

# Task Force for Climate-related Financial Disclosures (“TCFD”) Statement

Entain is a supporter of the recommendations of the Task Force for Climate-related Financial Disclosures (“TCFD”), and it is committed to implementing the TCFD recommendations. We also welcome the introduction of the FCA requirements for UK Premium Listed Companies to report in line with the TCFD recommendations.

In this section, we outline our approach to climate-related risks and opportunities. This statement is in line with the four pillars of the recommendations: Governance, Strategy, Risk Management and Metrics and Targets. Whilst we discuss in general terms the resilience of our strategy and approach considering different climate-related scenarios, we plan to further specify this and include quantitative measures in future years.

## Governance

The Group Board is ultimately responsible for climate-related risks and opportunities, with overall ownership of this agenda sitting driven by our CEO. Responsibility for identifying and managing risk is delegated to both the Board-level ESG Committee and the Audit Committee, who are accountable for monitoring our progress against targets, and ensuring climate-related risks are adequately addressed, respectively. The involvement of two Board Committees reflects the inter-related nature of climate-related risks and opportunities, and our commitment to climate action. Climate-related issues are raised at least quarterly with the ESG Committee.

These Committees are supported by the ESG Steering Committee (which reports to the Board ESG Committee) and our Net Zero Action Group to challenge and advise on the prioritisation and mitigation of climate-related risks and opportunities, as well as implement our climate strategy. The Risk Committee, which reports to the Audit Committee and is chaired by Rob Wood, has operational responsibility for managing risk within the Group, including climate-related risks.

## Strategy

We identify climate-related risks as part of our Group risk management system. Through this process, we have identified both physical and transition risks and opportunities, with the key risks explained below. As a result of this assessment, no climate-related risks have been identified as principal risks to the Group, and they are addressed at the functional and divisional levels.

## Physical risks

As the operator of a large retail estate and four stadia in the UK and ROI, there is the risk that climate change will bring about increased exposure of these sites to extreme weather events in the longer term, especially flooding. This could cause shop closures and increased insurance claims liability. This exposure varies across our estate, based on geography. Given the geographical dispersion of our estate, as well as the diversification of our business into digital, this risk has not yet been identified as a principal risk.

## Transition risks

As part of the transition to a lower-carbon economy, we expect an increase in the requirements for and expectations on our organisation to accurately report and reduce greenhouse gas emissions. We are managing this risk through our ambitious climate commitments – to reduce our greenhouse gas emissions in line with a science-based 1.5 degree scenario, and reach net-zero emissions by 2035. In 2022, we also purchased 100% renewable electricity across our UK and Irish retail estate, as well as many of our major offices. Globally, over 70% of our electricity purchased was from renewable energy contracts. This provides us with an opportunity to improve our trust and reputation with key stakeholders and realise cost savings through our energy efficiency improvements as part of our ongoing shop refurbishment scheme.

We have also undertaken a screening assessment of our Scope 3 emissions, which is outlined in this report. We have started to engage our key suppliers to support them in reducing their own emissions. We will start to report systematically on our Scope 3 emissions in the coming years, improving the data quality and coverage of primary

information obtained directly from our value chain partners.

## Risk management

The process for identifying, assessing, and managing climate-related risks is integrated into our overall risk management and governance framework, which is outlined on pages 78 to 85. As part of this process, mitigation and management of specific risks is delegated to the relevant divisional or functional heads.

At the end of 2021, we initiated a project to review the climate-related risks identified in our risk management process. This will involve an in-depth review of the current risks identified, as well as considering future climate scenarios, in line with the TCFD recommendations. In Q2 of 2022, we will convene leaders across Entain to carefully consider three climate change scenarios describing a temperature rise of 1.5°C, 2.0°C, and 3.0°C compared to pre-industrial levels. This exercise will enable us to sense check our current risks, identify additional risks and opportunities, and communicate their impact on the Group and our stakeholders. The project is being championed by our CEO, with the output informing our next TCFD disclosure.

By involving senior leaders across the Group in this work, we hope to encourage holistic thinking about climate-related risk. We want our leaders to provide guidance and support for further incorporating climate-related risk identification and management into the operational risk registers of each division and function. As the time horizons for climate-related risks tend to span longer into the future than many other risks, we will implement a parallel process to ensure that longer term risks are formally considered as part of our climate and business strategies.

## Targets and metrics

In the table below, we outline our greenhouse gas emissions, with a further breakdown to be provided in our upcoming ESG report. We also report on our global energy consumption, and the percentage of electricity purchased on renewable energy contracts. These metrics are used to monitor our performance in managing our transition risks, and to monitor our progress against our science-based greenhouse gas reduction targets.

Given the significance of this area, the reputational risk of inaccurate reporting, and the need for high-quality ESG data, we commissioned the Carbon Trust to assure our Scope 1, 2 and business travel data. This assurance has taken place for our 2019 and 2020 data, with our 2021 data to be assured in 2022.

Environmental KPIs, including Streamlined Energy and Carbon Reporting (SECR) data	2021 <sup>1</sup>	2020 <sup>2</sup>	2019 <sup>2</sup>
<b>Total energy consumption (kWh)</b>	<b>112,035,246</b>	111,755,270	149,976,498
UK	86,962,233	92,776,583	123,723,097
Rest of the world ("ROW")	25,073,014	18,978,687	26,253,400
<b>Total GHG emissions – direct and indirect (tonnes CO<sub>2</sub>e)<sup>3,4</sup></b>	<b>26,960</b>	28,958	41,353
UK	18,679	21,497	29,331
Rest of the world	8,281	7,461	12,022
<b>Total GHG emissions intensity per employee (tonnes CO<sub>2</sub>e/headcount)<sup>3,4</sup></b>	<b>1.07</b>	1.21	1.68
<b>Total direct emissions (Scope 1) – direct (tCO<sub>2</sub>e)<sup>3,4</sup></b>	<b>1,998</b>	822	3,083
<b>Total indirect emissions (Scope 2) – indirect (tCO<sub>2</sub>e)<sup>3,4</sup></b>	<b>24,962</b>	28,136	38,270
<b>% of purchased electricity from renewable sources</b>	<b>71%</b>	59%	5%
<b>Water withdrawal (cubic metres)<sup>5</sup></b>	<b>231,789</b>	252,345	527,694

1. Estimates for the full 2021 reporting year were still being finalised at the time of reporting, and may be revised in subsequent reporting.
2. Data from previous years has been restated based on minor adjustments that arose as part of Entain's GHG independent data validation by the Carbon Trust.
3. Emissions are calculated using the GHG Protocol Corporate Accounting and Reporting Standard. Consumption data has been converted to GHG emissions using 2021 BEIS emissions factors and 2021 IEA emissions factors for non-UK grid electricity. We have excluded fugitive emissions from refrigerants, as they have been deemed de minimis in previous years. Emissions reported above are calculated using the location-based method, using an operational control boundary.
4. GHG emissions data has been calculated based on primary data covering 100% of UK operations, and 95% of global operations, based on headcount. The GHG data is scaled up to estimate the total global GHG emissions and energy consumption.
5. All water withdrawn is sourced from municipal water supplies. Water data includes our operations in the following countries: Austria, Belgium, Bulgaria, Gibraltar, India, Ireland, Israel, Philippines, UK, Uruguay. This makes up 88% of Entain's global headcount. Note that this data is not scaled up to estimate the total global consumption, but reported consistently for the operations where data is available.

## Our Commitment to Human Rights

We are committed to act morally, honestly, openly and with integrity in everything we do. We firmly believe that a robust approach to protect human rights and prevent modern slavery is one way we can evidence this, as well as demonstrating our positive contribution to the communities in which we work and to society at large. We have identified that the two main potential risk areas for our business are in the recruitment and onboarding of staff and in our broader our supply chain.

In 2021 we partnered with Unseen, a UK-based charity fighting modern slavery, to strengthen our procurement processes and policies. Unseen helped us revise our Supplier Code of Conduct, providing greater emphasis on human rights standards within it. Every supplier must now approve the updated Code and share their anti-bribery and corruption policy before they can start doing business with us. Unseen also helped us to upskill our procurement, HR, and property colleagues, delivering bespoke, in-depth training courses on modern slavery. This was rolled out to all staff with a mandatory online training, completed by 78% colleagues in 2021.

In 2022, we will continue working with Unseen and implementing their recommendations. We will reinforce our supplier due diligence processes, with additional checks for high-risk suppliers at the onboarding stage and throughout the duration of the contract. We are also conducting a review of our supplier questionnaire to refine our supplier risk assessment and escalation process. Following this process we expect to introduce more stringent environmental and social clauses to our standard Terms & Conditions.

## Data Privacy & Cybersecurity

Safeguarding our customer and corporate information remains a top priority for Entain, as our betting and gaming interactive entertainment offer continues to expand. Our commitment is reflected in a growing headcount and the robust governance procedures we have implemented. Our Chief Privacy Officer (who also holds the position of Group Data Protection Officer) and our Chief Security Officer provide regular updates to the Board and deliver deep-dive sessions to our Executive Committee.

In 2021, we further embedded our Group-wide Data Protection and Data Retention policies, which apply to everyone working for Entain, including agency staff and contractors. 21,495 colleagues completed the annual mandatory GDPR training, and data owners have been identified across all departments to implement a four-stage data retention programme.

Data privacy is also built into the development of our safer betting and gaming initiatives, including in our new ARC™ programme. Whilst we use data-driven technologies such as Artificial Intelligence ("AI") to create a safe environment for our players, we also have a duty to meet their privacy expectations and we're working hard to strike that balance. Our data privacy experts are part of the ARC™ Steering Committee, through which they provide technical guidance to the safer betting and gaming and customer services teams. Over the year, these teams undertook a Data Privacy Impact Assessment ("DPIA") programme, helping them to address privacy-by-design requirements and implement appropriate disclosure into privacy notices. We have also developed an AI and Data Ethics Charter, overseen by the ESG Committee, which defines our principles on the responsible use of AI to ensure it is used in the best interests of our customers and employees.

Our investment in cybersecurity continues to grow, with our team's headcount increasing by 33% in 2021. We created a Cybersecurity Crisis Management Plan, which guides our response across all functions and business units in case of a critical cybersecurity breach. We've also initiated a new programme to reduce data privacy and cybersecurity risks in mergers & acquisitions ("M&A"), bolstering due diligence on M&A targets and speeding up the integration process. Businesses joining the Group must now align with our data privacy and cybersecurity requirements within six months of acquisition.