

# Responsible Exit Policy 2022

JD Sports is committed to the consideration of the workers in the supply chain and an exit strategy / process is necessary in order to alleviate any adverse impact on these workers by sudden loss of business.

A well-thought-out exit strategy and management of supplier expectations can also help mitigate morale and productivity issues and reduce legal and reputational risks.

This policy is to ensure we exit a relationship responsibly and minimise the risks posed to those who own and/or are employed by the business. Through transparent communication and business partnering, our aim is to preserve professional and amicable business relationships where possible and maximise the opportunity for the factory to remain a viable and sustainable business after our exit so that workers retain their jobs and their rights.

It is important to consider the risks a customers exit will pose and mitigate where possible. Risks can lead to uncertainty and unease for all involved and has the potential to lead to disruption and strikes if communication is not managed appropriately.

JD process begins with a written **Amber Alert** document detailing the concerns/violations and advises the supplier a stated period of monitoring will be in place of 3 months or 6 months dependant on the violation/issue. The alert effectively puts a supplier on notice but will advise remediation opportunities unless the violation is extreme and cannot be resolved with certainty.

Remediation will include

- Supplier Action Plan. Clear objectives for remediation and timescales for implementation.
- Monitoring. Ensure the continued protection of the rights of workers. All remaining contracted orders will be completed by the supplier, provided, they continue to meet the action plan and their legal obligations towards workers.

Transparent communication between both parties is key to this process. It is recommended that should it be decided that a timely exit is decided upon, a meeting is held with the factory management to advise them of the outcome and the exit date.

At the end of the stated period, if it is established that the best option is to exit the relationship, the process will advise the exit date. Considerations will be given to:

- Length of relationship with supplier
- Percentage overall business with the supplier in specific factory or site.
- Specific violation in serious breach of contract and policy.

**Outstanding Payments will be paid immediately on the exit date**

