



**JD GROUP**  
**MODERN SLAVERY**  
**STATEMENT**  
2021-2022

# INTRODUCTION

## WHAT WE STAND FOR?

The JD Sports Fashion PLC Ethical Code of Practice establishes the Code of Conduct standards, embedded in our business and the minimum standards we expect from our supply chain to ensure the protection of those workers, providing assurance that our products are manufactured within safe and fair conditions.

The Ethical Code of Practice is applied throughout our business and forms part of the contract of the direct and indirect supply of goods and services with the Group.

Those employed in our supply chain have the right to be treated with respect, and their health and safety and basic human rights must be protected and promoted.

This Modern Slavery Statement was approved by the JD Sports Fashion PLC Board on 5th July 2021.

**Peter Cowgill**  
Group Executive Chairman

**Neil Greenhalgh**  
Chief Financial Officer

## OUR APPROACH

JD Sports Fashion PLC (here in after referred to as “JD 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.

JD Group are committed to complying with the applicable laws and regulation in all those 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.

JD is 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.

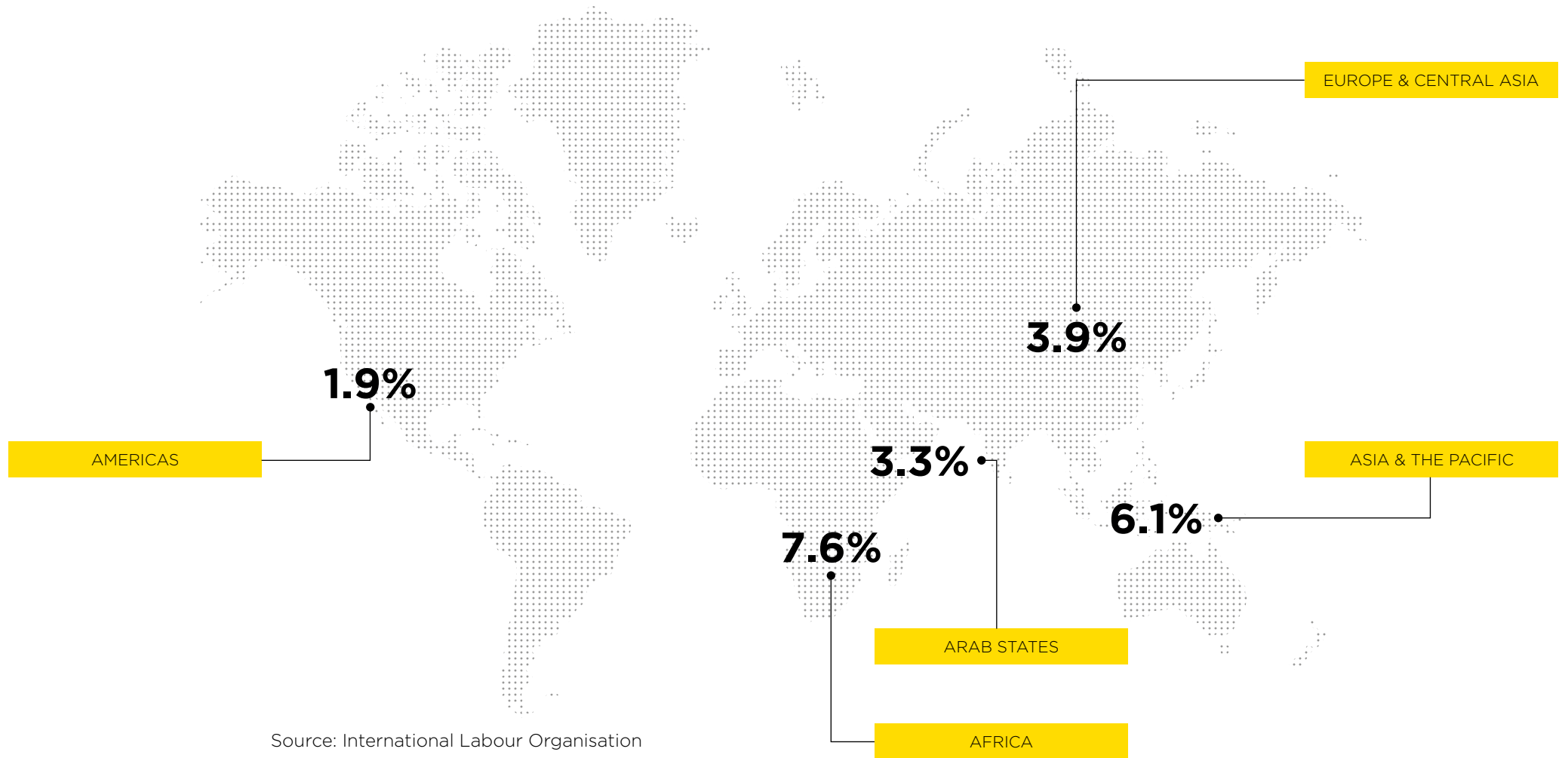
The JD Code of Conduct is a set of core principles that suppliers must commit to meeting as a condition of partnering with us. The code is based upon international best practice, including the principles of the ILO/FLA Standard.



OVERVIEW	CODE OF CONDUCT	DUE DILIGENCE	WORKERS & WAREHOUSES	KEY ACTIVITIES	COMMITMENTS
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# MODERN SLAVERY MAP

PREVALENCE OF MODERN SLAVERY BY REGION



# SCALE OF MODERN SLAVERY



**40.3 MILLION**

Men, Women and Children are in slavery globally

**25 MILLION**

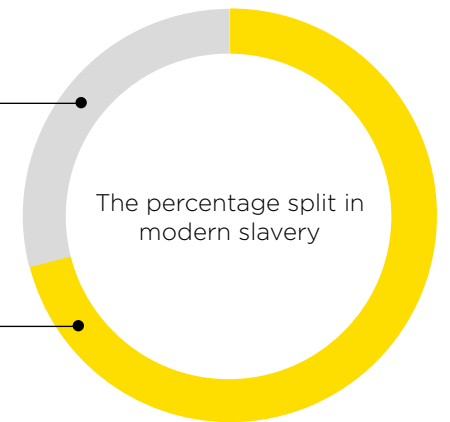
People in forced labour, 50% debt bondage

**US\$150 BILLION**

Annual trade value of people trafficking

**29%**  
Male

**71%**  
Female



Source: International Labour Organisation

# CODE OF CONDUCT

The JD Sports Code of Conduct defines labour standards that aim to achieve decent and human working conditions. The codes are based on the International Labour Organization standards and internationally accepted good labour practices. The code provides minimum standards that should be exceeded where possible in applying it.

## EMPLOYMENT RELATIONSHIP

Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at 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. \*Any persons less than 15 years of age unless the local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age will apply. If however, the local minimum age law is set at 14 years of age, this lower limit will apply as per the ILO exceptions for developing countries.

## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

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

## 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.

## 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.

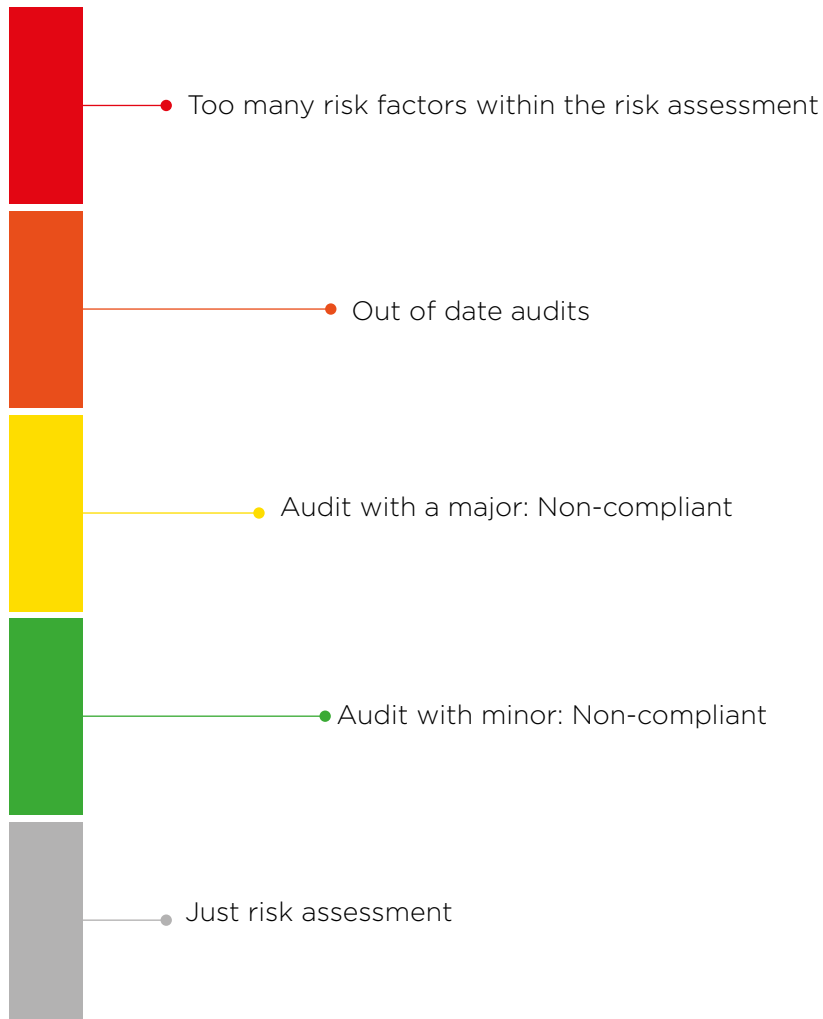
## COMPENSATION

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 realize 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.

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# RISK ASSESSMENTS



## RISK TRAFFIC LIGHT SYSTEM

JD’s approach to risk assessment comprises of self assessment and country research, supply chain mapping, 3rd party auditing with Qima (our 3rd party audit company) and stakeholder engagement.

Whilst we are mindful of the potential limitation of audits relating to modern slavery, and exposing the “hidden truth”, it is a critical enabler in the discovery and management of issues relating to the fundamental principles in our Code of Conduct, with particular relevance to modern slavery practices throughout our supply chain.

Audits identify risk at factory level against that Code of Conduct and local laws, enabling us to take immediate action and mitigate risk across our supply chain whilst identifying and addressing potential factors that may exist in the background.

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 opposite.

Only Green, Amber and Yellow graded sites can be used. Sites graded Red (or ungraded facilities) cannot be used.

In certain countries sub-contracting is an accepted part of the manufacturing process, Turkey is an example of this with a large percentage of factories using sewing units outside of their factories or in-house.

# SOURCING COUNTRIES - FOCUS ON RISK

## MODERN SLAVERY RISKS

- Freedom of association
- Gender discrimination
- Child labour
- Culture and Caste discrimination
- Sumangali system/Dowry payments

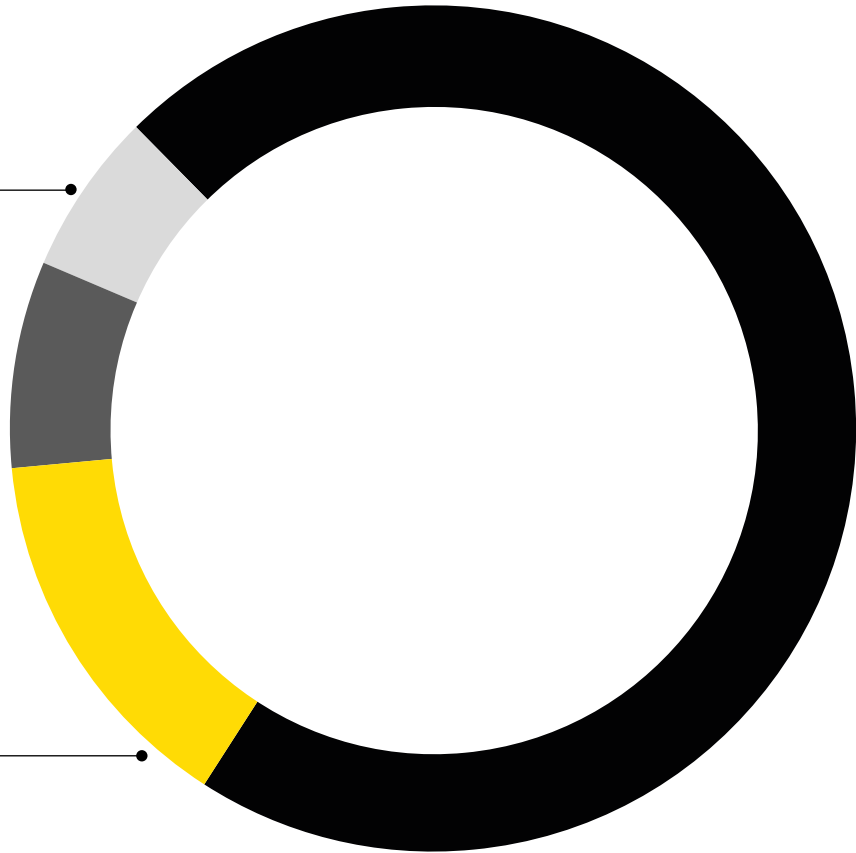
**INDIA**  
6.2% Production

**TURKEY**  
7.3% Production

## MODERN SLAVERY RISKS

- Freedom of association
- Migrant workers/refugees
- Forced & bonded labour

**OTHER**  
15.2% Production

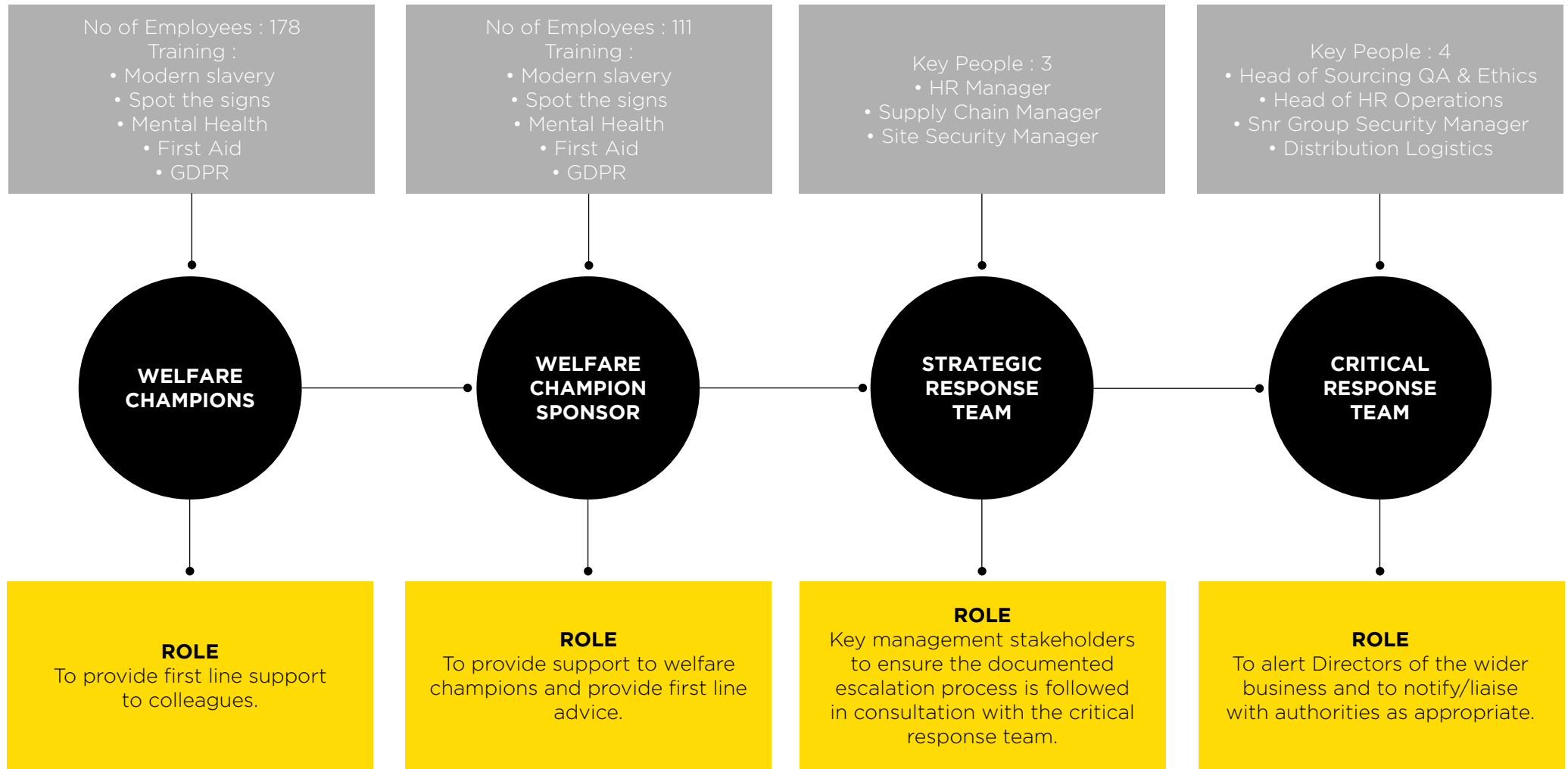


## MODERN SLAVERY RISKS

- Freedom of association
- Forced and bonded labour

**CHINA**  
71.3% Production

# ESCALATION PROCESS FLOW



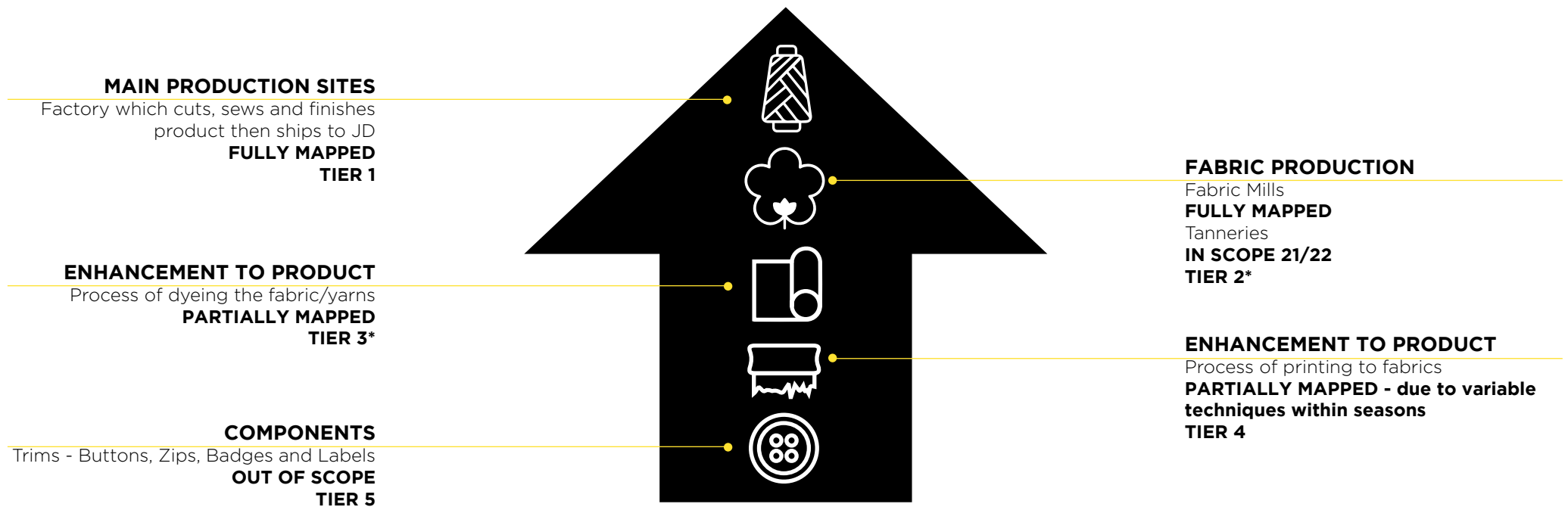


# TRANSPARENCY

<https://www.jdplc.com/private-label-supply-chain>

The Group have completed the full mapping of our supply chain to our 4th Tier manufacturing base on private label, identifying our manufacturing base across the globe. Whilst we are aware of the need to go further down the chain, the challenges lie in the establishment of the relationships needed to identify and engage with these tiers. This is identified in our risk assessment and appropriate action is taken to remedy this.

This strategy requires continual engagement with our partners, as manufacturing chains beyond first tier will often be one that changes due to demand and capacity. As a supplier of fully factored garments, our partnership does not currently extend past tier 1 historically, and we recognise the need to promote the development of these relationships further by our 1st tier suppliers.

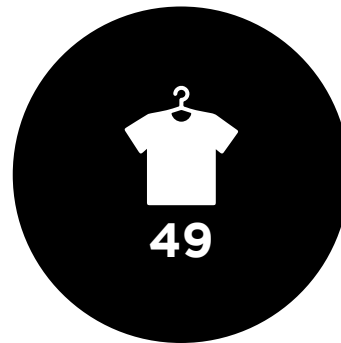


\*JD sports Fashion / The Outdoor Group fully mapped. Subsidiaries partially mapped - Ongoing.

## WHO ARE WE?



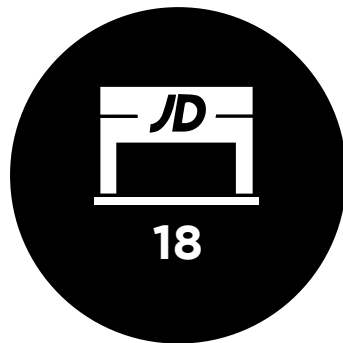
**GROUP OPERATED  
WAREHOUSES**



**OWN BRAND  
LABELS**



**PRODUCT  
CATEGORIES**



**RETAIL FASCIAS**

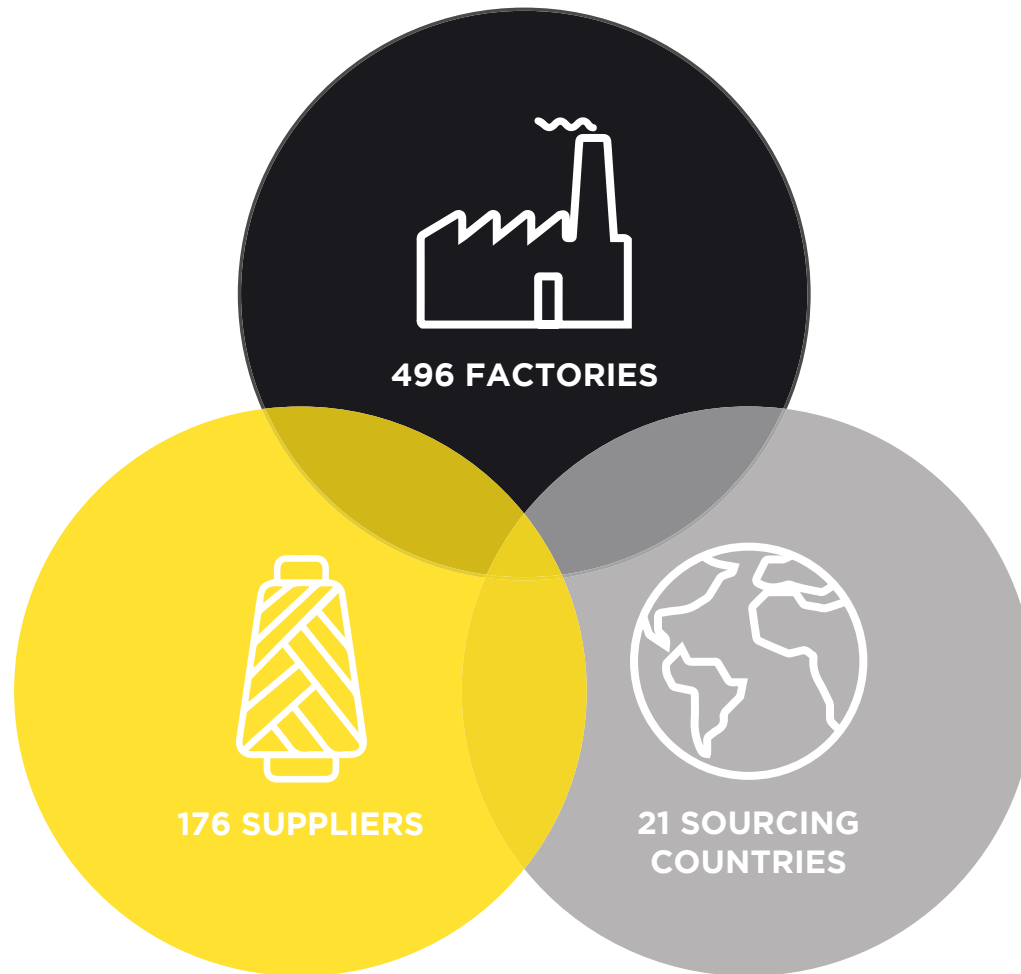


**LICENCES**

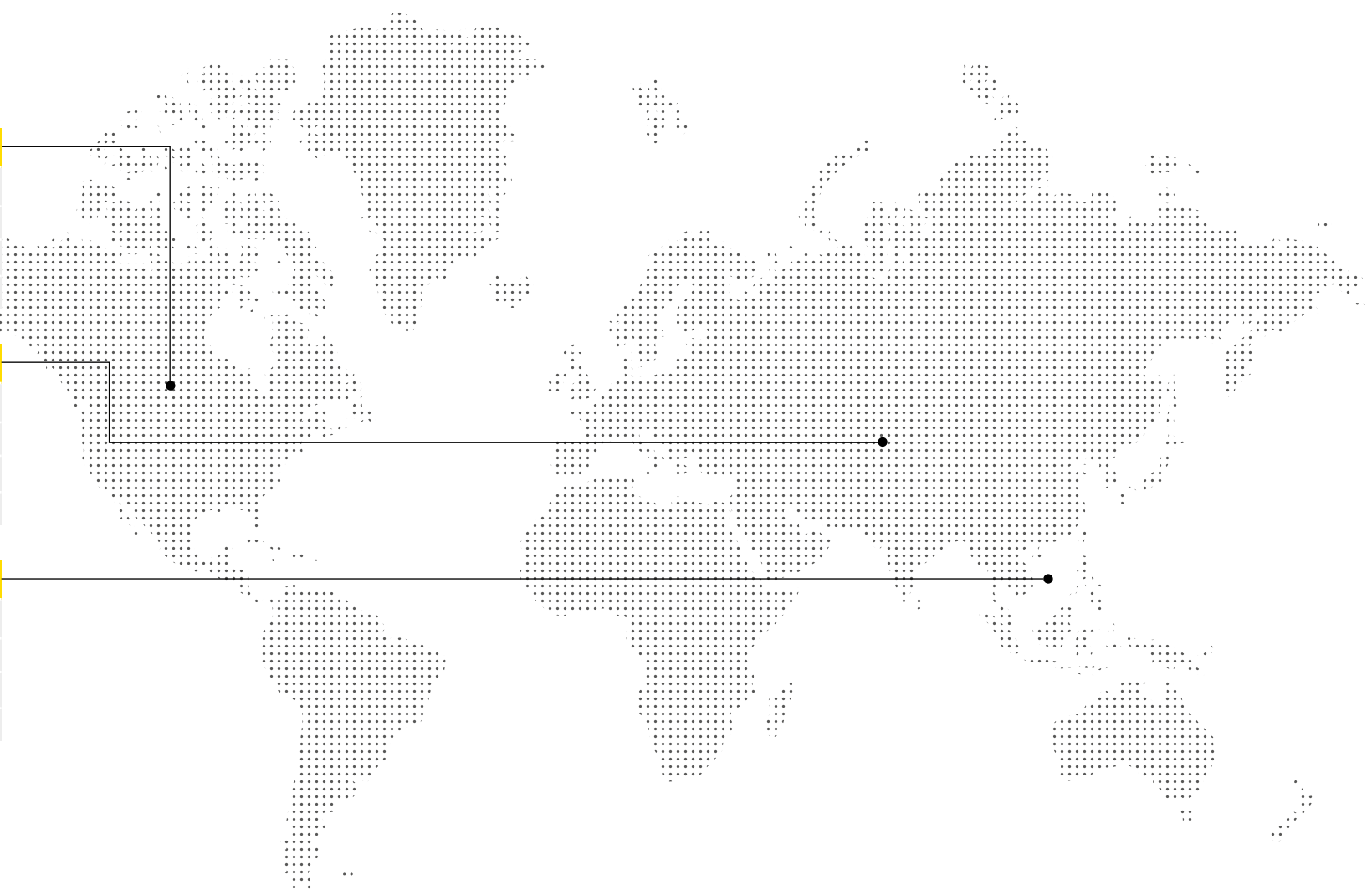


**DIRECT EMPLOYEES  
INCLUSIVE OF THE WAREHOUSE**

## SUPPLIER & FACTORY DATA



# WAREHOUSES



AMERICAS	
Group Operated Warehouses	2
3rd Party Warehouses	0
Freight Holding Warehouses	0
Transit Hubs	Multiple

EUROPE & CENTRAL ASIA	
Group Operated Warehouses	15
3rd Party Warehouses	13
Freight Holding Warehouses	2
Transit Hubs	10

ASIA & THE PACIFIC	
Group Operated Warehouses	1
3rd Party Warehouses	4
Freight Holding Warehouses	0
Transit Hubs	0

\*NOT INCLUDING GNFR

# CONTRACT & AGENCY WORKERS

## WHAT HAVE WE DONE...

- Partnered with Unseen and sponsored their helpline which will give our employees a confidential 3rd party reporting facility 24 hours a day.
- The compliance team continue to assess the Rochdale distribution centre together with the agency labour providers, thus ensuring that all parties are aware of arising issues, gaps in protocol and to update the process as necessary.
- Key stakeholders in UK and global supply chain trained in identifying modern slavery risks.
- Designed remediation process for supporting victims of modern slavery in the event it is discovered within the UK business.
- During 2019/2020 we worked with the GLAA, hosting a multi company event in the Training Academy at the Rochdale site and on specific concerns that have arisen within the site over the past 18 months. Concerns were raised as a result of the training of welfare champions. The escalation process was followed and the team worked with the GLAA gaining valuable insight into the information to assist in the investigation. The implementations of the processes were shown to be efficient.
- Working with the GLAA, actions were carried out safely and in line with the advice from the authorities. This has given us confidence in the systems we have in place and the remediation process for supporting victims of modern slavery within the UK businesses.

## ONGOING...

- Training with the UK Distribution Centre is ongoing and has been extended to include mental health awareness training and first aid in addition to modern slavery.
- Improved the on-boarding process is in place at the site to ensure that full visibility of the candidate from the face to face interview, through to the induction and finally to the first day to ensure that the person applying for the job is the person starting work on site.
- All UK warehouse sites and 3rd party warehouse providers are registered as JD employer providers onto the Unseen site which allows reporting of potential issues within the internal and external supply chain.
- During 2021 all subsidiary sites will be included onto the Unseen portal.
- In 2019 JD joined with the Apparel and General Merchandise Public Private Protocol as a signatory. However, our involvement has been very limited as we do not currently source within the UK but the JD Group commit with other signatories to work together to eradicate slavery and exploitation in textile supply chains and as our business grows we will continue to work with the team to ensure that we are able to follow through on our commitments to the eradication of modern day slavery.

GLAA Head of Business Change, Sam Ireland said: “We are delighted that JD Sports has signed up to the Apparel Protocol and pledged to fight modern slavery and labour abuse. When organisations agree to the protocol, they commit to work in partnership with us to protect vulnerable and exploited workers. They also agree to share information to stop exploitation and pledge to raise awareness of slavery through textile supply chains. It is crucially important for respected organisations such as JD Sports to sign up to the protocol. Together, we can put an end to modern slavery and labour exploitation for good.”

OVERVIEW	CODE OF CONDUCT	DUE DILIGENCE	WORKERS & WAREHOUSES	KEY ACTIVITIES	COMMITMENTS
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# RISK ANALYSIS

## UK & OVERSEAS (JVs)

### RECRUITMENT

- Agency workers
- Gap in policies
- Labour agency
- Worker status/checklist
- Asia joint ventures / recruitment mapping identifying migrant workers by risk area

### WAREHOUSE & EXTERNAL

- Number of workers temp vs perm
- Ratio of workers to a designated team leader
- Workers unaware of modern slavery

### GNFR

- Procurement practices
- Manufactured GNFR

### RETAIL

- Subcontracted services:
  - > Cleaning
  - > Security
  - > Canteen
- Retail operations overseas

- Identify welfare champions and provide relevant training
- Update policies which have been identified from the gap analysis
- Conduct labour agency audits
- Conduct audits on personal files DC

- Consider increasing permanent worker ratio
  - Increasing team leaders
  - Awareness videos in key areas highlighting red flags
- Escalation process to include UK & JV
- Identify nationality split & assess risks of modern slavery factors
- Implement training in 3rd party site warehouses

- All suppliers to the business, including those who provide services and goods not for resale (GNFR) will be issued with the Code of Practice.
- Those responsible for manufacture of GNFR will be risk assessed in line with the current system of private label production.

- Train and educating managers
- Updating policies



Risk



Mitigation

OVERVIEW	CODE OF CONDUCT	DUE DILIGENCE	WORKERS & WAREHOUSES	KEY ACTIVITIES	COMMITMENTS
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# RISK ANALYSIS

## GLOBAL MANUFACTURING

### TURKEY

- Recruitment fees
- Debt bondage
- Syria visa system
- Refugee/transit countries
- Excessive working hours
- Remuneration/insurance
- Separate sewing Units

### INDIA

- Gender discrimination
- Cultural discrimination (Caste system)
- Excessive working hours
- Child labour exploitation
  - Sumangali scheme
- Recruitment policies

### CHINA

- Child labour exploitation
- Excessive working hours
- Remuneration differences by region adding complication
  - Delayed payments
- Recruitment policies

### BANGLADESH

- Workers from rural areas subject to exploitative labour practices
  - Child labour
  - Excessive overtime
  - Health & Safety concerns
- Small profit margins driven by demand for cheaper clothing

- Mapping supply chain to include sewing contractors within audit scope

- Create closer partnerships with the supply chain (subcontractors)
- Reduce the supply base and train key suppliers in modern slavery risk analysis

- Additional checks on employee recruitment practices
- Worker welfare assessments to continue alongside 3rd party audits

- Ensure recruitment practices are in line with company policies
- Ensure price and quality are relevant
- Strict supply chain monitoring
- Limit expansion into multiple factories and embed policies and partnership values

- Risk
- Mitigation

# KEY ACTIVITIES 2020/2021

## RESPONSIBILITY

Undertaken proactive management of the issues and collaborating with the GLAA and local Non-Governmental Organisations (NGOs). Working with the training team on an on-line interactive training forum with key stakeholders speakers to increase awareness to our workforce population and encouraging our employees to come forward and seek support, be it emotional, physical, vocational or financial well-being.

## AWARENESS

Implemented the welfare workers committees within the UK warehouse site and increased the numbers of those trained to meet its need for internal capacity building training and specialist support. Created a strategic response unit, incorporating key stakeholders at the Rochdale warehouse; demonstrated awareness and commitment to addressing human trafficking and forced labour by revamping all material, i.e. posters through the warehouse. Implemented video streams of examples of modern slavery in key areas of the warehouse.

Partnered with Unseen and updated posters throughout the site with the helpline number and confidential reporting avenues.

Following the roll-out of updated training throughout the head office businesses, retail operations and subsidiaries will be included during 2021 culminating in a modern slavery awareness project launch across the businesses in October 2021 which will include a podcast to encourage interaction and to reach all employees at all levels.

## AUDIT

Regularly audit all agency/contracted workers details and submitted documents. Increase the amount of audits undertaken for agency suppliers within the UK, this will involve documentation checks on random employee files within the workforce in relation to, checking the addresses, number of occupants at the same addresses, landlords details and tenancy agreements.

Due diligence checks are carried out by senior personnel quarterly. Red flags identified are checked immediately. The HR team will be working with the 3rd party system provider to implement a mandatory lock in the system each year to force an annual update of addresses, and tenancy agreements and next of kin and to produce exception reports on changes of key data for forensic examinations by the team.

## PARTNERSHIPS

Assigned explicit responsibility and accountability for addressing human rights risks including modern slavery and human trafficking in the Group. Implemented a strategic response team in place for the DC sites that consists of senior management from head office and the Rochdale warehouse site.

## TRAINING

Regularly conduct a needs analysis for workers within the UK sites to determine and meet its need for internal capacity building training and specialist support. Upwards of 230 personnel within the UK Distribution centre and key subsidiaries have been trained as welfare champions and sponsors. The JD Academy is building on line modern slavery training to reach those in retail and subsidiaries on how to identify modern slavery in the supply chain and the business.

This training will be interactive and include podcasts from key personnel in senior positions. Welfare champions have been carefully selected across the UK business to provide first line support to colleagues on issues relating to general health difficulties and to support the detection and appropriate escalation of potential modern slavery matters. An escalation process is in place within the head office business and a critical response team set up which is headed up by the Head of Sourcing QA & Ethics and the Head of HR Operations. Working with The JD Foundation partners training has been provided by Young Minds, Kidscape and Papyrus to address wider issues which present due to stressful situations not be restricted to modern slavery alone, but are exacerbated by circumstance.

## POLICIES

- Reviewed all group policies and procedures and undertaken a gap analysis making any necessary updates
- As part of this gap analysis we reviewed our recruitment policy and agency workers policy which highlighted disparities. As a result, we are now constantly reviewing our service provisions to ensure they are compliant with appropriate controls in place.

Examples of these are:

- > Bank account review
- > Verification and annual update of addresses, landlords and next of kin. Heat maps have been devised to check houses of multiple occupancy across agency and JD staff and reports made to local councils and the GLAA as appropriate.

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# MODERN SLAVERY TRAINING

## UK

During 2020 JD Group partnered with Unseen, joining their on-line portal and sponsoring the modern slavery helpline. Audits are undertaken both on the global and UK supply processes. During 2019/20 the Group focused on the Rochdale warehouse site which during peak season can reach 6,000 employees on site. We are rolling this out to our retail operations during 2021 with related training on modern slavery.

Training and raising awareness is a critical element within any business and extended supply chains. Building on the capability of key employees who have been given the increased responsibility for understanding and mitigating modern slavery risk in our business is important. This training is now incorporated not only in existing staff training but within the induction of new employees to the business. Modern slavery is now an integral part of the process and will be supported with Unseen material in induction packs.

This year the training has been delivered by the in-house training academy in workshops to UK personnel in the buying functions, sourcing & supply chain teams. This will continue on our E-learning platform and Zoom presentations. The training covers two key areas which are deemed to be the most important to our group; preventing exploitation and practical steps for procurement.

Objectives from the training sessions are :

- To understand modern slavery and forced labour
- Recognise the indicators
- Know how to deal with potential issues and have in-depth knowledge of the company escalation processes

During 2020/2021 this is to be integrated into the business and become a core part of management training in retail. JD have recognised that high areas of risk within our UK business model is the distribution centre and the retail stores. We aim to roll this out to further areas of the owned businesses during 2020. This will continue to be part of the induction process for all new employees.

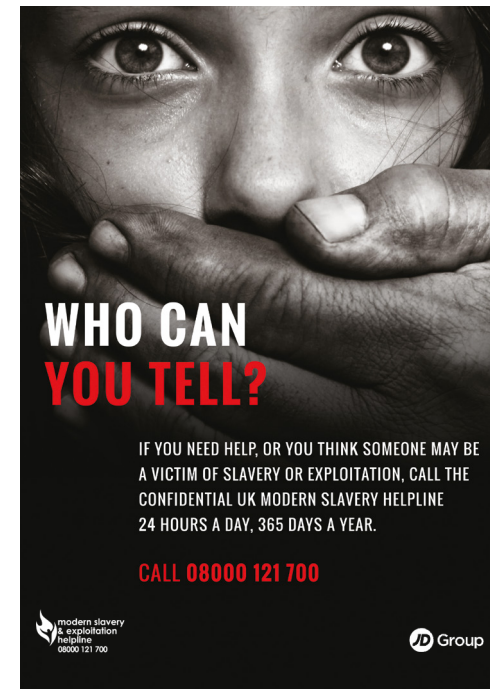
## GLOBAL

JD have worked with QIMA, our 3rd party auditor, to deliver training to all their China based auditors through their E-Learning platform which involves passing a final test

to demonstrate understanding. We will work on adapting and translating this to other languages and roll it out to all their sites but we recognise extensive research is required in order to deliver this correctly.

To extend the knowledge for all personnel from the development and sourcing teams we have formalised our Code of Practice Auditing Standards, which serves as a reference guide expanding on the core principles of the ILO standards enabling those visiting site, regardless of role or purpose of visit to assist in the evaluation process, further embedding our commitment to workers rights and good ethical behaviors to our overseas manufacturing partners.

<https://files.jdplc.com/pdf/JD-Group-Audit-Scope-Document.pdf>



# ONGOING COMMITMENTS



## 1. FORCED LABOUR

The main common risk identified is that of forced labour both globally and in the UK. JD recognises the importance of our direct and indirect workers and those in the extended supply chain. It is important that they can raise any issues of concerns with either JD personnel or an escalation team in confidence and safety.

The Group and subsidiary sites display posters throughout their UK operations or warehouses and retail stores in several languages, giving workers confidential contact information to report issues such as forced labour/debt bondage/withholding identity documents/threatening or violent behaviour etc.

JD have widened the scope of it's third party auditors, Qima, to specifically identify modern slavery indicators which may not be visible in standard audit protocols. These have been named worker welfare assessments and are mainly interview focused specifically to engage the workers in more detail about their individual situations. The areas of focus for these assessments will focus on red flag indicators.

## 2. RECRUITMENT PRACTICES

Payment of salaries/bank accounts/overtime/social insurance

- Ensuring correct recruitment policies are in place and agencies are registered with no fees in place for workers
- Particularly difficult in rural areas, where recruitment is informal
- Ensure contracts are in place for all workers, inclusive of probation and termination
- Identify and protect home workers where used

## 3. EXTENDED AUDITING POLICIES

Countries and regions of risk have been identified using documented data with a number of assessments trialled and introduced in China. This has been successful and proven to be more informative than worker interviews. For example an issue with delayed payments was identified, which otherwise had not reported in the standard audit process. This issue was immediately remedied by working with the supplier and factory to align the payments. All workers now receive the payment in a timely manner and this will continue to be monitored.



JD are looking to extend this assessment, post Covid and when it is safe to do so. Currently the group is developing this assessment for India. It is important to recognise that different countries and cultures will need different approaches and whilst the issues are the same, the reasons can be more complex.

2020 -2021 has been a challenging year for everyone in the UK and overseas. JD sports recognises that we have to change the way we work with our suppliers due to the Covid restrictions which may be in place for many months or even years to come.

As a process, JD Group own label brand teams regularly visit the factories to check production and are ideally placed to spot any red flags that may be indicators of modern slavery and reinforce our code of practice and ethical behaviours in this particular area. However, with travel restrictions in place and many countries imposing internal restrictions, reliance has been on 3rd party auditors locally and at times audits had to rely on remote audits. This restricts personal interaction and on site visibility vital to identifying risk factors not clearly visible.

The compliance team work within an internal audit scope defined by the International labour Organisation standards, which classifies all non compliances and from this action plans are formulated. Through this scope we review and verify closures of all non compliances highlighted in the original audit.

The compliance team have received 201 3rd party audits for the Group, between June 2020 and June 2021. From the information in the audits, non-compliances are categorised according to issue type, root cause and severity level and this is used to create the action plan proposed to the factory to work to resolve and close the issues highlighted in the reports/visit.

For the period 2020-2021 the non compliances disclosed in the audit reports can be found on the below link.

<https://files.jdplc.com/pdf/JD-Group-Non-Compliance-Disclosure-Document.pdf>

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size?

FOOTPATROL

**FINISH LINE**

*Sprinter*

SPORT ZONE



chausport,



TESSUTI

**scotts**

MAINLINE

 **Blacks**

 **millets**



 **Ultimate**  
Outdoors