Business School to offer a scholarship for financially disadvantaged students from lower or middle-income countries. This is in addition to our established scholarships at UCL.

- 4 JD's private label brands sourced 95% of their cotton through the Better Cotton Initiative, a leading programme aimed at reducing water usage in the supply chain.

- 5 The Pentland Centre for Sustainability in Business continued to deliver stimulating research on sustainability in business, launching a podcast series sharing insights from research on social and environmental sustainability.

- 6 The JD Group retained their 'Zero Waste to Landfill's' accreditation at four of their largest UK and European distribution and office locations.

- 7 Pentland Brands hosted their first vendor roadshow, a collaborative event with internal teams and suppliers that explored innovation, sustainability and building brands fit for the future.

- 8 Pentland Brands continues to support young talent from underrepresented communities, launching a Youth Advisory panel made up of talented under-30s from around the world to provide fresh insights into strategic decisions.

- 9 The JD Foundation has raised over £7.5 million since being founded in October 2015, benefitting 24 charity partners that support young people across the UK.

- 10 Pentland Brands made a substantial investment in enhancing supply chain management by adopting Segura, a leading, ethical supply chain mapping platform. This supports their commitment to achieving 100% transparency in their supply chain and furthering their net zero ambitions.

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, promoting responsible business practices and encouraging sports participation. According to the World Health Organisation, 81% of adolescents worldwide aren't doing enough physical activity. Andy Rubin, Deputy Chair of Pentland Group Ltd, serves 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. Its mission is to unite the sporting goods industry behind common goals that accelerate a prosperous and sustainable environment in Europe.



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 conducts research to find practical solutions to social and environmental challenges. In 2023, the Centre launched a publicly available podcast series sharing insights from its research on social and environmental sustainability. It also published 73 papers.



Charity support

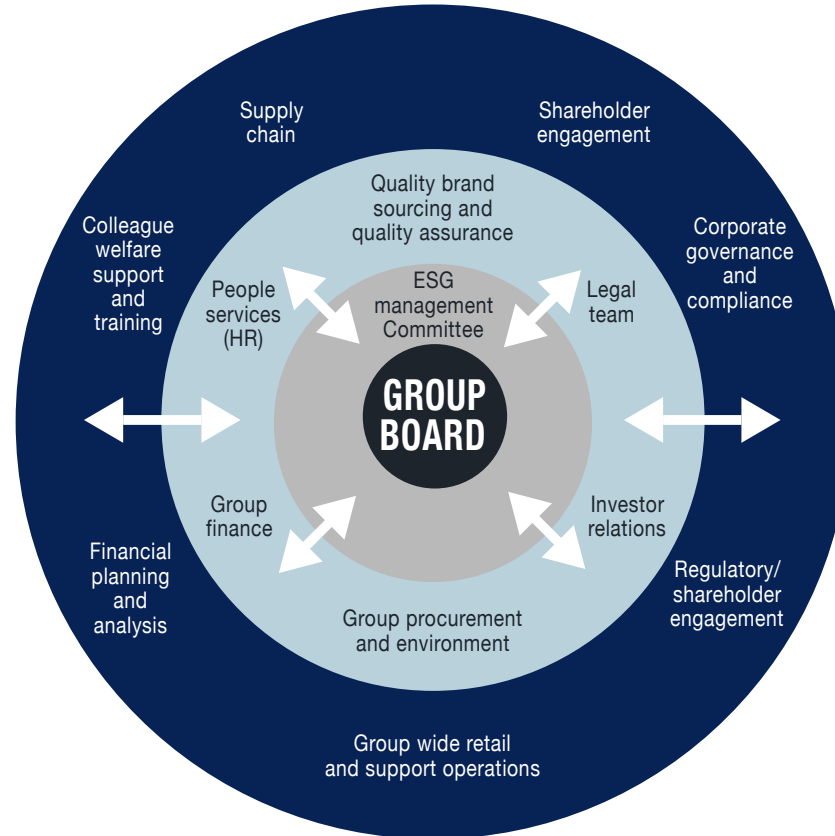
We continue to make significant charitable donations whilst running the Rubin Foundation Charitable Trust. Our annual Pentland scholarship enables a graduate from the southern hemisphere to pursue studies at University College London. Additionally, we have established a new partnership with the London Business School, providing scholarship opportunities for students from lower or middle-income countries who are experiencing financial difficulties. We have supported The Prince's Trust for over thirty years.

JD Sports Fashion plc



Governance

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



Social

Ethical sourcing

Like the Pentland Group of Companies, JD recognises that human rights are fundamental principles allowing individuals to lead dignified and independent lives, free from abuse and violations. JD will not tolerate, nor condone abuse of human rights within any part of their business or supply chain. They are committed to complying with the applicable laws and regulations in all of the territories in which they operate. They will conduct themselves with professionalism, honesty and integrity while working with suppliers and third parties to ensure that high ethical standards are maintained.

Find more information in the **Modern Slavery report**.

It is important for JD to focus on developing and improving worker conditions and to support the commitment of compliance with the JD Ethical Code of Practice by all suppliers. This code establishes the procedure for protecting workers and providing assurance that private label products are manufactured within safe and fair conditions and in accordance with the International Labour Organisation standards.



Social

JD recognises their employees as the lifeblood of the business and as having a crucial role in their ongoing success.

Wellbeing

JD continued to invest in their wellbeing strategy to provide a workplace where colleagues can be the absolute best versions of themselves. They expanded their Employee Assistance Programme, ensuring colleagues all over the world have 24/7 access to a range of wellbeing resources and services. The programme also includes a tool enabling colleagues to establish their wellbeing score in line with JD's four pillars (financial, physical, social and mental).

Inclusivity

Diversity and inclusion are vital to JD. Some 2023 actions include partnering with Inclusive Employers; providing toolkits to teams during DEI events and religious festivals; sharing employee achievements and providing platforms for individuals to share success stories. JD is also a founding member of Diversity in Retail and recognised events such as National Inclusion Week, International Women's Day, Black History Month and National Logistics Day.

JD continues to actively manage talent across all levels within the Group to enable progression. There were more males than females in senior roles; however,

compared to previous years, it illustrates the gradual progress in reducing this gap. The Group remains committed to growing and developing future talent that progresses on a fair and equal basis. Find more information in the Gender Pay Gap report [here](#).

Development

JD takes immense pride in their employees and is committed to providing them with resources to facilitate their personal and professional growth. The company offers a range of development modules and programmes through a user-friendly map that outlines learning requirements from entry-level positions to executive roles.



Social

JD Foundation

The JD Foundation is a registered charity founded by the JD Group in October 2015 with a mission to support young people throughout the UK. Primarily, it offers funding to several charity partners and supporting partners with colleague fundraising and volunteering. The JD Foundation's new three-year strategy was signed off by the Board of Trustees and is focused on supporting communities through grant giving and developing high-impact partnerships across the UK with charities that align with its vision.

- £7.5 million raised since October 2015
- £5 million donated so far
- 24 charity partners



Environmental

Climate change

JD is committed to achieving their global targets while evidencing transparency in their ambition to the 1.5°C pathway. Some highlights include:

- Retaining an A- grade for the Climate Change Assessment.
- The scope 3 Science Based Targets were approved by the Science Based Targets Initiative (‘SBTi’) Board, based upon the 1.5°C scenario.
- Achieving a ‘Zero Waste to Landfill’ accreditation at four core locations.
- Completing on-site solar installations across multiple stores and the European Distribution Centre.

Greenhouse gas emissions

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

	2024 (UK &ROI)	2024 (International)	2024 (Total)
Energy Usage - (Electricity (kWh))	101,212,669	163,258,407	264,471,076
Energy Usage - Natural Gas (kWh)	17,368,642	13,690,862	31,059,504
Total Energy Use (kWh)	118,581,311	176,949,269	295,530,580
Carbon Emissions Location based (Tonnes CO ₂ e)	21,227	49,247	70,474
Carbon Emissions Market based (Tonnes CO ₂ e)	2,383	41,776	44,159
Intensity metric Market based emissions (kgCO ₂ e/m ²)	3.8	51.6	30.7

Water stewardship and biodiversity

JD has adopted behaviours within its design and supply chain to reduce its environmental impact, one example being its cotton sourcing. Since 2020, its sourcing changes across the Group have saved over 5.1 billion litres of water versus previous cotton sourcing practices. It sourced 95% of cotton in its private label products through the Better Cotton Initiative.

Environmental

Sourcing

JD continues to work on improving sourcing from a sustainability point of view, looking at materials, raw material sourcing and supply chain transparency. The JD and Outdoor private labels demonstrated progress via:

- Increasing the use of recycled polyester, converting 593 tonnes from virgin polyester to recycled.
- Continuing to source cotton through the Better Cotton Initiative, enabling farmer training on water reduction whilst ensuring payment of fair wages to farm workers.
- Improving the supply chain transparency of their outdoor

private label footwear. One hundred percent of their tanneries are now Leather Working Group 'Gold' rated.

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. While JD continues to invest in both product design and materials to improve product quality and reduce environmental impact, the challenges relating to returned or damaged stock remain.

Find further information in the **annual report**.



Pentland Brands Limited



Positive business

Pentland Brands is committed to taking action for people and the planet. The 100-1-0 positive business strategy forms a crucial part of their 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 their communities

Driving a sustainable business

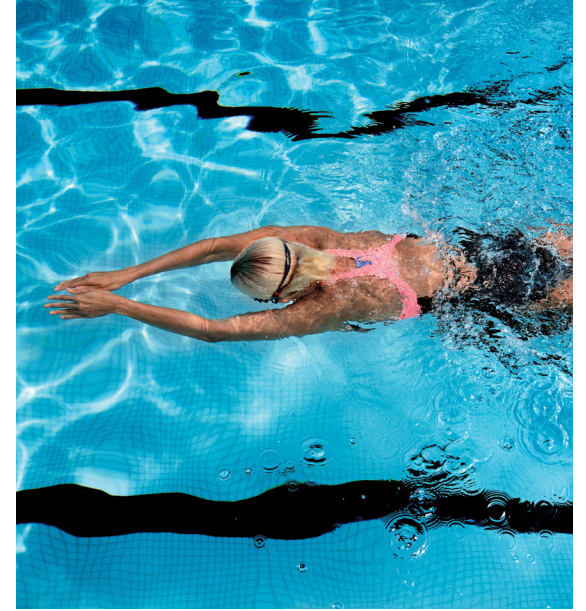
Become a net zero business





Pentland Brands 2023 highlights

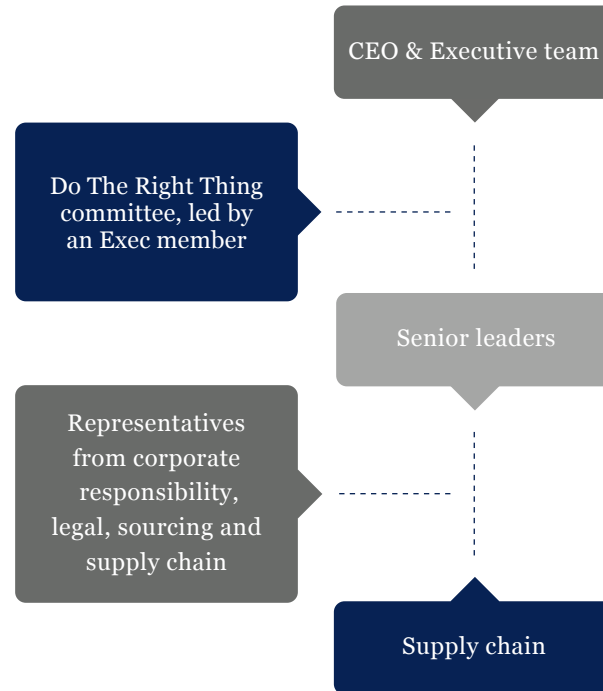
- Speedo educated 300,000 people on water safety
- Berghaus repaired 6,000 items for free
- Ellesse launched an international student design competition
- Mitre donated kit and equipment to charities
- Canterbury funded women's rugby initiatives
- Endura raised awareness for inclusivity in cycling
- Kickers saved 500 pairs of shoes from landfill



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 they continue to act responsibly to their people, consumers and the communities they operate in.

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



structure for 2023



People

Pentland Brands strives to establish fair, supportive and inclusive workplaces.

Inclusivity

Pentland Brands is working hard to embed diversity and inclusion into everything, from brand campaigns to recruitment processes. Their four employee networks host events and encourage meaningful conversations. They also continue to support young talent from underrepresented communities, launching a Youth Advisory panel made up of talented under-30s from around the world to provide fresh perspectives and inform key strategic decisions.

Pentland Brands aims to improve the representation of women and people from ethnic minority groups. In 2023, they saw a reduction in the UK mean gender pay gap from 15.2% to 9.2%, with 54% female representation across the workforce and 50% female representation in the Executive team. Pentland Brands is dedicated to continuous improvement and driving meaningful change through recruitment, succession planning and talent development and commissioned an independent analysis to understand insights to shape action plans for the coming year. Find more information in the [Pentland Brands Gender Pay Gap report](#).

Wellbeing

Pentland Brands supports employees in creating a healthy work-life balance. Gym access is provided at some offices, there is a global wellbeing hub offering resources for mental, physical, social, and financial support and they offer a paid day off for volunteering. For UK employees, Pentland Brands offers enhanced shared parental and neonatal leave and paid time off for women to attend IVF appointments and menopause testing.

Development

Pentland Brands believes in equipping its people to reach their potential and offers a range of learning and development opportunities and on-the-job experiences from graduate to senior levels. Its in-house internship programme, Design Pool, has been pivotal in launching young talent into the creative workforce and has expanded with the opening of a second office in LA. The company emphasises positive business practices, tying its employee annual bonus scheme to the achievement of these goals.

People

Charity

Driven by their 100-1-0 positive business goals, 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. This supports individuals and causes that inspire people to be more active, strengthen underserved communities and advance environmental initiatives. Partnerships with global charities also benefit communities based in their offices, supply chain and sourcing markets.

175,000+
people supported

133,000+
products donated

1,800+
charitable organisations supported



People

Supply chain workers

Pentland Brands strives to build a fair, ethical and transparent supply chain that protects and respects workers' rights and improves working conditions. This is supported through robust policies and governance processes, regular risk assessments and audits and transparent supplier relationships. Pentland Brands also works with organisations and businesses from across the globe on industry-wide solutions that tackle modern slavery in supply chains.

Pentland Brands seeks to have 100% supply chain visibility. To support this goal, they made a significant investment in their supply chain management by transitioning to Segura, an ethical supply chain mapping platform.

The **Pentland Brands Modern Slavery report** outlines actions to mitigate modern slavery and increase supply chain visibility. Find more information about the supply chain model, policies and tier 1 and tier 2 supplier lists **here**.



Planet

Carbon emissions

Pentland Brands submitted their data to be validated by the Science Based Targets Initiative (SBTi) in 2023. Additionally, they made a substantial investment in enhancing their supply chain management by adopting Segura, an ethical supply chain mapping platform. This will help them map out their entire multi-brand, multi-tier supply chain – from the first tier to raw materials – across global operations. This significant advancement supports the company's commitment to achieving 100% supply chain transparency and furthering net zero ambitions.

Greenhouse gas emissions

Pentland Brands emissions for owned operations in the UK between 1st January 2023 and 3rd February 2024 was 2,923 tonnes of CO₂e. Although they are currently focused on capturing data in line with UK legislation, they will start gathering data from global regions moving forward. More information can be found in the **Positive Business Report**.

GHG by year (tonnes CO₂e)

Emissions Source	2022	2023	Share (%)	Annual change (%)
Fuel combustion: natural gas	1,002	900	31%	-10%
Purchased electricity	80	84	3%	5%
Fuel combustion: transport	119	112	4%	-6%
Air	1,444	1,733	59%	20%
Hotel	63	63	2%	0%
Rail	46	32	1%	-31%
Total Emissions (tCO₂e)	2,754	2,923	100%	6%
Revenue (£m)	380	400		5%
Intensity: (tCO₂e per £m)	7.25	7.31		1%

Planet

Water

Pentland Brands worked with organisations to provide clean and easily accessible water to communities from water-stressed areas in their sourcing markets. Since 2021, they have partnered with charity: water to establish sustainable, community-owned water projects in India and Cambodia. In 2023, Kickers completed their support for a water project benefiting 100 people in two villages in rural India. Other brand initiatives included Speedo teaching water safety to thousands of children in the UK, USA and South Africa through its Swim United programme.

Materials

Pentland Brands continued to work towards more responsible materials, with the in-house innovation team creating products that support health, wellbeing, and confidence and that solve current social and environmental challenges. Brand initiatives include Speedo continuing to explore ways to help its consumers buy better by focusing on quality and sustainability, with the swimwear brand's USA division quadrupling the number of styles made from recycled materials in only two years (2021-2023).



Planet

Circularity

Pentland Brands continues to explore circular principles to promote awareness and transparency around an item's durability and lifespan. With this in mind, product circularity scorecards are being introduced. Additionally, product circularity workshops were held during the first-ever vendor roadshow, an event that provided internal design, brand and product teams with an excellent opportunity to collaborate with global vendors and partners on sustainability and innovation in the industry.

Packaging

Across Pentland Brands, teams are working towards integrating packaging solutions that use more recycled materials and less virgin plastic. Progress is being made to continue examining the brands' packaging journey and shift packaging solutions to more innovative options.

