

# ETHICAL CODE OF PRACTICE

*This policy applies to all Goods and Services supplied to The JD Group  
Inclusive of Goods not for Resale (GNFR)*



# CONTENTS

## INTRODUCTION

What we Stand for  
Our Approach

## THE GROUP CODE OF CONDUCT

Employment Relationship  
Non Discrimination  
Harassment or Abuse  
Forced Labour  
Child Labour  
Freedom of Association and Collective Bargaining  
Health, Safety and Environment  
Hours of Work  
Compensation

## NEW SUPPLIER AUDIT & ASSESSMENTS

## STANDARDS & COMMITMENTS

Our Commitments  
What we expect from you

## HOW TO REPORT ISSUES & CONCERNS

# INTRODUCTION

## WHAT WE STAND FOR

The JD Sports Fashion Plc Ethical Code of practice is to establish a procedure for protecting workers and providing assurance that our products are manufactured within safe and fair conditions. The Ethical Code of Practice applies to everything we do and forms part of the contract with us. The people working for our suppliers are to be treated with respect, and their health and safety and basic human rights must be protected and promoted.

## OUR APPROACH

JD Sports Fashion (hereinafter referred to as the “Group”) recognises that human rights are fundamental principles which allow an individual to lead a dignified and independent life, free from abuse and violations. We will not tolerate, nor will we condone, abuse of human rights within any part of our business or supply chains. Any allegations that human rights are not respected will be taken very seriously.

We are committed to complying with the applicable laws and regulations in all countries in which we operate. We will conduct ourselves with professionalism, honesty and integrity whilst working with our suppliers and third parties to ensure our high ethical standards are maintained.

We are also committed to ensuring that our suppliers are responsible for ensuring that every site producing our products meets or exceeds minimum labour standards, and adheres to both local laws and our Code of Conduct.

This Code of Conduct is a set of core principles that suppliers must commit to meeting as a condition of doing business with us. The code is based upon international best practice, including the principles of the International Labour Organisation (ILO)/Fair Labour Association Standard (FLA).

# THE GROUP CODE OF CONDUCT

## ***Employment Relationship***

Employers shall adopt and adhere to rules and conditions of employment that respect workers and, as a minimum, safeguard their rights under national and international labour and social security laws and regulations.

## ***Non discrimination***

No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

## ***Harassment or Abuse***

Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

## ***Forced Labour***

There shall be no use of forced labour, including prison labour, indentured labour, bonded labour or other forms of forced labour.

## ***Child Labour***

No person shall be employed under the age of 15, or under the age for completion of compulsory education, whichever is higher.

## ***Freedom of Association and Collective Bargaining***

Employers shall recognise and respect the right of employees to freedom of association and collective bargaining.

# THE GROUP CODE OF CONDUCT

## ***Health, Safety and Environment***

Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.

## ***Hours of Work***

Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.

## ***Compensation***

Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realise a level of compensation that does.

It is important that all workers in our supply chain can understand the Code of Conduct as it sets out their rights in the workplace. This is available in a number of languages on our corporate website, and can be displayed via images, which can be an effective alternative to written language.

# NEW SUPPLIER AUDIT & ASSESSMENTS

The Group utilises a range of audits and assessments to check conditions in the factories that make our products. These checks include site safety and document inspections worker interviews, off site assessments, accommodation checks and general due diligence. Security measures also focus on verifying that the factory being inspected, is the facility that actual manufactures our product. Our suppliers directly or indirectly offering, paying, soliciting or accepting of bribes or kick-backs, including facilitation payments, is strictly prohibited. A bribe may involve giving or offering ANY form of gift, consideration, reward or advantage to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting.

The Group adopts the **‘Employer pays’** principle:

No worker/employee should pay for a job – the cost of the recruitment should be borne not by the worker, but by the employer.

The Group periodically reviews its audit methodology. The Audit formats we accept are summarised below:

- > Sedex members Ethical Trade Audit (SMETA)
- > A standard methodology ethical audit, widely used by brands and retailers.
- > Business Social Compliance Initiative (BSCI)
- > Supply chain management system that supports companies to drive social compliance and improvements within the factories and in their global supply chains. Many factories will already have an audit that meets these criteria.
  - > Worldwide Responsible Accredited Production (WRAP)
- > An independent, objective, non-profit team of global social compliance experts dedicated to promoting safe, lawful, humane and ethical manufacturing around the world through certification and education.

Many factories will already have an audit that meets these criteria, to avoid unnecessary expense and ‘audit fatigue’ we will accept available audits with a corrective action plan (“CAP”) in date for completion.

# NEW SUPPLIER AUDIT & ASSESSMENTS

It is critical to our ethical policy that we are aware of every site of manufacture - prior approval of each factory must be sought from the Group. Undisclosed subcontracting is prohibited and constitutes a breach in our Code of Conduct. Workers at unapproved sites engaging in this activity are at more risk of exploitation and for this reason we take any breach extremely seriously.

All suppliers will be required to complete an assessment on successful completion will then be added to an 'Approved Supplier' list. The assessment will be initially based on a self-assessment using our 'Factory Setup form' which is assessed for risk factors. The form includes details such as name, address, telephone and fax numbers of the factory and any subcontractors used, as well as vital information to ensure adherence to our Code of Conduct.

On receipt the factory setup is reviewed in detail by the ethical compliance team and any risk areas verified as required. The factory site is then graded using the traffic light format below. Only Green, Amber and Yellow graded sites can be used. Sites graded red or ungraded facilities)cannot be used.



**Red** = To many risk factors within the factory setup



**Amber** = No Audit Just Factory Setup



**Yellow** = Risk Assessment and expired Audit



**Green** = Risk Assessment and in date Audit

If a third-party audit is in place, it will be included in the review and a CAP required to ensure closure of non-compliances is in progress. The factory will then be further graded A, B, C, D based on the non-compliances Minor Major or Critical (see detail below).

In the event that a Critical Failure Point (CFP) is identified, then the factory will be graded Green D and the CFP must be resolved before the factory can be used.

# NEW SUPPLIER AUDIT & ASSESSMENTS

Evidence of the resolution (via verifiable desktop evidence or a re-audit), will be reviewed by the Ethical Sourcing Team, and the facility will be re-graded.

Non-Compliances (NCs), which are less serious than CFPs will result in a **Green A, Green B, Green C** grade. These factories can be used, on condition that the supplier or licensee commits to resolve the non-compliances within a reasonable timescale.

**Green A** = Audit with 0 critical non compliances, 0 to 2 majors, <5 Minors  
**Green B** = Audit with 0 critical non compliances, 3 to 5 majors, < 10 Minors  
**Green C** = Audit with 0 Critical non compliances, 5 + majors, 10 +Minors.  
**Green D** = Critical 1 +

A new full audit must be submitted for review within the audit cycle to ensure that the factory remains approved. If operations are moving to a different manufacturing site, approval of the new site must be in place before manufacturing takes place.

Suppliers that do not meet the minimum expectation will be required to submit CAPs. The CAP shall include detailed steps and timing to ensure that the supplier is operating to a standard that meets the requirements set out in our Code of Conduct. Tier 1 suppliers are also required to apply our supplier Code of Conduct to their supply chain.

The Group Supplier Code of Conduct is regularly reviewed to ensure it remains current and fit for purpose.

# STANDARDS & COMMITMENTS

## GROUP GNFR SUPPLIERS

Goods not for Resale (GNFR) or 'indirect goods and services' account for up to 20% of our cumulative third-party supplier expenditure. Any suppliers manufacturing goods bespoke to, or produced solely for the Group use, must commit to the Group Sports Fashion Group 'Ethical Code of Practice' and comply with the core principles the Group Code of Conduct. This is a condition of doing business with us. For GNFR, additional commitments from the Group, and the standards we expect from our Suppliers are listed below.

### OUR COMMITMENTS

All suppliers will be treated fairly – whether existing providers of goods and services, or potential new suppliers participating within the Group market reviews or tender processes.

***All supplier proposals will be evaluated based upon a number of factors, including but not limited to:***

Ability to improve our customer and colleague experience

Experience, standing and evidenced record of quality and achievement within your industry or sector

Evidenced financial stability and ability to honour competitive commercial terms

Capability to help us improve both our, and your own environmental performance. This includes a commitment to (where feasibly achievable) use green/renewable energy for your operations

Proven ability to use technology to improve the quality of service to our customers and colleagues

***Our commitments to suppliers submitting tender responses to the Group include:***

We will provide all suppliers with access to the same documentation and information made available to competitors within the the Group tender process

We will respect any unique proposals, or registered Intellectual Property Rights when notified. Confidential information will be treated as such

Unsuccessful suppliers will be offered the opportunity to receive feedback

We will provide reasonable notice when ending supplier agreements

We will not enforce any retrospective variations relating to terms of supply without agreement to do so

# STANDARDS & COMMITMENTS

## GROUP GNFR SUPPLIERS

### WHAT WE EXPECT FROM YOU

*The Group has provided its commitments and evaluation criteria. We require our suppliers to honour the following principles and statements:*

Compliance with the anti-bribery and corruption act, and all legislation relating to your industry or sector. You will check that your suppliers do the same for their colleagues and suppliers

With regards to Information Security, you (and your supply chain) will protect the data and privacy of our company, colleagues and suppliers

Personal data shall be managed in accordance with the specific legal obligations of the GDPR. Specific guidance on 'Data processor', 'Data controller' and other key definitions and checklists can be found within the GDPR section of the [www.ico.org.uk](http://www.ico.org.uk) website

Our suppliers shall disclose all energy and environmental data and reports in accordance with the legislation of their primary country of operation. Our suppliers will actively work to reduce the impact of their operations on the environment.

Your employees and colleagues will conduct themselves with honesty and integrity. You will provide us with truthful, accurate and verifiable information in our dealings. Tell us if you plan to sub-contract our work

Regardless of whether you are a UK or International supplier, you will tell us whether you presently work with, or are approached by any competitors of sports fashion, Outdoor or Fashion businesses

You will treat our discussions and information as confidential. Our growth plans, store openings, specifications and product details are not for discussion or sharing unless permission is given by an authorised the Group representative

You will disclose any actual or perceived/potential conflicts of interest. This includes the Group employees and any relationships or dealings with our competitors and their colleagues

# HOW TO REPORT ISSUES & CONCERNS

## ALL SUPPLIERS

**SEEN SOMETHING WRONG? DO SOMETHING RIGHT!**

If you have any concerns relating to the conduct of JD Sports Fashion plc or its employees, please contact us via one of the following escalation procedures:

*The Group Whistle-blowing hotline*

0800 376 3010

*Chief Financial Officer*

Neil.Greenhalgh@jdplc.com

*Group HR Director*

Julie.Blomley@jdplc.com

*Group Company Secretary*

Siobhan.Mawdsley@jdplc.com

*Group Head of Sourcing, QA & Ethics*

Traci.corrie@jdplc.com