

**JD SPORTS FASHION PLC (THE “COMPANY”)  
TERMS OF REFERENCE FOR THE ESG COMMITTEE**

**1. Constitution**

- 1.1 The ESG committee (**Committee**) was constituted as a committee of the board of directors (board) of JD Sports Fashion PLC (**Company**) at a full meeting of the board held on [DATE] in accordance with the articles of association of the Company.
- 1.2 The Committee has the delegated authority of the board in respect of the functions and powers set out in these terms of reference.
- 1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the company secretary, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

**2. Role of the Committee**

- 2.1 The role of the Committee is to carry out the responsibilities delegated by the board regarding the review and oversight of the Company's strategies, goals, policies, procedures, performance and disclosures related to sustainability and environmental, social and governance (ESG) matters as described in these terms of reference, subject to overlap with the audit and risk committee.
- 2.2 In carrying out their duties, the Committee members must comply with their duty under section 172 of the Companies Act 2006.

**3. Duties of the Committee**

The Committee shall have oversight of the Company and Group as a whole and (unless required otherwise by regulation) carry out the following duties for the Company and Group (subject to overlap with the audit and risk committee) and advise the board appropriately:

### **3.1 Strategy**

- (a) Oversee and advise the board on the Company's and Group's strategies, goals and commitments related to sustainability and ESG to promote the long-term sustainable success of the Company and Group, generating value for shareholders and contributing to wider society.
- (b) Ensure that the Company's sustainability and ESG priorities are reflected in the Company's culture by alignment with the corporate strategy, purpose, values and codes of conduct.
- (c) Monitor current trends and developments to identify emerging risks and key developments in the sustainability and ESG regulatory landscape that are relevant to the Company.

### **3.2 Policies and procedures**

- (a) Review, update and oversee the Company's ESG related policies and procedures, systems, and controls for collection, management and monitoring of sustainability and ESG information.

### **3.3 Performance targets and ratings**

- (a) Develop and recommend to the board sustainability and ESG goals, key performance indicators, metrics, strategies, objectives and commitments, and review and monitor the Company's and Group's performance against the same.
- (b) Consider and review the Company's sustainability and ESG ratings and accreditations.

### **3.4 Stakeholder engagement**

- (a) Oversee and advise the board on the Company's sustainability and ESG-related engagement efforts with shareholders and other key stakeholders.
- (b) Review and monitor the mechanisms for engagement with the Company's stakeholders (including engagement mechanisms with the workforce under Provision 5 of the UK Corporate Governance Code) so that they remain effective.

### **3.5 Political, charitable and community investment activities**

- (a) Review and oversee the Company's political contributions and lobbying activities.
- (b) Review and oversee the Company's charitable programmes and community investment activities.

### **3.6 Executive remuneration and ESG performance objectives**

- (a) Make recommendations to the Company's remuneration committee in relation to appropriate sustainability and ESG-related performance objectives for executive

directors, and provide an assessment of the outcomes of the ESG-related performance objectives at the end of the reporting period.

### **3.7 Management ESG committee**

- (a) Approve the proposed membership of the Management ESG Committee, making recommendations on potential improvements.
- (b) Oversee and regularly review reports on the meetings, scope, recommendations and actions of the Management ESG Committee.
- (c) Meet with appropriate members of management regarding significant sustainability and ESG-related events and matters.

### **3.8 Working with other committees and auditors**

- (a) Work and liaise as necessary with all other board committees, taking particular account of any delegation of the impact of sustainability and ESG matters to different committees, and ensure that interaction between those committees and between the Committee and the board is reviewed regularly.
- (b) Review the effectiveness of risk management and internal control policies that are relevant to sustainability and ESG matters.
- (c) Review the aspects of reports of internal and external auditors that have implications for sustainability and ESG matters.
- (d) Review the level of ESG-awareness within other board committees to ensure meaningful engagement on ESG issues

### **3.9 Reporting and disclosures**

- (a) Review, oversee and make recommendations to the board on the sustainability and ESG-related statements and disclosures, including preparation of the Company's annual sustainability report, the ESG statements and disclosures in the Company's annual report, the Task Force on Climate-Related Financial Disclosures, the modern slavery statement and the gender pay gap report.
- (b) Review on a regular basis any requirement or necessity for external assurance of sustainability and ESG matters and, as may be considered necessary, appoint external third parties to carry out assurance of the effectiveness of policies, processes and reporting on sustainability and ESG matters.
- (c) Prepare a formal report to shareholders on its activities to be included in the Company's annual report.

## **4. Membership of the Committee**

- 4.1 The Committee shall comprise a chair and a minimum of three members. A majority of Committee members shall be an independent non-executive director as determined by the board (in accordance with the principles of the UK Corporate Governance Code) and

shall have appropriate knowledge, skills and expertise regarding sustainability and ESG matters to carry out the duties and responsibilities of the Committee described in these terms of reference.

- 4.2 A member of the audit and risk committee shall serve as a member of the Committee.
- 4.3 The board shall appoint members of the Committee, on the recommendation of the nomination committee, in consultation with the Committee chair. It is recognised that the number of members may fall below three for temporary periods due to departures pending new appointments.
- 4.4 The chair of the board shall not be a Committee member unless exceptional circumstances apply, such as when there is a vacancy among the non-executive directors, but may be invited to attend its meetings. The chair of the board shall not chair the Committee.
- 4.5 The board shall appoint the chair of the Committee from among the independent non-executive directors. In the absence of the Committee chair or an appointed deputy, the remaining members present at a Committee meeting shall elect one of their number present to chair the meeting.
- 4.6 The Committee chair shall review membership of the Committee annually as part of the annual performance evaluation of the Committee.
- 4.7 The company secretary, or their nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee. This includes the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

## **5. Attendance at Committee meetings**

- 5.1 The Committee shall meet as frequently as it deems necessary to fulfil its responsibilities, and in any event shall be held not less than three times a year.
- 5.2 Outside of the formal meeting programme, the Committee chair and other Committee members shall maintain a dialogue with key individuals involved in the Company's governance, including the board chair, the chief executive, the finance director, the external audit lead partner, and the head of internal audit.
- 5.3 Only Committee members have the right to attend and vote at Committee meetings. However, non-members and external professional advisers may be invited to attend all or part of any meetings as and when appropriate and necessary and with the Committee chair's agreement. The chair shall have the discretion to decide who, other than the Committee members, shall attend and address Committee meetings.

5.4 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

5.5 Meetings of the Committee may be conducted when the members are physically present together or virtually by video AND/OR audio conference.

## **6. Notice of meetings**

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair.

6.2 Unless the Committee otherwise agrees, the secretary of the Committee shall forward notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, to each member of the Committee, and any other person required or invited to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members, and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee chair.

## **7. Quorum**

7.1 The quorum necessary for the transaction of business at a Committee meeting shall be two members both of whom must be independent non-executive directors, present in person or by audio or video conference. If there is difficulty in achieving a quorum, independent non-executive directors, who are not members of the Committee, may be co-opted as members for individual meetings.

7.2 A duly convened Committee meeting at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## **8. Voting arrangements**

8.1 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or by audio or video conference).

8.2 If a matter that is considered by the Committee is one in which a Committee member, either directly or indirectly, has a personal interest, that member shall not be permitted to vote at the meeting.

8.3 Decisions of the Committee shall be made by majority vote.

- 8.4 Except where they have a personal interest, if there is an equality of votes, the Committee chair shall have a casting vote.
- 8.5 The Committee chair may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

**9. Minutes of meetings**

- 9.1 The company secretary (or their nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 9.2 Draft minutes of Committee meetings shall be agreed with the Committee chair and then be circulated promptly to all Committee members, unless in the Committee chair's opinion it would be inappropriate to do so. Once approved, the minutes shall be circulated to all board members and the company secretary unless, exceptionally, in the Committee chair's opinion it would be inappropriate to do so.
- 9.3 A resolution in writing and signed by all Committee members shall be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

**10. Engagement with shareholders and annual general meeting**

- 10.1 In addition to formal general meetings, the Committee chair shall seek engagement with shareholders where appropriate on significant matters related to the Committee's areas of responsibility.
- 10.2 The Committee chair shall attend the annual general meeting to answer shareholder questions on the Committee's activities and areas of responsibility.

**11. General matters**

The Committee shall:

- 11.1 Consider other duties determined by the board from time to time.
- 11.2 Oversee investigations of matters that fall within its terms of reference.
- 11.3 Have access to sufficient resources to carry out its duties, including access to the company secretary for assistance and advice as required.
- 11.4 Be provided with appropriate and timely training, both via an induction programme for new members and on an ongoing basis for all members.

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- 11.5 Give due consideration to all applicable laws and regulations.
- 11.6 Arrange for periodic reviews of its own performance and at least annual reviews of its terms of reference to ensure it is operating at maximum effectiveness. The Committee should recommend any changes it considers necessary to the board for approval.

## **12. Authority**

The board authorises the Committee to:

- 12.1 Carry out all duties set out in these terms of reference and to have unrestricted access to the Company's documents and information.
- 12.2 Obtain, at the Company's expense, appropriate professional independent advice on any matter within its terms of reference as it considers necessary and determine the compensation for such advisers. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of such advisers, and the authority granted in these terms of reference shall not affect the ability or obligation of the Committee to exercise its own judgement in fulfilment of its duties under these terms of reference.
- 12.3 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.
- 12.4 Commission, at the Company's expense, any reports or surveys which it deems necessary to help it fulfil its obligations.

These terms of reference were adopted at the board meeting of the Company on [DATE].