

# Chemical Management Policy

JD recognises that it is important to manage chemicals in the supply chain safely. JD requires the products, and raw materials used to construct goods, to be manufactured with regard for the safety of consumers and factory workers, and with consideration for the wider environment.

As a retailer of finished goods, 93% of our suppliers are global brands such as Nike, Adidas, Puma & VF.

Our largest partners, NIKE ADIDAS, New Balance & PUMA are contributory signatory brands to the **ZDHC (Zero discharge of hazardous chemicals) programme**

Direct control, therefore can only apply to the private label business which is 7% (Apparel & Footwear) of the business.

For our private label business we have implemented the **Environmental Performance Evaluation (EPE)** - To measure, evaluate and communicate our environmental performance using reliable and verifiable information. Our **EPE** approach is part of a five-year programme for which we shall assess our performance via benchmarks and supplier feedback, enabling us to achieve continuous improvements in our methods and understanding of supplier facilities which include management of Chemical/Water/Energy for our top 20 suppliers.

**MRSL** - In line with the Product Governance Policy which applies to finished goods, JD Group requires our Factories to ensure that their supply chain complies with the Zero Discharge of Hazardous Chemicals (**ZDHC**) Foundation — Manufacturing Restricted Substances List (**MRSL**), whose aim is to reduce the use and impact of harmful substances in the apparel and footwear supply chains.

**RSL** - This Restricted Substances List provides details of chemicals and other potentially harmful substances that are restricted, and allowable chemical limits for products placed on the market. The RSL considers the chemicals that can be present on the finished garments and is detailed in the JD Group Product Governance Policy as detailed in the [Affirm RSL](#).

It is the supplier's responsibility to comply with this **RSL** and all relevant legislation, thereby avoiding the use of harmful or illegal chemicals in the manufacture of JD Group products. The requirement to comply with this **RSL** and all relevant legislation is included in, or additional to, all legal partnership agreements relating to the manufacture of JD Group product lines.

Our **EPE** endorses our commitment to our supply chain further adhering to a recognised **MRSL**, which restricts hazardous substances potentially used and discharged into the environment – water and air - during manufacture.

Wastewater emissions from supply chain facilities are key to achieving successful management of illegal and legally regulated substances and those other substances listed in approved **MRSL's**.

Using 3<sup>rd</sup> party auditors such as Intertek, specialising in environmental management, we are working to ensure that our supply chain and in particular the dye houses, hold valid licences, ensure tier wastewater is correctly treated before discharge to the environment and that their emissions meet local legal or regulatory requirements.