

TCFD Index

The Task Force on Climate-related Financial Disclosures (TCFD) has developed a voluntary, consistent, climate-related financial risk disclosure framework for companies to provide information to investors, lenders, insurers and other stakeholders.

TOPIC	REPORT PAGE OR EXTERNAL LOCATION	ADDITIONAL INFORMATION AND OMISSIONS
Governance		
a) Describe the board's oversight of climate-related risks and opportunities	CSR Report: Energy & Climate, pgs. 29-30 CSR Report: Risk Management>Climate Risk, pg. 29	
b) Describe management's role in assessing and managing climate-related risks and opportunities	CSR Report: Risk Management>Climate Risk, pg. 29	
Strategy		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	In assessing our exposure to climate-related risks, we have determined our primary risks to be extreme weather events – exacerbated by climate change – where our stores or DCs are located. For example, impacts from hurricanes, tornadoes, floods, and other events could severely damage or destroy one or more of our stores or DCs. Any of these events or circumstances also could disrupt the operations of one or more of our supply chain partners. Beyond the impacts of severe storms, we are also susceptible to extended periods of unseasonably warm or cold temperatures throughout the year, which could render a portion of our inventory incompatible with those unseasonable conditions; for example, unusually warm weather during fall or winter. Because higher net sales historically have occurred during the second half of the year, unseasonably warm weather during these months could have a disproportionately large effect on our business and materially adversely affect our financial condition and results of operations. Looking forward, we will continue to monitor and assess how climate change can impact our company and how we can prepare for its impacts.	
b) Describe the impact of climate-related risks and opportunities of the organization's businesses, strategy, and financial planning		
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We have not yet undertaken a formal review of our strategy based on climate-related scenarios to test its resilience. The Environmental Management System we are implementing in 2022 will provide us with the opportunity to carry out initial scenario-based comparisons, which we will look to disclose in our 2023 TCFD Index. In the longer term, we plan to regularly review our strategy based on different climate-related scenarios.	
Risk Management		
a) Describe the organization's processes for identifying and assessing climate-related risks.	CSR Report: Risk Management>Climate Risk, pg. 29	In 2021, our Internal Audit department, in partnership with our Sustainability and Investor Relations teams, conducted a climate risk assessment exercise to identify opportunities to increase resilience and layer in GHG emissions reductions into existing decision-making processes. We expanded our annual enterprise risk management processes, to hold climate-related risk and opportunity awareness workshops with management teams of relevant departments throughout the company. The key retail climate priorities identified by The Retail Industry Leaders Association were considered during the workshops: transportation, buildings and facilities, energy, waste, governance, and disclosure. Feedback has helped us to identify operations, processes, supply chain aspects, and facilities that may impact, or be impacted by, climate-related risks and opportunities. The risks discussed during this exercise were considered for incorporation into our enterprise risk assessment and aggregation processes.
b) Describe the organization's processes for managing climate-related risks	CSR Report: Risk Management>Climate Risk, pg. 29	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	CSR Report: Risk Management>Climate Risk, pg. 29	

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continued

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Metrics and Targets		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	CSR Report: Energy and Climate, pg. 30 • Total GHG emissions (tons CO ₂ e) • Total energy consumption (MWh) • Total renewable energy consumption (MWh)	
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	CSR Report: Appendix>2022 Data (GHG emissions), pg. 30	
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	CSR Report: Energy & Climate, pg. 31	