

# Non-Compliance Disclosure



JD Social Responsibility Team

1<sup>st</sup> January 2023 – 31<sup>st</sup> December 2023

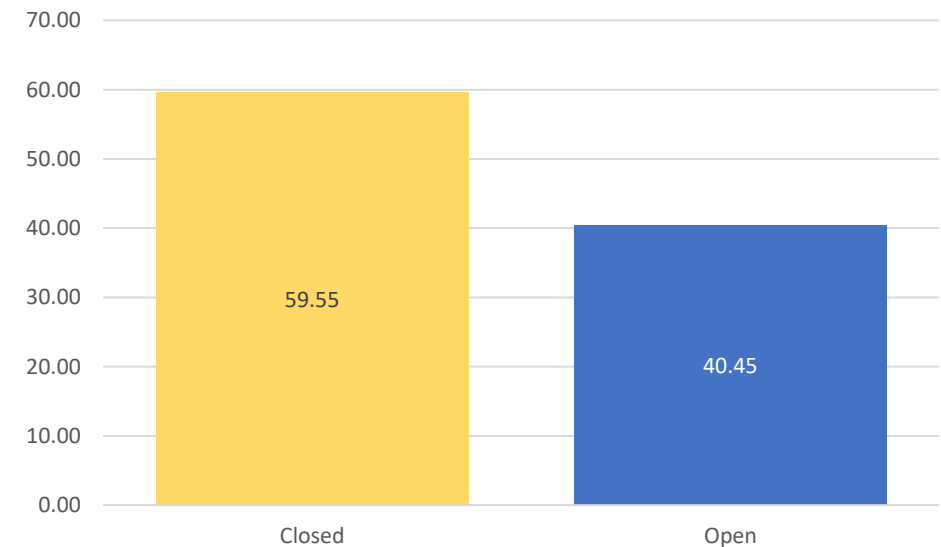
The compliance teamwork within an internal audit scope defined by the International labour Organisation standards, which classifies all non-compliances and from this, action plans are formulated.

Through this scope we review and verify closures of all non-compliances highlighted in the original audit.

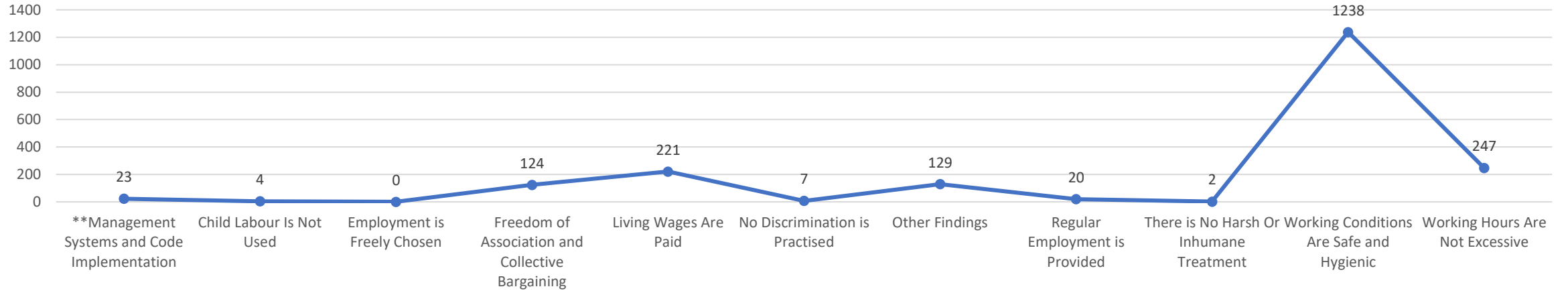
The compliance team have received **371** 3<sup>rd</sup> party audits for the Group, between January 1<sup>st</sup> 2023 and December 31<sup>st</sup> 2023. From the information in the audits, non-compliances are categorised according to issue type, root cause and severity level and this is used to create the action plan proposed to the factory to work to resolve and close the issues highlighted in the reports/visit.

For the period January 1<sup>st</sup> 2023 to December 31<sup>st</sup> 2023 the non-compliances disclosed in the audit reports are detailed within this document.

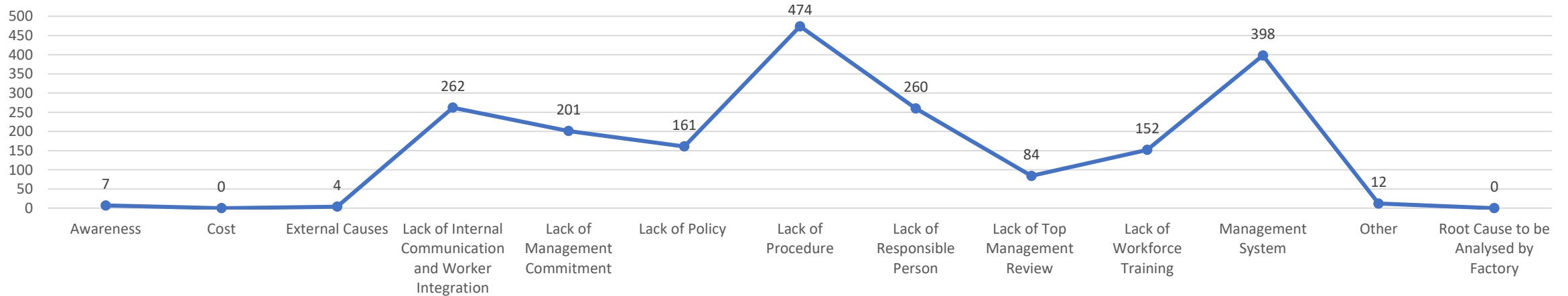
## Open Status %



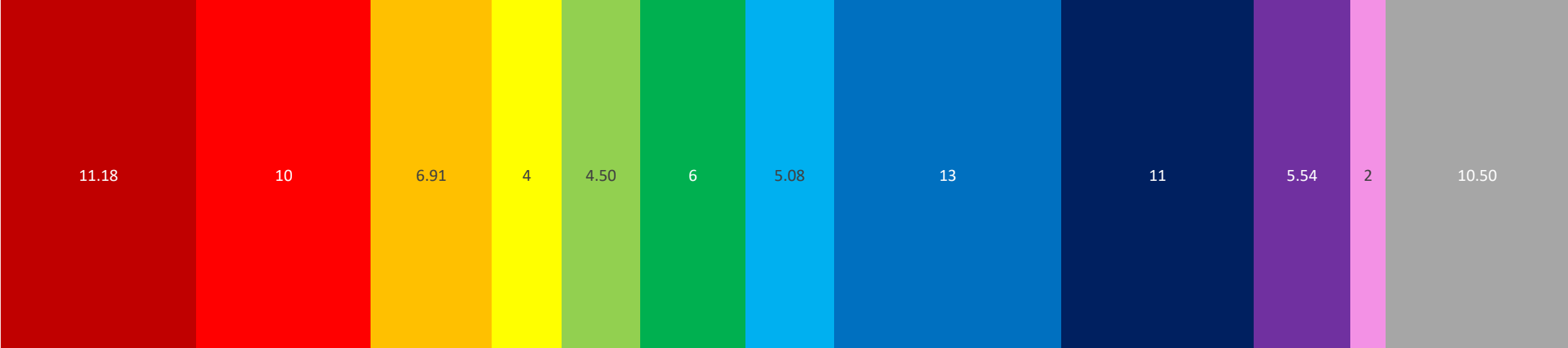
## Non-Compliances Split into Issue Type



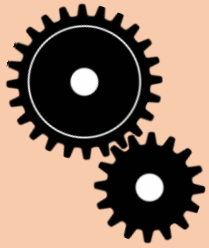
## Non-Compliances Split into Root Causes



# Average Non-Compliance Per Factory Split into Country



■ Bangladesh ■ Cambodia ■ China ■ Egypt ■ India ■ Korea, Republic of (South Korea) ■ Pakistan ■ Sri Lanka ■ Taiwan ■ Turkey ■ United States of America ■ Vietnam



## Management Systems & Code Implementation

### Causes

Lack of Internal Communication – 2  
 Lack of Procedure – 3  
 Lack of Policy - 3  
 Lack of Management Commitment – 1  
 Lack of Responsible Person - 2  
 Management Systems – 10  
 Other - 2

0 Critical  
 15 Major  
 8 Minor

Open – 13 Closed - 10



## Employment Is Freely Chosen

### Causes

N/A

0 Critical  
 0 Major  
 0 Minor

Open – 0 Closed - 0



## Freedom Of Association

### Causes

Awareness – 1  
 Lack of Internal Communication – 32  
 Lack of Management Commitment – 12  
 Lack of Policy – 46  
 Lack of Procedure – 14  
 Lack of Responsible Person – 2  
 Lack of Top Management Review – 6  
 Lack of Workforce Training – 3  
 Management Systems – 7  
 Other - 1

0 Critical  
 22 Major  
 102 Minor

Open – 47 Closed - 77



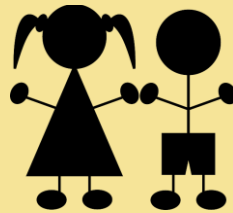
## Working Conditions Are Safe & Hygienic

### Causes

External Causes – 2  
 Lack of Internal Communication – 59  
 Lack of Management Commitment – 144  
 Lack of Policy – 64  
 Lack of Procedure – 420  
 Lack of Responsible Person – 245  
 Lack of Top Management Review – 55  
 Lack of Workforce Training – 134  
 Management Systems – 107  
 Other – 8

4 Critical  
 666 Major  
 568 Minor

Open – 414 Closed - 824



## Child Labour Is Not Used

### Causes

Lack of Policy -2  
 Lack of Procedure – 1  
 Lack of Responsible Person - 1

0 Critical  
 2 Major  
 2 Minor

Open – 0 Closed - 4



## Living Wages Are Paid

### Causes

Lack of Internal Communication – 153  
 Lack of Management Commitment – 13  
 Lack of Policy – 2  
 Lack of Procedure – 13  
 Lack of Top Management Review – 3  
 Lack of Workforce Training - 4  
 Management Systems – 32  
 Other – 1

0 Critical  
 200 Major  
 21 Minor

Open – 193 Closed - 28



## Working Hours Are Not Excessive

### Causes

- Awareness – 4
- Lack of Internal Communication -1
- Lack of Management Commitment – 3
- Lack of Policy - 7
- Lack of Procedure – 7
- Lack of Responsible Person -2
- Lack of Top Management Review – 15
- Management Systems – 208

14 Critical  
227 Major  
6 Minor

Open – 96 Closed - 151



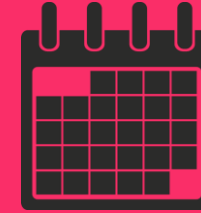
## No Discrimination Is Practiced

### Causes

- Lack of Internal Communication – 1
- Lack of Management Commitment - 3
- Lack of Policy – 1
- Lack of Procedure – 1
- Lack of Top Management Review – 1

0 Critical  
0 Major  
7 Minor

Open – 6 Closed - 1



## Regular Employment Is provided

### Causes

- Lack of Internal Communication – 4
- Lack of Management Commitment- 1
- Lack of Policy – 3
- Lack of Procedure – 2
- Lack of Top Management Review – 1
- Lack of Workforce Training - 1
- Management Systems – 8

0 Critical  
15 Major  
5 Minor

Open – 7 Closed - 13



## No Harsh Or Inhumane Treatment Is Allowed

### Causes

- Lack of Internal Communication - 1
- Lack of Workforce Training – 1

0 Critical  
1 Major  
1 Minor

Open – 2 Closed - 0



## Other Findings

### Causes

- Awareness – 2
- External Cause – 2
- Lack of Internal Communication – 9
- Lack of Management Commitment – 24
- Lack of Policy – 33
- Lack of Procedure – 13
- Lack of Responsible Person – 8
- Lack of Top Management Review – 3
- Lack of Workforce Training – 8
- Management Systems – 27

0 Critical  
71 Major  
58 Minor

Open – 37 Closed - 92



## Additional Notes

### Living Wages Are Paid

Social insurance is on an going non-compliance and makes up majority of the opened issues in this section.

### Working Conditions are Safe and Hygienic

Back logs from covid make up most of the open non-compliances in this issue type.

### Working Hours Are Not Excessive

Closures take time as evidence is collected over at least 3 months to ensure change is implemented permanently.