

ETHICAL CODE OF PRACTICE

This is a supplier policy, applied to the provision of all Goods and Services supplied to JD Sports Fashion Plc, inclusive of Goods for Resale (GFR) and Goods not for Resale (GNFR)



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INTRODUCTION

WHAT WE STAND FOR

The JD Sports Fashion Plc (“Group”, “JD” ‘JD Group”, or “We”) Ethical Code of Practice (and Code of Conduct included within) incorporates established processes and procedures for protecting workers, and provides assurance that our products are manufactured safely, in fair conditions.

The Ethical Code of Practice applies across our supply chain - it is a condition of working with the Group. Our suppliers are assessed and audited against its standards and requirements.

The people working for our suppliers, are to be treated with respect; their health, safety, and basic human rights must be protected and promoted.

OUR APPROACH

The 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 investigated, with appropriate action taken by the Group if the allegation is substantiated.

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

We are dedicated 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 Code of Conduct is a set of core principles that suppliers must commit to meeting as a condition of doing business with the Group, and is based upon international best practice, including International Labour Organisation (ILO) and Fair Labour Association (FLA) principles and standards.

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, including withholding identity documents and restricting movement..

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 with facilities being managed to; prevent accidents and injury, and reduce risks to health arising from, linked with, or occurring within the course of work undertaken at the employer's premises.

Employers shall adopt responsible measures to mitigate negative impacts that its sites and facilities has on the environment, including the management of chemicals in accordance with the Group Chemical Management and Product Governance Policies, available to download via the 'Supplier Guidance Resource Documents' <https://www.jdplc.com/esg/governance/our-policies/supplier-resource-guidance-documents>

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. All overtime work shall be consensual.
- Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period.
- 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 Fair Labour Association to take appropriate actions that seek to progressively realise a level of compensation that does.
- The Group adopts the '**Employer Pays Principle**' - no worker/employee should pay for a job. The cost of the recruitment should be borne by the employer, not the worker.
- The Code of Conduct sets out the workplace rights of workers within our supply chain. Accordingly, all workers in our supply chain are to be provided with a clearly communicated copy of this document
- This code is available in multiple languages via our corporate website, and can be displayed via images as an effective alternative to written language.

STANDARDS & COMMITMENTS

ADVOCATING ETHICAL BEHAVIOUR

The success of this code (and our business relationship with suppliers) requires direct engagement from our suppliers and factories to ensure that ethical behaviour is upheld throughout the supply chain.

Our aim is to work with our suppliers in partnership, eradicating labour violations, and undertaking measures to ensure that no harm comes to workers within our supply chain.

We require our manufacturing suppliers to undertake that possible measures to ensure that sites and sub-contractors do not enter into agreements with agencies recruiting domestic and overseas migrants that may have been subject to human trafficking. Any verifiable identification of labour exploitation or forced labour violations must be reported to us.

JD recognises that there are specific vulnerabilities to which migrant domestic workers may be exposed to. These vulnerabilities are often linked to unethical recruitment processes (including the withholding of a passport and dubious contracts of employment). Certain contracts may indicate excessive fees payable by the employee – please refer to the ‘Employer Pays Principle’ on the prior page.

Modern Slavery is everywhere. If we cannot find it, we are not looking hard enough.

Example vulnerabilities to, or indicators of Modern Slavery may include:

- The absence of adapted assistance and protection mechanisms.
- The social and cultural isolation they can face at the destination.
- Language and cultural differences.
- A lack of advance and accurate information on terms and conditions of employment.
- Absence of labour law coverage and/or enforcement in the country of destination.
- Restrictions on freedom of movement and association.

The Code of Conduct prohibits any type of prison, forced, bonded or indentured labour, and makes detailed provisions for freedom of movement and prohibitions on discrimination based on ethnic background or religion.

JD shall continue to engage with all our suppliers to evaluate compliance with our Code of Conduct and Ethical Code of Practice, ensuring that ethical business behaviour is embedded within both our supply chain, and the supply chain of our partners.

STANDARDS & COMMITMENTS

JD Group Sanctions Policy

JD requires its suppliers to adhere with the Group's own Sanctions Policy. Employees and suppliers must comply with restrictive measures (Sanctions) applicable to the relevant person. Neither employees, nor suppliers of JD may engage in any business that could violate applicable Sanctions, including but not limited to the engagement and interaction with suppliers and/or individuals that may be subject to Sanctions.

Territories or countries subject to Sanctions are subject to regular change. Sanctions restrict transactions and dealings with countries, entities, and individuals, and may take the form of:

- Prohibitions on dealings with certain countries, including undertaking operations within the named country or countries (including travel bans)
- Financial Sanctions, including the prohibition of transactions and restrictions on the ownership of assets within the Sanctioned countries
- Restrictions on trade, including both the prohibition of exports and imports from Sanctioned countries, or the prohibition of exports and imports of specifically named items from Sanctioned countries.

Due to the nature of the Group's primary activities, examples of undertakings that may be at risk of Sanction breach include, but are not limited to:

- Undertaking direct business activities with a party, or within a territory subject to Sanctions, including financial transactions (e.g. supplier payments, insurance, and taxation)
- Working with a supplier (including sub-contractors) from a territory subject to Sanctions

What Sanctions must I adhere to?

This policy Includes Sanctions imposed by the governments of territories in which JD operate, and by supranational political and economic unions(such as the European Union) and international bodies such as the United nations.

The primary sources of Sanctions to which our business and our suppliers must comply are:

- The United Kingdom Office of Financial **Sanctions** implementation (OFS) list
- The United Nations Security Council Consolidated list
- The European Union Consolidated list of persons, Groups and Entities Subject to the EU Financial Sanctions
- The United States Office of Foreign Assets Control

NEW SUPPLIER AUDIT & ASSESSMENTS

STANDARDS, SUSTAINABLE SOURCING AND WORKER PROTECTION

We utilise a range of audits and assessments to check conditions in factories that make our products. Due diligence includes (but is not limited to): Identification and verification of product-manufacture locations and facilities, site safety and documentation inspections, worker interviews, off-site assessments, and accommodation checks.

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

- ✓ 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.

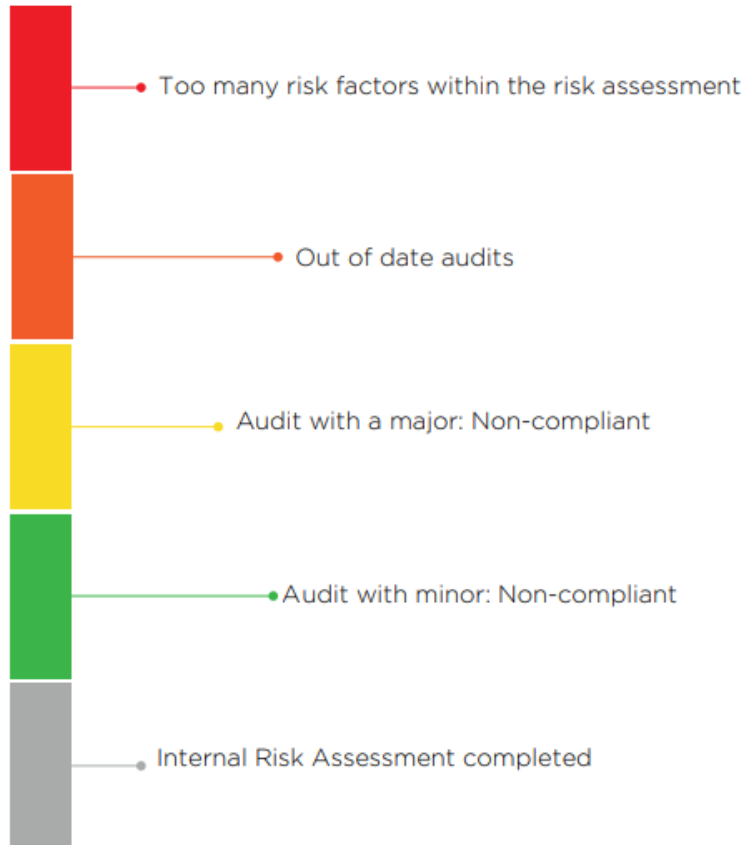
Anti-bribery and Corruption:

In accordance with the [Bribery Act 2010](#) and the Group Anti-bribery and Corruption Policy, the Group strictly prohibits its Employees, Associated Persons and Suppliers from:

- offering, promising, giving, requesting, receiving or agreeing to receive bribes (e.g., cash, gifts, other inducements); or
- requesting, or agreeing to receive or accept any bribe from another person by way of an inducement or a reward to undertake, or procure, the performance of an improper act; or
- directly or indirectly offering, paying, soliciting or accepting of bribes or kick-backs, including facilitation payments.
- unlawfully inducing a foreign public official, in their official capacity, to obtain or retain business, including the prohibition of facilitation payments

NEW SUPPLIER AUDIT & ASSESSMENTS

ANALYSIS OF RISK



RISK CONTROL SYSTEM

JD's approach to risk assessment comprises of self assessment and country research, supply chain mapping, 3rd party auditing 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.

A site graded as Amber will only be on-boarded if the audit is not out of date past 1 year and all the non-compliances have been closed on the submitted conducted. A new audit is then required during the second season and re-graded accorded to risk. If the site is unable to provide an audit within the 12 months it will be graded red and no longer be a viable source. Sites graded red (or undisclosed facility) 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 . However, all sewing units must complete a risk assessment.

OUR HIGHEST RISKS

- Private label product supply chain
- Supply chain beyond the first tier not directly contracted
- Specific country risk where modern slavery is high
- Goods not for resale (GNFR)

ENVIRONMENTAL STANDARDS & COMMITMENTS

GOODS FOR RESALE SUPPLIERS

We advocate environmental transparency and disclosures as part of the global efforts to reduce the impact of climate change

- Our suppliers shall disclose all energy, climate and environmental data and reports in accordance with the legislation of their manufacturing country
- Our suppliers will actively work to reduce the impact of their operations on the environment, including but not limited to; reducing carbon emissions, water usage, and increasing the reuse of materials in their own operations - from plastic and cardboard to fabric and material waste recycling
- We expect our suppliers to evidence their progress towards 'zero waste to landfill' (or local country equivalent measure) by providing verifiable data
- Our suppliers shall request, review and verify environmental and ethical data from your factories and supply chain that produce finished JD private label goods

JD Group is a member of **Worldwide Responsible Accredited Production (WRAP) Textiles 2030**. Membership of this initiative is a commitment to addressing climate change via industry targets to:

- ✓ Reduce the aggregate greenhouse gas footprint of new products by 50%, sufficient to limit global warming to 1.5°C
- ✓ Reduce the aggregate water footprint of new products sold by 30%
- ✓ Achieving Net Zero emissions by 2050, at the latest. The present JD Group forecast Net Zero year is 2043

To support verification of our own disclosures, the Group works with leading auditors, and undertakes environmental audits within the lower tiers of factory supply chains. Upon request from JD, suppliers will be required to comply with audits and surveys to aid environmental progress throughout our supply chain.

JD GROUP – OUR ENVIRONMENTAL ADVOCACY

ALL SUPPLIERS

JD Group has made a number of public commitments as part of our efforts to **reduce the impact of climate change**, including:

- Disclosing our carbon, water and forestry management and stewardship processes and results to the **Carbon Disclosure Project (CDP)**
- Supporting (and acting as an Advisory Group member) to the **Worldwide Responsible Accredited Production (WRAP) Textiles 2030** initiative
- Becoming a signatory to the **Science Based Target initiative (SBTi)** followed by achieving SBTi validation of our carbon reduction targets
- We are a member of the **RE100**, - the worlds most influential businesses, committed to 100% renewable energy.
- We support the **United Nations ‘Race to Zero’** initiative – a global campaign to rally leadership and support for a healthy, resilient, zero carbon recovery that prevents future threats and creates decent jobs and growth.

These commitments include our own operations and our supply chain. Our suppliers must proactively contribute to efforts to combat the climate crisis, proactively working with us to help limit global warming to the 1.5°C target referenced within the Paris Agreement

JD Group – Climate-related actions taken

Investment:

- ✓ Building Management System investment in 400+ stores
- ✓ Our LED investment programme reduced energy usage by 60%
- ✓ We have implemented solar panels on the roofs of key distribution facilities
- ✓ Training – our CIPD-accredited sustainability course (#IAMSUSAINABLE) has been completed by over 5,000 colleagues

Transparency and disclosure:

- ✓ We share our environmental progress via [Carbon Disclosure Project \(CDP\)](#) submissions on Climate Change, Water, and Forests.
- ✓ We encourage suppliers to join CDP, wherever possible
- ✓ JD Group has validated Science Based Targets in place for Scope 1, 2, and 3 emissions. We have taken action, and encourage our suppliers to do the same.

JD Group - Our success stories

Contributing to a climate-neutral world:

- ✓ We engage with our global branded supplier teams on key initiatives relating to Environment, Social and Governance (ESG).
- ✓ Within the most recent Carbon Disclosure Project (‘CDP’) audit, we achieved a **milestone score of ‘A-’ for the Climate Change and Water Security** categories
- ✓ JD Group has achieved both A- for Climate Change, and CDP ‘Leadership’ recognition for Supplier Management for three successive years
- ✓ As an **RE100** member, we achieved 100% renewable energy usage within directly controlled Western European operations in 2022. Our global target is 2025.
- ✓ JD Group’s Distribution Centre at Rochdale (our largest directly-controlled site) has achieved ‘zero waste to landfill’ accreditation from 2020 to date
- ✓ Our central offices in the UK and Spain have achieved ‘zero waste to landfill’ recognition in the most recent assessments

ENVIRONMENTAL STANDARDS & COMMITMENTS

GROUP GNFR SUPPLIERS

WHAT WE EXPECT FROM YOU

The Group has provided its environmental commitments, key actions undertaken and our achievements to date. We require our suppliers to honour the following environmental related principles and statements:

Reducing Carbon Emissions:

- Measure your own carbon emissions, and providing evidence of your strategy to reduce Scope 1, Scope 2, and Scope 3 carbon emissions. Further information on Scope 1-3 emissions can be found at various environment organisations, such as <https://www.carbontrust.com>
- Work with recognised bodies for carbon reporting, such as CDP and RE100. These organisations and surveys can help to quantify your emissions, identify risks and assist the development of a more sustainable economy
- Set Science Based Targets (preferably using the Science Based Target initiative, if available within territory) to disclose your carbon emissions on an annual basis, including year on year variations and progress.
- Supplier carbon emission data (if not publicly available) must be submitted within 14 days of any such request from JD
- Use, or demonstrate progress towards using renewable energy for your business. JD can help to enable this change – click here to [email](#) our team

Resource management – reducing waste, increasing recycling and contributing to the ‘circular economy’

- Provide weight data and final re-use, or disposal outcomes and destinations for all waste streams
- Adopt the simple practice of ‘The 3 R’s’: Reduce, Reuse, Recycle. Identify resource wastage within the products and services that you supply to JD, and to help repurpose and redeploy materials or resources wherever feasible to do so
- Demonstrate your work towards ‘zero waste to landfill’ (or your local country equivalent measure). Supplier waste data (if not publicly available) must be submitted within 14 days of any such request from JD
- Product packaging should use maximum levels of recycled content, encourage reuse or recyclability (after initial usage), and comply to environmental legislation for the territories where it is manufactured and used.

STANDARDS & COMMITMENTS – COMMERCIAL PROCESSES

GROUP GOODS NOT FOR RESALE ('GNFR') SUPPLIERS

GNFR (or 'indirect' services) account for c.20% of our supplier expenditure.

Suppliers manufacturing goods bespoke to, or produced solely for JD Group use, must commit to the JD Group 'Ethical Code of Practice' and comply with the core principles of the Group Code of Conduct. This is a condition of doing business with us. For GNFR, additional commitments from JD Group, and standards we expect from our Suppliers are listed below.

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

All supplier proposals will be evaluated based upon a number of factors, typically including (but not limited to) evidence of:

- Experience, standing, and evidenced record of quality and achievement within your industry or sector
- Financial stability and your ability to honour competitive commercial terms, including performance risk/reward incentives, as appropriate
- Ability to improve our customer and colleague experience via quality product, service, or innovative use of technology
- Demonstrating verifiable action to reduce your environmental impact in both your own operations, and the manufacture of products or delivery of services that you propose to supply to JD Group
- Limiting, and reducing carbon emissions in accordance with the both the Paris Agreement, and domestic carbon-reduction legislation

Our commitments to suppliers submitting tender / Request for Proposal (RFP) responses to the JD Group include:

- ✓ Providing all suppliers with access to the same level of information for tender processes (insofar as such disclosure is permitted under GDPR, Intellectual Property status, NDAs, existing contracts etc.)
- ✓ Unsuccessful suppliers will be offered the chance to receive feedback on their proposals
- ✓ We will respect notified (in writing) proposals or ideas that are unique to your company, and evidenced Intellectual Property Rights
- ✓ JD Group shall not enforce retrospective variations relating to terms of supply unless we have supplier agreement to do so
- ✓ Assessment of carbon impact (e.g. potential taxation) of proposal. We will support supplier requesting advice on reducing carbon emissions

STANDARDS & COMMITMENTS – OUR EXPECTATIONS

GROUP GOODS NOT FOR RESALE ('GNFR') SUPPLIERS

JD Group has provided its commitments and evaluation criteria. We require our suppliers to honor the following principles and statements:

- You will comply with the UK Bribery Act 2010, its territory-specific equivalents, and all legislation relating to your industry or sector. You shall check (and be able to verify) that your supply chain complies to the aforementioned standards, for both their own suppliers and colleagues.
- All gifts and hospitality offered to our colleagues (or parties acting on behalf of JD) should be within industry standards and logged via an appropriate record (which must be available for audit within 7 days of request from JD). This includes all hospitality or gifts offered – whether accepted or declined
- With regards to information security, you (and your supply chain) shall 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 General Data Protection Regulation (EU) 2016/679 (GDPR), and any subsequent updates to the GDPR. Guidance on 'Data processor', 'Data controller' and other key definitions and checklists can be found at: <https://ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/key-definitions/>
- Our suppliers shall disclose all energy and environmental data and reports in accordance with the legislation of their primary operating territory. Our suppliers shall actively work to reduce the impact of their operations on the environment, including but not limited to; reducing carbon emissions, water usage, and increasing the reuse of materials such as plastic and cardboard
- Your employees and colleagues shall conduct themselves with honesty and integrity, providing us with truthful, accurate and verifiable information in your dealings with us. You must tell us if you plan to sub-contract work, confirming that your proposed sub-contractors have been audited. This includes taking reasonable measures to ensure that sub-contractors are compliant with the relevant local taxation laws.
- Regardless of whether you are a UK or International supplier, you will inform us whether you presently work with, or are approached by direct JD Group competitors for similar goods and services (to those that you supply, or propose to supply to JD Group). JD Group will never ask for competitor data or plans, but must ensure that our own commercial information, data, and strategic plans remain confidential
- You shall treat our discussions and information (including but not limited to emails and files) as confidential. Our growth plans, store openings, specifications and product details are not for discussion or sharing unless permission is provided by an authorised JD Group representative
- You will disclose any potential, actual or perceived conflicts of interest. This includes commercial contact with JD Group employees, and any relationships and dealings with either our competitors, or competitor employed staff or contractors/consultants

REPORTING ISSUES & CONCERNS - SUPPLIERS

THE ESCALATION CONTACTS BELOW ARE FOR
SUPPLIERS OF GOODS AND SERVICES

SEEN SOMETHING WRONG? DO SOMETHING RIGHT!

If (as a supplier) you have any concerns relating to the conduct of JD Sports Fashion plc within our dealings with you, please contact us via the appropriate supplier escalation procedures and contacts below:

Modern Slavery Helpline (managed by Unseen)	08000 121 700
Whistleblowing (via OneTrust)	0808 189 1053
Group People Director	Nicola.Kowalczyk@jdplc.com
General Counsel and Group Company Secretary	Legal@jdplc.com
Group Head of Ethics and Sustainability	Traci.Corrie@jdplc.com
Group Procurement and Sustainability Director	Neil.Bradford@jdplc.com
Investor Relations	Investor.Relations@jdplc.com