

Supplementary information – JD Sports Fashion plc (JD) compliance with Task Force on Climate Related Disclosures (TCFD) – 2022/23 Annual Report



A. Executive Summary

In accordance with TCFD requirements, the Group has adopted and applied TCFD recommendations on climate-related disclosures. Our 2022/23 Annual Report response uses the TCFD framework template to support the disclosure of Group climate-related risks and opportunities.

Our TCFD statement is supported by multiple accreditation achievements, independent sector benchmark performance assessments such as an 'A-' grade for the Carbon Disclosure Project (CDP) Climate Change survey, and fully validated Scope 1,2, and 3 Science Based Target initiatives (SBTi).

The Group provides performance reporting against targets and objectives that are consistent with both previous Group Annual Reports, and with CDP and SBTi disclosures.

In addition to TCFD disclosures within our Annual Report, the Group has provided supplementary evidence of our adoption and application of TCFD recommendations on climate-related disclosures via:

- Excerpts of the September 2021 TCFD [Status Report](#) documents 'International Standard Setters' incorporating TCFD recommendations on climate-related issues within their respective disclosure standards
- Published CDP statements and Technical Notes on CDP disclosing in line with TCFD recommendations can be found [here](#)
- Copies of the December 2022-issued CDP Climate Change Score Report for JD Sports Fashion plc
- The December 2022 CDP Climate Change JD category scores, and JD category scores against the benchmark of our 'Activity Group Average'
- Key excerpts of our CDP responses to correlate with TCFD statements within our Annual Report

JD Group produced an equivalent supplementary TCFD document for our 2021/22 Annual Report. To request a copy, please email esg@jdplc.com

B. TCFD and CDP – International Standard Setters

Since 2016, the Group has used CDP as our primary method of submitting climate-related financial disclosures.

The [CDP](#) disclosure system is recognised (by official TCFD publications) as supporting TCFD recommendations and has the largest TCFD-aligned database in the world. Click [here](#) for the CDP TCFD Disclosure Report.

CDP's 2022 climate change questionnaire contains over 25 TCFD-aligned questions, which form the basis of the analysis above. These questions are contained within the Governance, Risks & Opportunities, Strategy, Targets and Emissions modules.

2. INTERNATIONAL STANDARD SETTING

Several international standard setters working to develop sustainability standards have stated intentions to draw from the TCFD recommendations to promote harmonization across global climate-related reporting practices.

“The alliance”: In December 2020, a group of five leading sustainability reporting organizations, comprising the Carbon Disclosure Project (CDP), Climate Disclosure Standards Board (CDSB), Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and International Integrated Reporting Council (IIRC), published a **prototype** for a global comprehensive reporting system for climate-related financial disclosure.¹⁹ The prototype outlines a shared vision that integrates both financial accounting and sustainability disclosure and builds on the TCFD recommendations. The use of the TCFD recommendations as a starting





foundation is supported by the IFRS Foundation, FSB, and IOSCO, as outlined in **Figure A5**.

The International Financial Reporting Standards (IFRS) Foundation: In early February 2021, the Trustees of the IFRS Foundation **announced** their intention to establish an international sustainability standards board within the existing governance structure of the IFRS Foundation, serving to clarify sustainability-related financial standards.

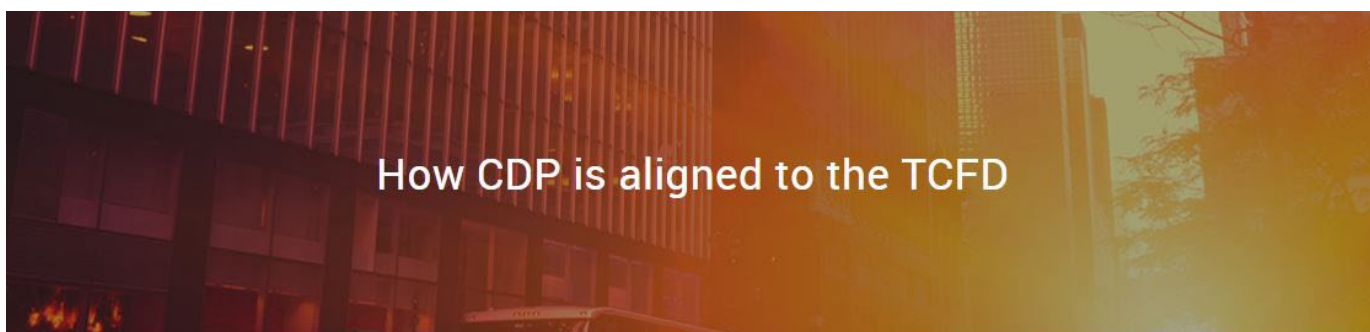
In March 2021, the Trustees published their strategic direction and **declared** that the proposed board will “build upon the well-established work” of the TCFD and “the alliance” reporting prototype.

Later in March 2021, the Trustees **announced** a new technical readiness working group to provide recommendations for prototype standards, built on the TCFD recommendations, for its proposed international sustainability

Figure A5
Excerpts of International Organizations’ Support for Convergence Around the TCFD

	<p>The Trustees’ proposed sustainability standards board “would build upon the well-established work of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD).”</p>
	<p>“The FSB strongly encourages national or regional authorities that are developing requirements or guidance for climate-related disclosures to consider using the TCFD recommendations as the basis.”</p>
	<p>“We have used the four pillars of the TCFD as the basis for the wider set of sustainability-related financial risks and opportunities and to be the foundation of a Prototype Sustainability-related Financial Disclosure Presentation Standard.”</p>
	<p>“IOSCO welcomes a prototype for an approach to climate-related disclosures that builds on the recommendations of the Task Force of Climate-related Financial Disclosures (TCFD).”</p>

IFRS Foundation, “Trustees announce strategic direction based on feedback to sustainability reporting consultation”; FSB, “FSB encourages the IFRS foundation and authorities to use TCFD’s recommendations as the basis for climate-related financial risk disclosures”; IIRC, Reporting on enterprise value climate prototype, p. 17; IOSCO, “IOSCO sees an urgent need for globally consistent, comparable, and reliable sustainability disclosure standards,” p. 1.



[Home](#) > [Guidance & questionnaires](#) > How CDP is aligned to the TCFD

Now more than ever, capital markets need comprehensive, high-quality and comparable information from companies on the impacts of climate change. That is why recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) were launched in 2017 - to improve and increase reporting of climate-related financial information.

CDP’s disclosure platform provides the mechanism for reporting in line with the TCFD recommendations. By translating the TCFD recommendations and pillars into actual disclosure questions and a standardized annual format, CDP provides investors and disclosers with a unique platform where the TCFD Framework can be brought into real-world practice. Companies which disclose through CDP are doing so in line with the TCFD recommendations, in a comparable and consistent way that is relevant and accessible to the global economy.

As a result, **CDP has the largest TCFD-aligned environmental database in the world**, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy.

C. CDP questionnaire alignment to TCFD

[CDP-TCFD technical guidance](#) includes a five-page table demonstrating the ‘Mapping of CDP questions against TCFD Recommendations’. The first page of the table is provided for reference, below:

Table 1: Mapping of CDP questions against TCFD Recommendations

Question number (CDP climate change)	Question text	TCFD recommendations
C1.1a	Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.	Governance recommended disclosure a) Describe the board’s oversight of climate related risks and opportunities.
C1.1b	Provide further details on the board’s oversight of climate-related issues.	Governance recommended disclosure a) Describe the board’s oversight of climate related risks and opportunities.
C1.2	Provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.	Governance recommended disclosure b) Describe management’s role in assessing and managing climate related risks and opportunities.
C2.1	Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?	Risk Management recommended disclosure a) Describe the organization’s processes for identifying and assessing climate-related risks. Risk Management recommended disclosure b) Describe the organization’s processes for managing climate-related risks Risk Management Disclosure c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.
C2.1a	How does your organization define short-, medium- and long-term time horizons?	Strategy recommended disclosure a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
C2.2	Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.	Risk Management recommended disclosure a) Describe the organization’s processes for identifying and assessing climate-related risks. Risk Management recommended disclosure b) Describe the organization’s processes for managing climate-related risks Risk Management recommended disclosure c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management

C2.2a	Which risk types are considered in your organization’s climate-related risk assessments?	Risk Management recommended disclosure a) Describe the organization’s processes for identifying and assessing climate-related risks.
C-FS2.2b	Do you assess your portfolio’s exposure to climate-related risks and opportunities?	Risk management recommended disclosure a) Describe your organization’s processes for identifying and assessing climate-related risks.
C-FS2.2c	Describe how you assess your portfolio’s exposure to climate-related risks and opportunities.	Risk management recommended disclosure a) Describe your organization’s processes for identifying and assessing climate-related risks.
C-FS2.2d	Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?	Risk management recommended disclosure a) Describe your organization’s processes for identifying and assessing climate-related risks. Risk management recommended disclosure b) Describe the organization’s processes for managing climate-related risks.
C-FS2.2e	Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.	Risk management recommended disclosure a) Describe your organization’s processes for identifying and assessing climate-related risks. Risk management recommended disclosure b) Describe the organization’s processes for managing climate-related risks.
C2.3	Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?	Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.
C2.3a	Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.	Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term. Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning. Please note: columns 1-7 align with the TCFD recommendations
C2.4	Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?	Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.

C2.4a	Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.	Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term. Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. <u>Please note: columns 1-7 align with the TCFD recommendations</u>
C3.1	Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?	Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
C3.2	Does your organization use climate-related scenario analysis to inform its strategy?	Strategy recommended disclosure c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.
C3.2a	Provide details of your organization's use of climate-related scenario analysis.	Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Strategy recommended disclosure c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.
C3.2b	Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to the focal questions.	Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Strategy recommended disclosure c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.
C3.3	Describe where and how climate-related risks and opportunities have influenced your strategy.	Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
C3.4	Describe where and how climate-related risks and opportunities have influenced your financial planning.	Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
C-FS3.7	Does your organization include climate-related requirements in your selection process and engagement with external asset managers?	Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

C-FS3.7a	Provide details of the climate-related requirements included in your selection process and engagement with external asset managers.	Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
C4.1	Did you have an emissions target that was active in the reporting year?	Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
C4.1a	Provide details of your absolute emissions target(s) and progress made against those targets.	Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
C4.1b	Provide details of your emissions intensity target(s) and progress made against those target(s).	Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
C-FS4.1d	Provide details of the climate-related targets for your portfolio.	Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
C4.2	Did you have any other climate-related targets that were active in the reporting year?	Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
C4.2a	Provide details of your target(s) to increase low-carbon energy consumption or production.	Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
C4.2b	Provide details of any other key climate-related targets, including methane reduction targets.	Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.

C6.1	What were your organization's gross global Scope 1 emissions in metric tons CO ₂ e?	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
C6.3	What were your organization's gross global Scope 2 emissions in metric tons CO ₂ e?	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
C6.5	Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
C6.5a	Disclose or restate your Scope 3 emissions data for previous years.	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
C9.1	Provide any additional climate-related metrics relevant to your business.	Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
C-FS14.0	For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
C-FS14.1	Does your organization measure its portfolio impact on the climate?	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
C-FS14.1a	Provide details of your organization's portfolio emissions in the reporting year.	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
C-FS14.1b	Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

D. Group Scores for Carbon Disclosure Project – Climate Change submissions

The Group achieved 'A-' grades for its last three Climate Change submissions (2020-2022), and was awarded 'A' grade 'Supplier Engagement Leadership Status' for the 2020, 2021, and 2022 disclosures.



As a **Supplier Engagement Leader**, we're working with our suppliers to cascade environmental action across our supply chain.

CDP SCORE REPORT - CLIMATE CHANGE 2022



JD Sports Fashion

Region	Europe
Country/Area	United Kingdom of Great Britain and Northern Ireland
Questionnaire	General
Activity Group	Discretionary retail

The CDP Score Report allows companies to understand their score and indicate which categories require attention to reach higher scoring levels. This enables companies to progress towards environmental stewardship through benchmarking and comparison with peers, in order to continuously improve their climate governance. Investors will additionally receive a copy of the CDP Score Report upon request. For further feedback please contact your account manager or your key CDP contact.

Your CDP score



Average performance

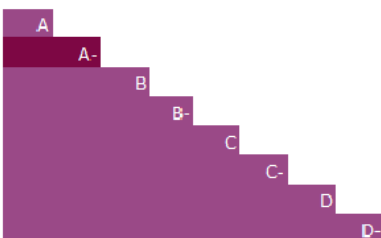


Discretionary retail

Europe

Global Average

UNDERSTANDING YOUR SCORE REPORT



JD Sports Fashion received an A- which is in the Leadership band. This is higher than the Europe regional average of B, and higher than the Discretionary retail sector average of C.

Leadership (A/A-): Implementing current best practices

Management (B/B-): Taking coordinated action on climate issues

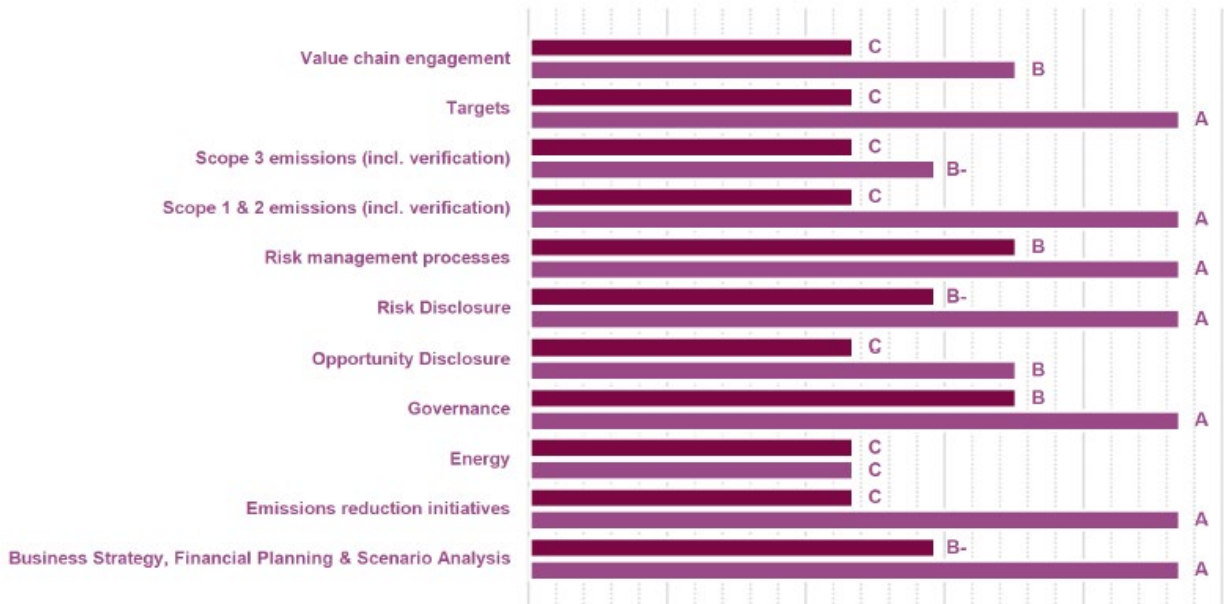
Awareness (C/C-): Knowledge of impacts on, and of, climate issues

Disclosure (D/D-): Transparent about climate issues

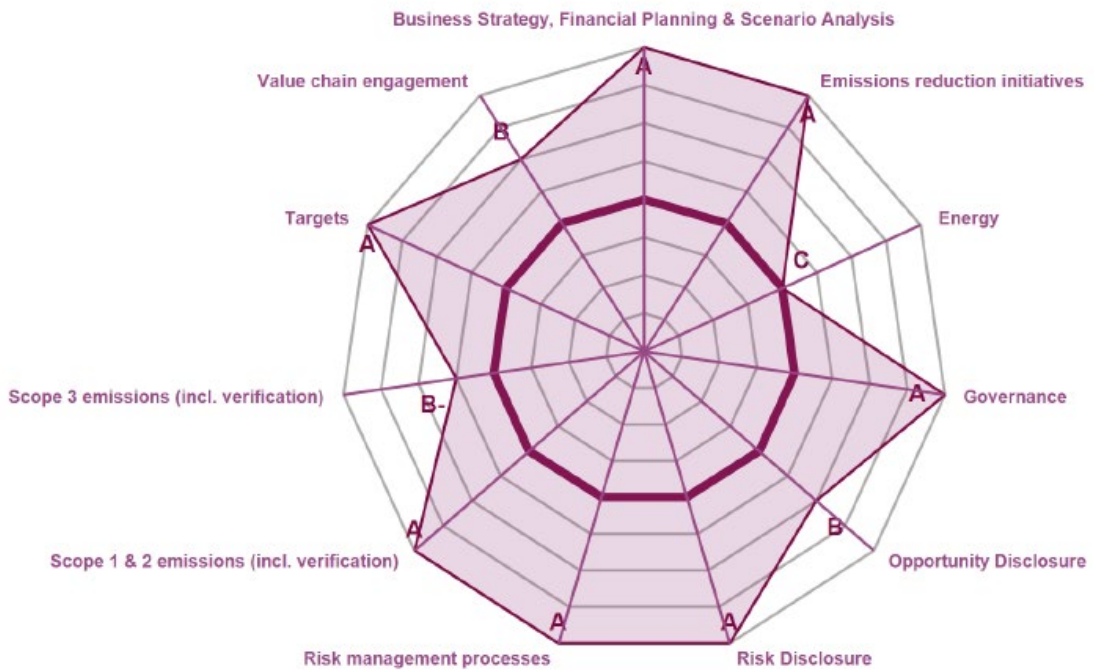
E. Group Category Scores – Key TCFD-aligned sections

Our scores for key TCFD-aligned categories are provided below. The Group (described as 'JD' within the image below) scored at least one grade above the sector 'Activity Group Average' for all each section.

CATEGORY SCORES BENCHMARKING



CATEGORY SCORES



F. Key metrics used to measure and manage climate-related risk opportunities

Key metrics used to measure and manage climate-related risks and opportunities (as described in pages 75-76 of the TCFD recommendations) are detailed within the tables embedded below.

The Group plans to continue its strategy of using two primary, independent surveys and submissions to monitor our progress. These are the TCFD-aligned CDP survey, for which the Group is issued an annual grade, which will be used to evidence comparable progress and achievement versus our sector.

The Group shall also use our validated Science Based Target initiatives as our primary means of tracking emission reduction progress. By reducing our carbon emissions in line with our disclosed targets, the Group reduces the risk of exposure to future costs associated with climate-related regulatory and legal

Monitoring CDP and SBTi reports, disclosures and scores of our largest branded suppliers provides the Group with independent assessments. Using such validated data allows the Group to monitor the climate-related risks of our major suppliers, enabling earlier engagement on mitigatory actions or opportunities



[TCFD risk/opportunities 2023](#)

G. Additional Information: Group CDP 2022 responses relevant to TCFD

The full Group 2022 CDP response for Climate Change is a 97-page document. Accordingly, we have attached the most pertinent sections appertaining to TCFD criteria within the document below.



[TCFD Clarifications + Key CPD disclosure](#)

Where appropriate, we have provided additional information to clarify statements made within our TCFD disclosure. Via both CDP question responses and clarification statements, the document above provides answers and/or additional information titled and numbered as follows:

TCFD Section	Clarification No.	Detail
Governance (A, B)	1-2	CDP response on Board responsibility and structure
Strategy (A)	3-5	Time horizon rationale, CDP responses on risk assessment and climate-related scenario analysis
Strategy (B)	6-7	CDP response on strategic and financial planning influence of climate-related risks and opportunities
Strategy (C)	8	Additional detail on TCFD non-compliance item
Risk Management (B/C)	9	CDP response on Board oversight on climate
Metrics and Targets	10	Additional detail on TCFD non-compliance item