



**MODERN SLAVERY  
STATEMENT FY22**

# FOREWORD



## APPROVAL OF THIS MODERN SLAVERY STATEMENT

This is JD Sports' third Modern Slavery Statement, which covers the reporting period 31 January 2021 to 29 January 2022. During this time, JD Sports opened 11 new stores, including its first store in New Zealand, and hired an additional 1,111 team members across Australia and New Zealand.

As at the end of this reporting period, JD Sports operates 41 retail stores and 2 online webstores across Australia and New Zealand, employing 4,008 staff throughout our store network, support office, and Sydney-based warehouse.

As a leading multi-channel retailer of the biggest and best global sports fashion footwear, apparel, and accessories (branded and own brand), we recognise the importance of our role in identifying and managing risks of modern slavery.

We acknowledge that there are systemic global challenges facing our industry, and we remain committed to identifying and managing risks of modern slavery in our operations and supply chains. We look forward to continuing to work closely with our suppliers, employees, and stakeholders to build on our strong foundations of modern slavery due diligence.

This Modern Slavery Statement was approved by the JD Sports Fashion Holdings Australia Pty Ltd Board on 17 August 2022

Signed by Hilton Seskin on behalf of the Board

A handwritten signature in blue ink, appearing to read 'Hilton Seskin', written over a horizontal line.

**Hilton Seskin**  
Chairman

JD Sports Fashion Holdings Australia Pty Ltd

# CONTENTS



TOPIC	MANDATORY REPORTING CRITERIA	PAGE
Reporting entities	<i>Identify the reporting entity</i>	4
Structure, operations, and supply chains	<i>Describe the structure, operations and supply chain of the reporting entity</i>	5
Modern slavery risks	<i>Describe the risks of modern slavery across the operations and supply chain of the reporting entity</i>	9
Assessing and addressing modern slavery risks	<i>Describe the actions taken by the reporting entity to assess and address these risks, including due diligence and remediation processes</i>	14
Assessing effectiveness	<i>Describe how the reporting entity assesses the effectiveness of its actions</i>	22
Consultation governance	<i>Describe the process of consultation with any entities that the reporting entity owns or controls</i>	29
Other relevant information	<i>Provide any other information that the reporting entity considers relevant</i>	30

# REPORTING ENTITIES



## IDENTIFY THE REPORTING ENTITIES

JD Sports Fashion Holdings Australia Pty Ltd ABN 15 614 248 332  
JD Sports Fashion Australia Pty Ltd ABN 63 614 310 075  
JD Sports Fashion NZ Pty Limited NZBN 9429048611374

This Modern Slavery Statement was prepared by the reporting entity JD Sports Fashion Holdings Australia Pty Ltd ABN 15 614 248 332 (**JD Sports**, the **Company**) and its wholly owned subsidiaries JD Sports Fashion Australia Pty Ltd ABN 63 614 310 075 and JD Sports Fashion NZ Pty Limited NZBN 9429048611374, which operate the JD Sports retail store networks in Australia and New Zealand, respectively.

The Company is a subsidiary of JD Sports Fashion plc Company Number 01888425 (**JD Global**).

JD Sports' registered office and principal place of business is Level 12, 338 Pitt Street, Sydney Australia.

This is a single joint statement on behalf of JD Sports and its owned and controlled entities made in compliance with the reporting requirements in Section 14 of the *Modern Slavery Act 2018* (Cth) (**MS Act**) and outlines the actions taken by JD Sports to identify, assess, and address modern slavery risks across our operations and supply chain for the Company's financial year ending 29 January 2022.

# STRUCTURE OPERATIONS SUPPLY CHAINS



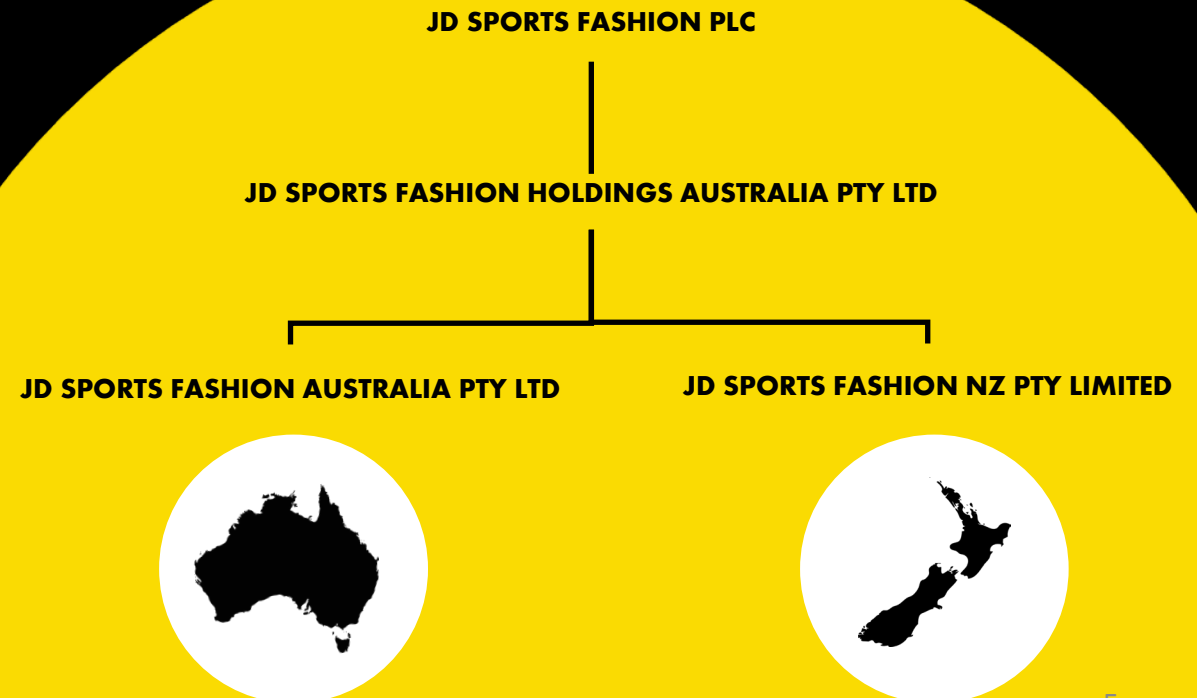
DESCRIBE THE REPORTING ENTITY'S STRUCTURE, OPERATIONS, AND SUPPLY CHAINS

## STRUCTURE

JD Sports Fashion Australia and JD Sports Fashion NZ operate the JD Sports retail store networks in Australia and New Zealand.

JD Sports Fashion plc is the parent of JD Sports Fashion Holdings Australia and ultimate parent of JD Sports Fashion Australia and JD Sports Fashion NZ.

JD Sports Fashion Holdings Australia, JD Sports Fashion Australia and JD Sports Fashion NZ operate under a central governance framework and common management system.



# OPERATIONS

JD Sports is a leading multi-channel retailer offering consumers premium and constantly evolving sports and fashion brands presented in a vibrant retail theatre with innovative digital technology.

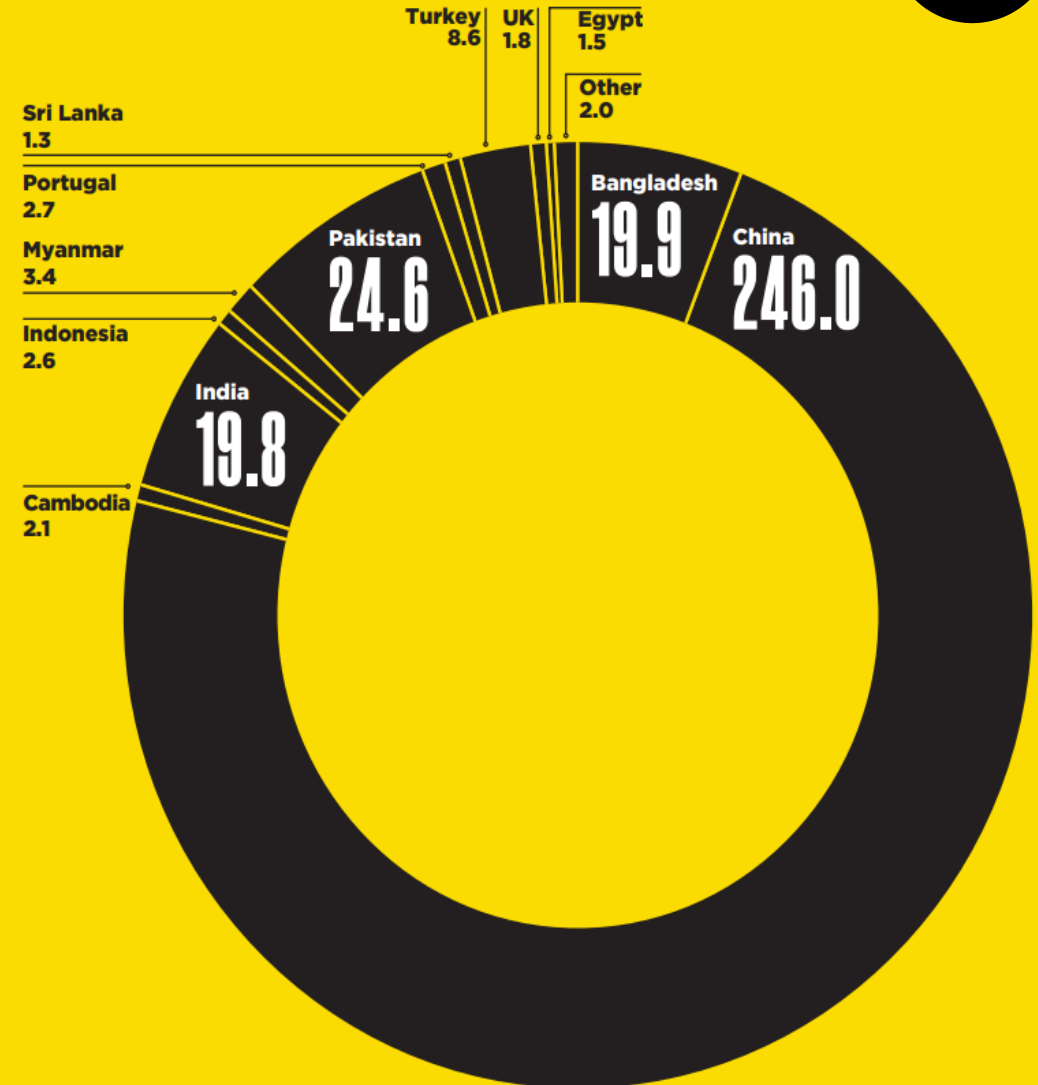
We set the standard for retail experience through best-in-class multi-brand retail operations and connected consumer experiences both online through our region-specific websites (<https://www.jd-sports.com.au/>; <https://www.jdsports.co.nz/>) and our 41 stores across Australia and New Zealand.

We sell the world's most authentic third-party and own-branded (private label) merchandise across 3 core categories (footwear, apparel, and accessories).

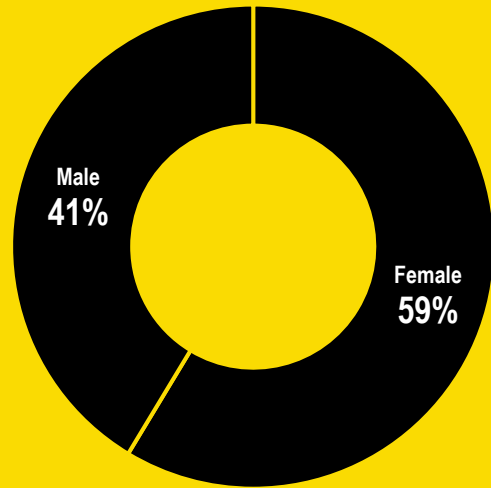
JD Global sources merchandise from 191 brands and wholesale suppliers, involving 536 factories in 19 countries and our 5 locally offered private label brands from JD Global's design, sourcing, and manufacturing facilities. In excess of 95% of JD Global's product is sourced from international third-party suppliers and confidence is placed in those suppliers' modern slavery due diligence and risk mitigation processes.



Private Label Product Sourcing 2021/22 (£m)

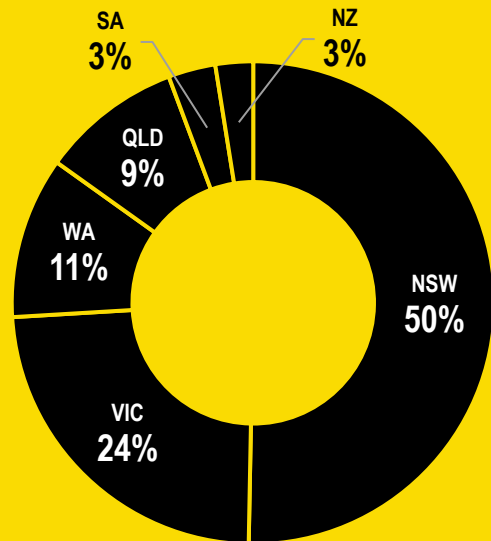


# TEAM JD



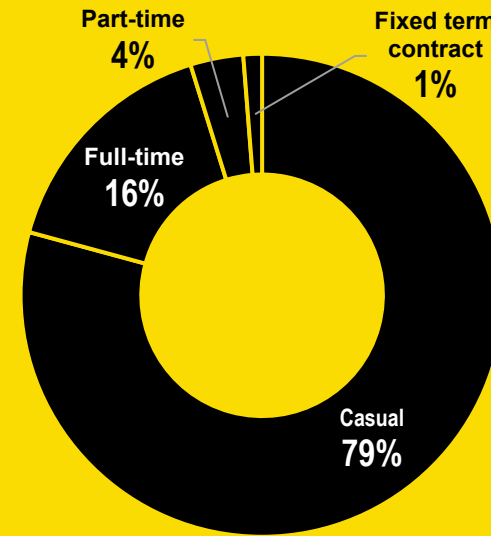
As at the end of the reporting period, JD Sports employs 4,008 team members across its retail and support operations in Australia and New Zealand.

During this period, the company hired an additional 1,111 staff members, bringing our total workforce split of 59% females and 41% males.



50% of our workforce are based in NSW due to majority of our retail stores, Head Office and Warehouse being located there.

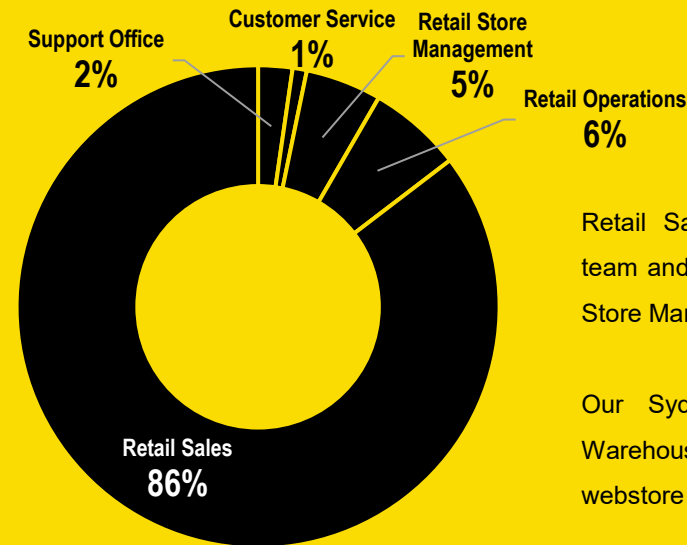
Towards the end of this reporting period, we opened our first retail store in New Zealand.



Majority of Team JD work in our retail stores on a casual basis.

During this period, we converted 317 casuals to part-time and full-time contracts.

Despite the impacts caused by COVID-19, and the Company not receiving any Government financial assistance (e.g. JobKeeper), we were able to avoid letting go any employees.



Retail Sales staff include our in-store sales team and supervisors, who report to our Retail Store Managers.

Our Sydney-based Customer Service and Warehouse teams support our retail and webstore operations.

# SUPPLY CHAIN SPEND



During the reporting period, JD Sports' supply chain spend amounted to approximately \$300m in goods and services.

Majority of our spend related to purchase of products for retail trade, including third party brands and private label brands (68%).

The remaining spend is attributed to non-trade items, being Services and Goods Not For Resale (**GNFR**) for our non-sales operations and non-trade suppliers, including:

- **store fit-out, rental of retail stores and retail operations**  
(electricity, cleaning, repairs, and maintenance)
- **advertising, marketing, and printing**  
(supporting customers purchasing directly from our retail stores and websites)
- **corporate functions**  
(e.g. people/human resources, banking and finance, legal)
- **information and communications technology (ICT)**
- **security equipment and services**
- **consumables**  
(e.g. packaging, carrier bags, hangers and labels for merchandise).
- **logistics and warehousing**  
(including engaging third-party logistics providers to deliver customer web orders)





# MODERN SLAVERY RISKS



DESCRIBE THE RISKS OF MODERN SLAVERY PRACTICES IN THE REPORTING ENTITIES' OPERATIONS AND SUPPLY CHAINS

## SCALE OF MODERN SLAVERY



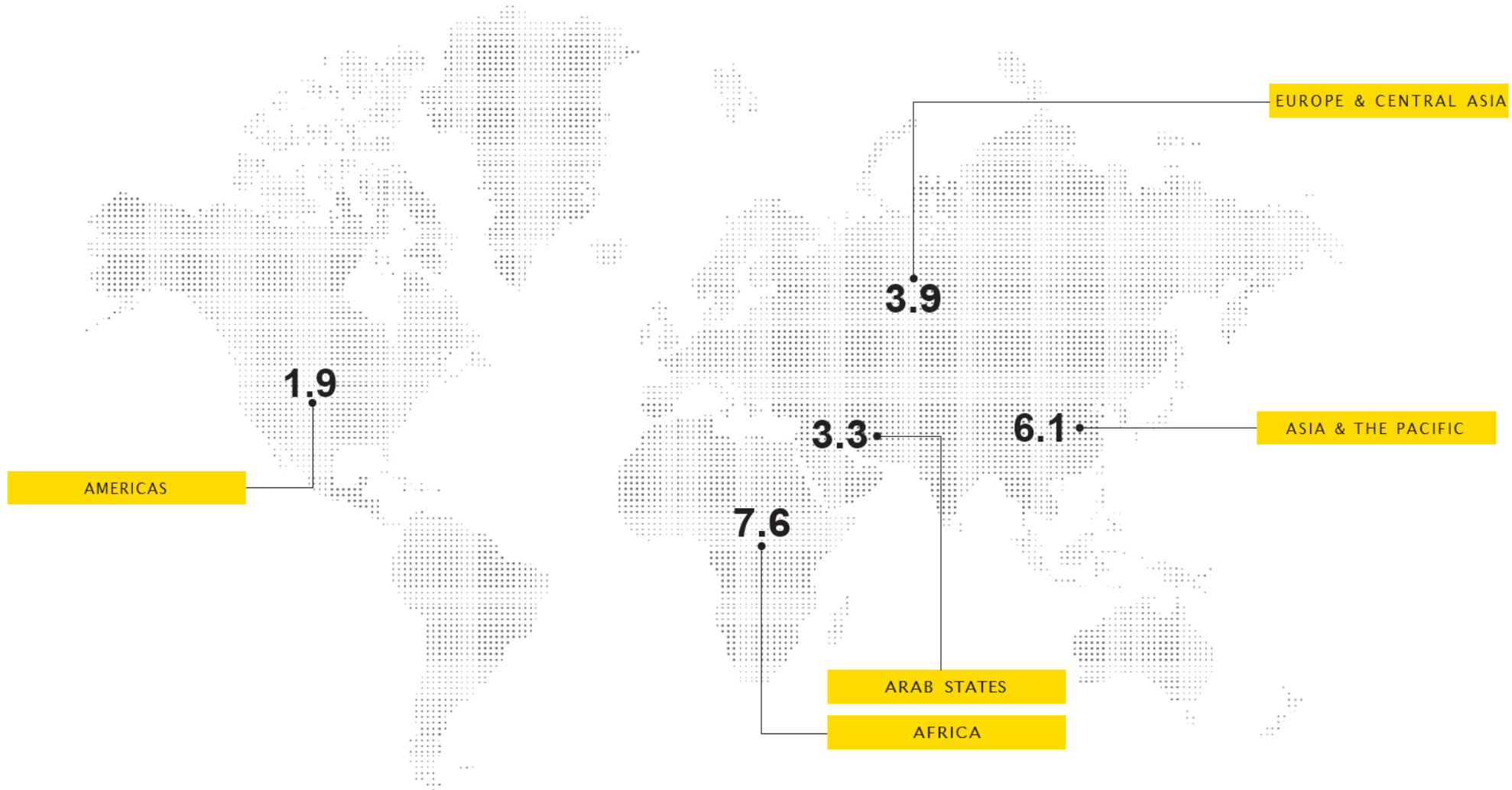
Source: International Labour Organisation

JD Sports recognises that the garment manufacture and supply of apparel, footwear and related accessories for retail sale are high-risk industries for modern slavery.

We remain committed to operating responsibly and ethical sourcing, and given the prevalence of modern slavery globally, we acknowledge the likelihood of modern slavery risks existing in our operations and supply chains.

# MODERN SLAVERY MAP

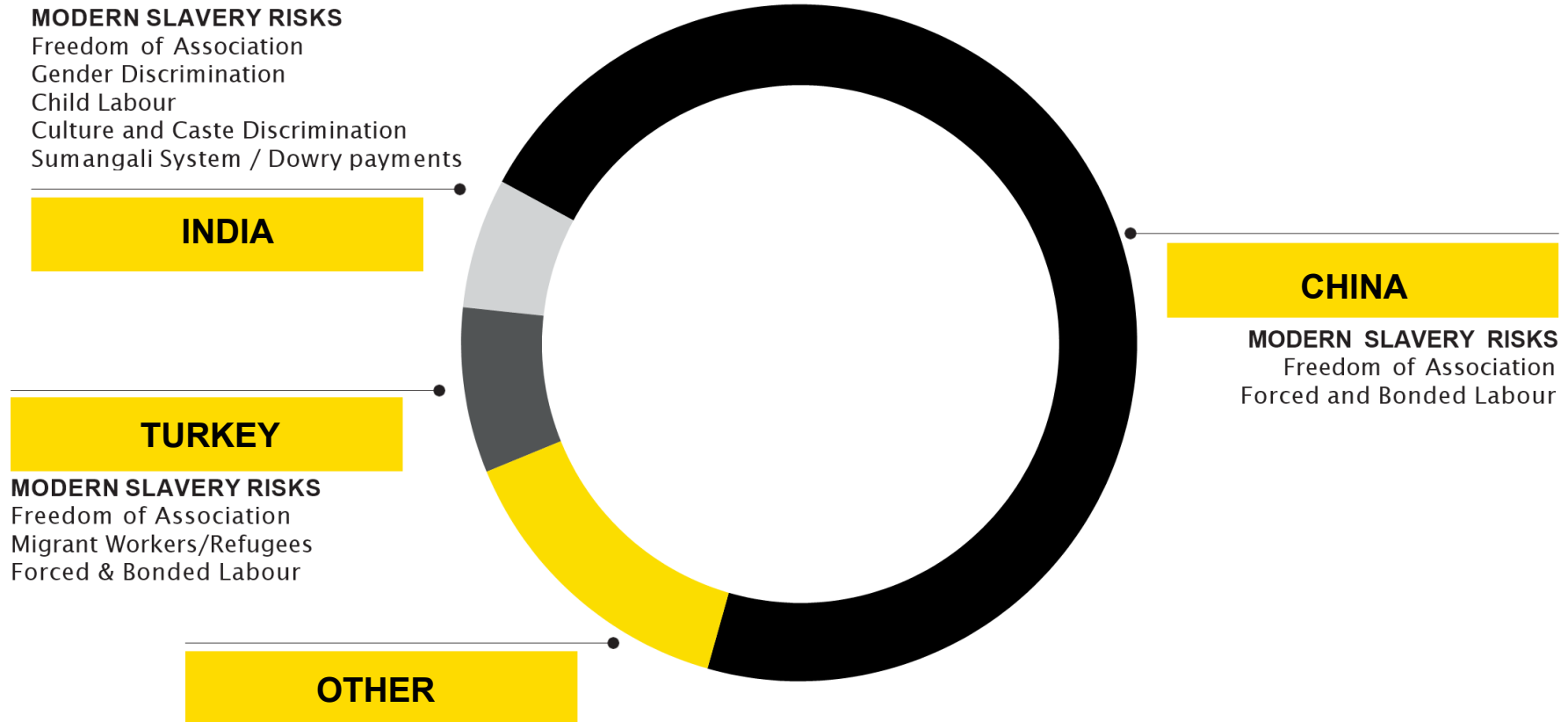
PREVALENCE OF MODERN SLAVERY BY REGION



According to the Global Slavery Index (available at: [Global Slavery Index](#)), there were as many as 5.4 victims of modern slavery for every 1,000 people in the world, with the highest prevalence of modern slavery in Africa, being 7.6 victims for every 1,000 people in the region, followed by Asia and the Pacific (6.1 victims per 1,000) and Europe and Central Asia (3.9 victims per 1,000).



# SOURCING COUNTRIES



Modern slavery risks are exacerbated in certain regions and by certain industries, products, and labour practices.

We acknowledge the potential for an entity to cause, contribute to, or be directly linked to modern slavery through its operations and supply chains and remain committed to ensuring a meticulous and dedicated approach to ensuring that any risks of modern slavery in our supply chain are appropriately assessed and addressed.

# MODERN SLAVERY RISKS OPERATIONS AND SUPPLY CHAINS



The reporting entities operate exclusively within Australia and New Zealand and comply with all laws and regulations within those jurisdictions. Our retail staff are employed under Awards (General Retail Industry Award), and there is very low inherent risk of modern slavery due to our extensive industrial relations laws, respectively.

Majority of our products are sourced from global branded organisations, and we have limited insight into their supply chains. However, these major brands typically have sophisticated understanding of their operations and supply chains with established due diligence and risk mitigation processes in place. We primarily deal with local offices of these companies and rely on their modern slavery compliance regimes.

We have greater insight and control over our own branded (private label) suppliers and rely on JD Global's modern slavery risk due diligence program, which prioritises these suppliers and manufacturing facilities.

Notwithstanding, we recognise that the garment manufacture and supply of apparel, footwear and related accessories for retail sale are high-risk industries for modern slavery, particular for workers involved in:

1. harvesting and processing materials and components for production; and
2. manufacturing processes.

Often these processes utilise low skilled workers requiring high labour intensity, leading to greater risks of child labour, forced labour, human trafficking, and deceptive recruitment practices. These risk are heightened having regard to the countries in which these sourcing and manufacturing processes take place, where labour laws may not be strictly regulated.

While we acknowledge the possibility of modern slavery risks existing in our supply chains, we remain committed to operating responsibly and ethical sourcing.

- 1. Sourcing, supply, and manufacture of materials for store fit-outs**  
inherent risks associated with the migrant and lower-skilled workers
- 2. Retail and ancillary premises fitout**  
limited inherent risk with local (AU and NZ) and in-house services
- 3. Marketing, advertising, and printing**  
limited inherent risk with local and in-house services
- 4. Logistics and warehousing**  
risks associated with agency workers/labour hire, being forced labour and deceptive recruitment practices of migrant and low-skilled workers
- 5. Retail operations support security and cleaning**  
risks of debt bondage, forced labour and human trafficking with vulnerable migrant and lower-skilled workers and agency workers at small companies
- 6. Corporate (banking and finance)**  
limited inherent risk with local and in-house services
- 7. ICT services**  
inherent modern slavery risks with overseas manufacturing of IT equipment and overseas supply of IT services

# MODERN SLAVERY RISKS RECRUITMENT PRACTICES CONTRACT AND AGENCY WORKERS



JD Sports ensures that contracts are in place for all workers, inclusive of probation and termination provisions that comply with local employment laws and regulations and that workers are not required to pay any fees to gain employment.

We recognise that agency workers are often less secure in their employment than contracted workers. They may have less rights in the workplace and are more vulnerable to exploitation.

Labour recruiters and agencies create an additional layer between employers and workers, leaving workers exposed to potentially deceptive or coercive recruitment practices leading to forced labour and bonded labour.

JD understands the importance of our direct and indirect workers and those in the extended supply chain. It is important that those workers can raise any issues of concerns with either JD Sports personnel or an escalation team in confidence and safety.

# MODERN SLAVERY ASSESSING ADDRESSING RISKS



## ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

As a retailer of leading brands and JD Global's private label products, a major step in our commitment to JD Group's eradication of modern slavery is to identify all parties involved in JD Global's private label manufacturing supply chain - both directly, and indirectly.

JD Global has completed the full supply chain mapping to our 4<sup>th</sup> Tier private label manufacturing base, being:

<b>Tier One</b>	Factory
<b>Tier Two</b>	Mill House
<b>Tier Three</b>	Dye House
<b>Tier Four</b>	Print House

This mapping supports JD Global's ethical sourcing practices, which are underpinned by the JD Code of Conduct and risk assessment framework.

**ONE WORLD  
ONE MARKET  
ONE OBJECTIVE**

Identify and work to eradicate modern  
slavery in our supply chain

# TRANSPARENCY



JD Global has completed the full supply chain mapping to 4<sup>th</sup> Tier manufacturing base on private label goods.

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 strategy requires continual engagement with JD Global partners, as manufacturing chains beyond the 1<sup>st</sup> 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.



# JD GLOBAL SUPPLY CHAIN



<b>EGYPT</b> Tier 1 Factory: <b>1</b> Tier 2 Mills/Tannery: <b>0</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>0</b>	<b>ITALY</b> Tier 1 Factory: <b>1</b> Tier 2 Mills/Tannery: <b>0</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>0</b>	<b>CHINA</b> Tier 1 Factory: <b>383</b> Tier 2 Mills/Tannery: <b>70</b> Tier 3 Dye House: <b>57</b> Tier 4 Print House: <b>58</b>	<b>VIETNAM</b> Tier 1 Factory: <b>4</b> Tier 2 Mills/Tannery: <b>0</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>1</b>	<b>TURKEY</b> Tier 1 Factory: <b>26</b> Tier 2 Mills/Tannery: <b>19</b> Tier 3 Dye House: <b>15</b> Tier 4 Print House: <b>14</b>
<b>MONTENEGRO</b> Tier 1 Factory: <b>1</b> Tier 2 Mills/Tannery: <b>0</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>0</b>	<b>KOREA, REPUBLIC OF (SOUTH KOREA)</b> Tier 1 Factory: <b>1</b> Tier 2 Mills/Tannery: <b>1</b> Tier 3 Dye House: <b>1</b> Tier 4 Print House: <b>0</b>	<b>INDIA</b> Tier 1 Factory: <b>29</b> Tier 2 Mills/Tannery: <b>14</b> Tier 3 Dye House: <b>14</b> Tier 4 Print House: <b>15</b>	<b>PORTUGAL</b> Tier 1 Factory: <b>20</b> Tier 2 Mills/Tannery: <b>4</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>0</b>	<b>MYANMAR</b> Tier 1 Factory: <b>9</b> Tier 2 Mills/Tannery: <b>0</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>1</b>
<b>SERBIA</b> Tier 1 Factory: <b>1</b> Tier 2 Mills/Tannery: <b>0</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>0</b>	<b>BANGLADESH</b> Tier 1 Factory: <b>18</b> Tier 2 Mills/Tannery: <b>2</b> Tier 3 Dye House: <b>2</b> Tier 4 Print House: <b>2</b>	<b>CAMBODIA</b> Tier 1 Factory: <b>6</b> Tier 2 Mills/Tannery: <b>1</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>0</b>	<b>SPAIN</b> Tier 1 Factory: <b>3</b> Tier 2 Mills/Tannery: <b>0</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>0</b>	<b>TUNISIA</b> Tier 1 Factory: <b>1</b> Tier 2 Mills/Tannery: <b>0</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>0</b>
<b>TAIWAN</b> Tier 1 Factory: <b>6</b> Tier 2 Mills/Tannery: <b>8</b> Tier 3 Dye House: <b>10</b> Tier 4 Print House: <b>0</b>	<b>THAILAND</b> Tier 1 Factory: <b>0</b> Tier 2 Mills/Tannery: <b>1</b> Tier 3 Dye House: <b>1</b> Tier 4 Print House: <b>0</b>	<b>UNITED KINGDOM</b> Tier 1 Factory: <b>5</b> Tier 2 Mills/Tannery: <b>0</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>0</b>	<b>PAKISTAN</b> Tier 1 Factory: <b>28</b> Tier 2 Mills/Tannery: <b>6</b> Tier 3 Dye House: <b>6</b> Tier 4 Print House: <b>4</b>	<b>SRI LANKA</b> Tier 1 Factory: <b>2</b> Tier 2 Mills/Tannery: <b>0</b> Tier 3 Dye House: <b>0</b> Tier 4 Print House: <b>0</b>

See [here](#) for full JD Global Supply Chain Map

See [here](#) for JD Global Private Label Supply Chain



# ETHICAL SOURCING



The Code of Practice Auditing Standards is a guide that is referenced during site visits to JD Global's private label supply chain to assist in the evaluation process and can be found [here](#).

The JD Global Group regularly visits factories that we work with to check production and standards. This is critical to promote the importance of longer-term relationships which we believe is the key to the protection of workers' rights and working with the factories to achieve higher standards for workers.

It is the aim of the JD Global Group to ensure that all entities within the Group comply with its policies.

1. Suppliers using Third Party Labour
2. Child Labour
3. Forced Labour
4. Minimum Wage Guidance
5. Responsible Exits
6. Migrant Worker
7. Purchasing Practices

**Suppliers Using 3<sup>rd</sup> Party Labour Provider - Modern Slavery 2022**

40.3 million people are in modern slavery globally  
There are more people in slavery today than there has ever been throughout history

**What is the Modern Slavery Act (MSA)?**  
The modern slavery act was designed to combat

**What are the legal requirements of the MSA?**  
Under new legislation which was passed in parliament in 2015, large businesses

**JD Sports Fashion**

Code of Practice Auditing standards

**Child Labour and Young Worker Policy 2022**

211 Million Children world wide are child labourers  
73 million working children are under 10 years old  
22,000 children die every year in work-related accidents

JD have a clear standard relating to the employment of children within our code of conduct which reflects the Ethical Trading Initiative (ETI) base code and the International Labour Organisation (ILO) relating to child labour

**Age**  
The ILO and the ETI state that a child is any person younger than 18 years of age and that 15 is the minimum age at which a child may be employed.

**Minimum Wage/ National Living Wage 2022**

Calculating the hourly rate of a salaried employee  
(Monthly wage x 12) ÷ 52 = weekly wage. Weekly wage ÷ hours per week = hourly pay.

**Who is Entitled?**  
A worker – someone with a contract of employment or who undertakes work or services for someone else, including part-time or casual contracts or any other

**Can an Employer make Deductions?**  
Deductions can be made from an employee's wage for items such as tools, uniforms or other equipment

**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.

**Sourcing & Purchasing Practices and Policies**

**Migrant Worker Policy**

**Who is a migrant worker?**  
Migrant workers can be defined into two groups:

International migrant worker – A person who is engaged or who has been engaged in work in a country of which he's he is not a citizen

Domestic Migrant worker – A person who has moved within her/his country to pursue employment.

# JD CODE OF CONDUCT

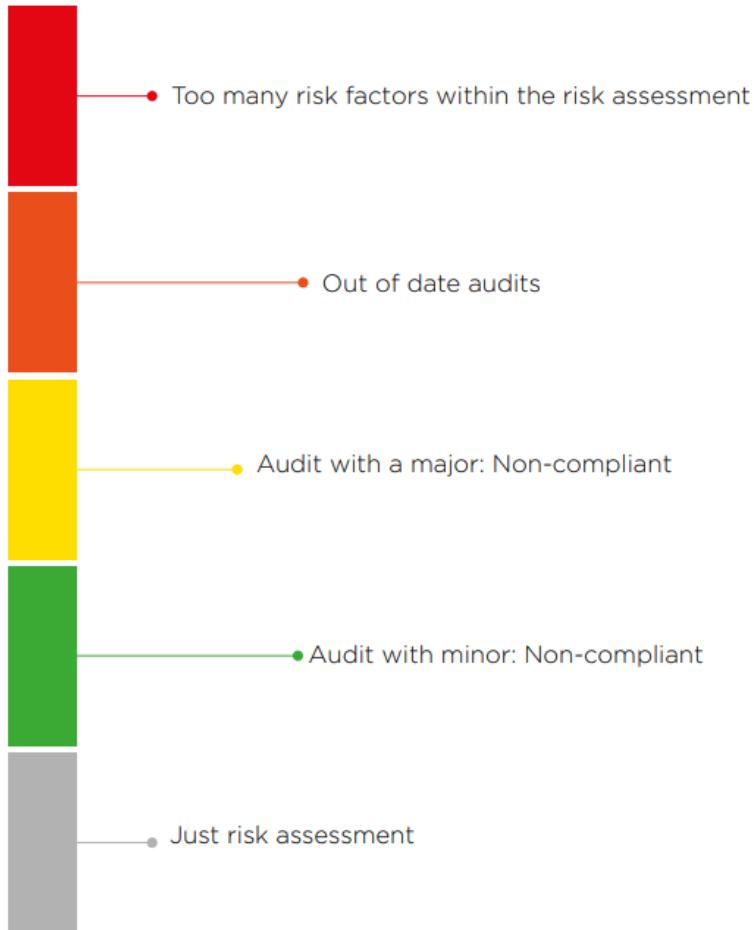


Central to JD Sports' actions to address modern slavery risks is the JD Global's Code of Conduct (**Code**), which underpins our operations by establishing the procedure for protecting workers and providing assurance that private label products are manufactured within safe and fair conditions.

The Code defines labour standards that aim to achieve decent and human working conditions, ensuring that our suppliers are to be treated with respect, and their health and safety and basic human rights must be protected and promoted. The principles incorporated within this Code are based on the International Labour Organisation Standards and internationally accepted good labour practices.

<b>EMPLOYMENT RELATIONSHIP</b>	JD Sports adopts and adheres to rules and conditions of employment that respect workers and safeguards their rights under national and international labour laws and regulations.
<b>NON DISCRIMINATION</b>	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.
<b>HARASSMENT OR ABUSE</b>	Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.
<b>FORCED LABOUR</b>	There shall be no use of forced labour, including prison labour, indentured labour, bonded labour or other forms of forced labour.
<b>CHILD LABOUR</b>	JD Sports is committed to the prevention, identification and remediation of child labour in all areas of our operations, including our supply chains. No person shall be employed under the local State/Territory minimum age law.
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>	JD Sports recognises and respects the right of employees to freedom of association and collective bargaining.
<b>EMPLOYER PAYS PRINCIPLE</b>	No worker or employee should pay for a job. The cost of recruitment should be borne by the employer, not by the worker or employee.
<b>HEALTH, SAFETY AND ENVIRONMENT</b>	JD Sports shall provide a safe and healthy workplace 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 JD Sports' facilities or premises. JD Sports shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.
<b>HOURS OF WORK</b>	JD Sports shall not require workers to work more than the regular and overtime hours allowed by the law of the State/Territory where the workers are employed. A regular work week shall not exceed 38 hours and workers shall be allowed at least 24 consecutive hours of rest in every 7-day period. All overtime work shall be consensual. JD Sports shall not regularly request overtime and shall compensate such work at a market rate. The sum of regular and overtime hours shall not exceed 60 hours per week (excluding exceptional circumstances).
<b>COMPENSATION</b>	Every worker has a right to compensation for a regular work week that meets the worker's basic needs and provide some discretionary income. JD Sports 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.

# RISK ASSESSMENTS



Risk assessments and onsite audits are also part of the on-boarding process for JD Global's overseas suppliers, and while we are mindful of the potential limitation of audits, they can be helpful in identifying a range of human rights and modern slavery issues that can lie within the supply chain.

JD Global's approach to risk assessment comprises self-assessment and country research, supply chain mapping and third-party auditing partnership with Qima (third party audit company) and stakeholder engagement.

Whilst we are mindful of the potential limitation of audits relating to modern slavery, the audit process is a critical in the discovery and management of issues relating to fundamental principles in the JD Code of Conduct and understanding modern slavery risks throughout our supply chain.

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

The factory setup is reviewed in detail by JD Global's ethical compliance team and any risk areas verified as required. Factory sites are then graded using the traffic light format opposite.

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 (e.g. Turkey is an example of this with a large percentage of factories using sewing units outside of their factories or in-house).

# MODERN SLAVERY POLICY AND TRAINING



JD Sports appreciates that training and raising awareness of modern slavery is a critical element within any business and extended supply chains. We have developed dedicated modern slavery training to existing staff and as part of induction for new employees to the business.

The training focuses on:

- the meaning of modern slavery and forced labour
- recognising the indicators
- teaching how to deal with potential issues and gain in-depth knowledge of the company escalation processes

## **Policies and procedures**

JD Sports is committed to ongoing reviews of our governance and management frameworks to strengthen and establish policies and procedures that enhance our capacity to identify, assess and address risks of modern slavery in our continually evolving supply chain.

These efforts will be supported by continuous implementation of supplier minimum standards and engaging with suppliers on their application. This will assist us to ensure our new suppliers meet our standards and values, and to facilitate conversations on due diligence with existing suppliers across all areas of the supply chain. The minimum standards will also underpin contractual inclusions to make our commitments enforceable and robust.

We are also in the process of implementing a modern slavery policy and reinforcing our whistle-blowing policy across the reporting entities to raise awareness of the protections about misconduct and how to communicate concerns.



# JD GROUP NON-COMPLIANCE DISCLOSURE REPORT

Where JD Global have found instances of non-compliance, these are logged via a Non-Compliance Disclosure Report. JD Global then works with the factory to quickly resolve any issues.

The Non-Compliance Disclosure Report for audits conducted from January 2021 – December 2021 can be accessed [here](#). Non-compliances have been categorised according to issue type, root cause and severity level and action plans have been proposed to the factories to resolve and close the issues highlighted in the reports.

During the previous reporting period 73.9% non-compliances cases have been closed, while the remaining are the subject of ongoing assessment and remediation.

The closed non-compliances evidence the commitment to improvements and solutions from both the compliance team and the factories to ensure that progress is made and workers have a safe and prosperous environment. Where there are still issues, the work continues to ensure that remedies are implemented, working with the factories and showing long-term commitment through rewarding progress.

# ASSESSING EFFECTIVENESS



## KEY MONITORING AND ASSESSMENT ACTIVITIES

We are proud of our achievements in the development of our modern slavery awareness and due diligence framework over the last 3 reporting periods. Notwithstanding, we recognise that these are still early days and more can be done.

Our JD Global and local approach to ongoing monitoring and assessment activities across our business are Integral to reviewing the effectiveness of our actions, including:

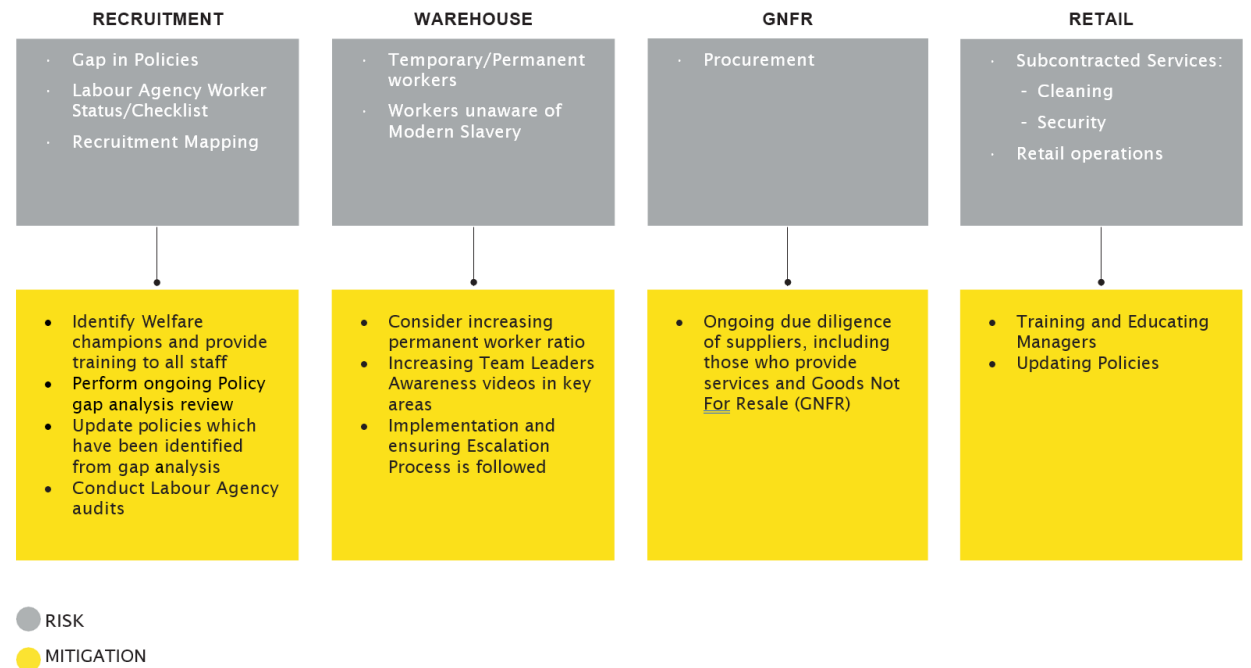
- ethical sourcing reviews;
- focus areas (e.g. minimum wage analysis);
- factory audits; and
- non-compliance reviews, reporting and remediation measures.

# ONGOING MONITORING AND ASSESSMENT ACTIVITIES



Following our risk identification and assessment, we continue to evolve our modern slavery compliance program through:

- assessing modern slavery contractual inclusions with our buying teams;
- reviewing policies and procedures (including gap analysis) on driving internal awareness of modern slavery risk;
- assessing Champion training modules for increasing understanding of modern slavery and embedding process changes into our operations;
- working closely with JD Global to gather data about the conditions on the ground in the places where our products are produced; and
- established working groups and a strategic response team to spearhead the assessment of our modern slavery efforts, and to ensure that we continually improve in each reporting period.



# ETHICAL SOURCING REVIEWS



The Group continues to review its policies on ethical sourcing on a regular basis. JD Global continuously assess factory ethical and quality management and work with suppliers to improve conditions in the factories within the supply chain. The Group recognises, particularly in the wake of the COVID-19 pandemic and subsequent rising raw material costs, that brands and retailers need to do more to address gross deficiencies in wage and other forms of compensation for workers in their supply chain. Paying fair living wages creates an economy that leads to increased worker morale, health and improved quality of service.

The JD Group define the living wage by using the Global Living Wage Coalition. This definition seeks to ensure that workers can afford decent housing, meet the basic needs of themselves and their families, and accumulate savings, all without working overtime.

JD Global acknowledges that the change required cannot be enacted in one phase and started by evaluating factory workers earnings in the Group's own Tier 1 supply chain. JD Global are working to find ways to encourage reward for workers for the increased private label business that results from consolidation of the supply base and to instill the principle that every worker has the right to fair compensation.



# PRIVATE LABEL ETHICAL SOURCING REVIEWS



An analysis of the factories included in JD Global's supply chain showed that:

54% of factories pay more than 5% over the local national minimum wage to their workers

Just under half of the factories pay their workers more than 10% over the local national minimum wage

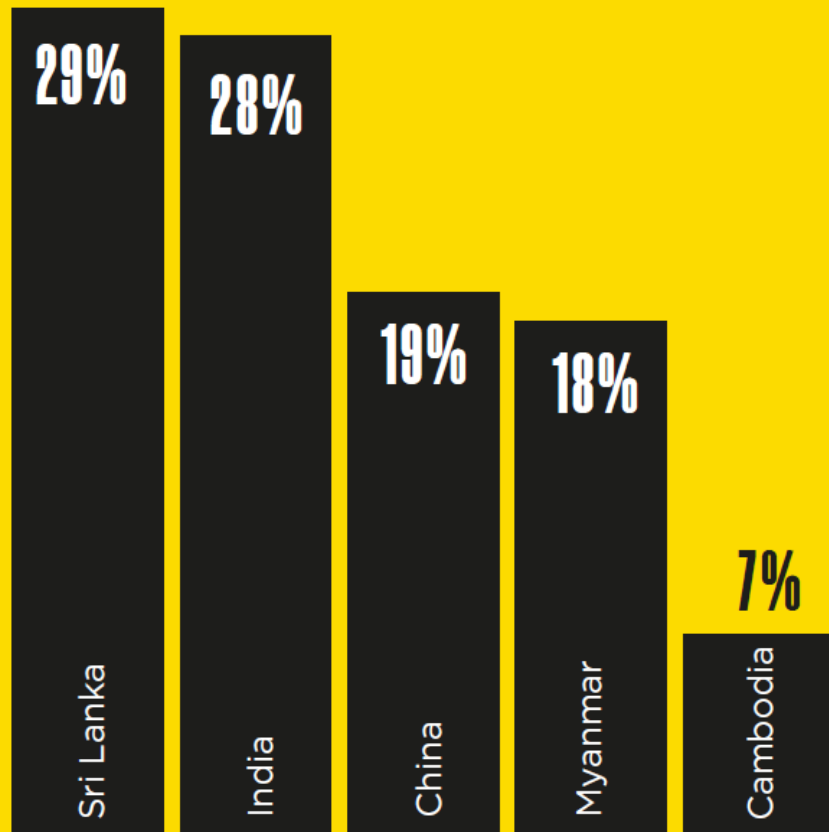
32% of the factories pay more than 20% over local national minimum wages.

Almost 25% of the factories are paying over the local living wage (91% of these are based in China)

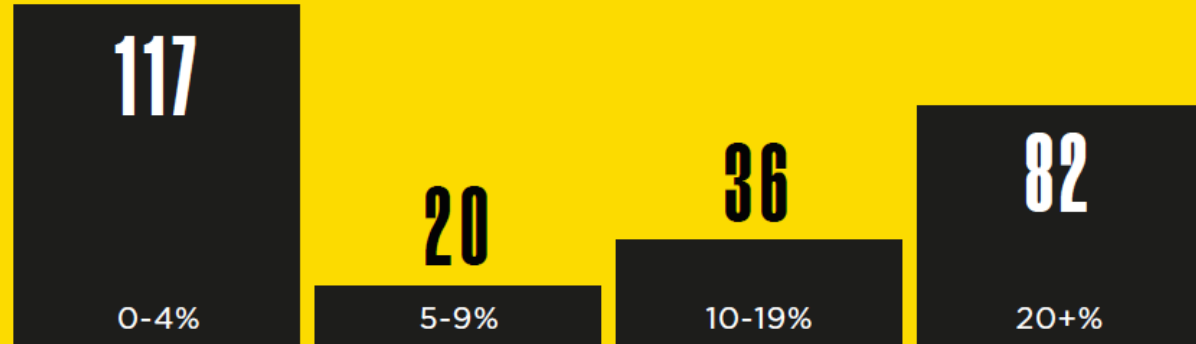


### Top Five Countries Paying % Above National Minimum Wage

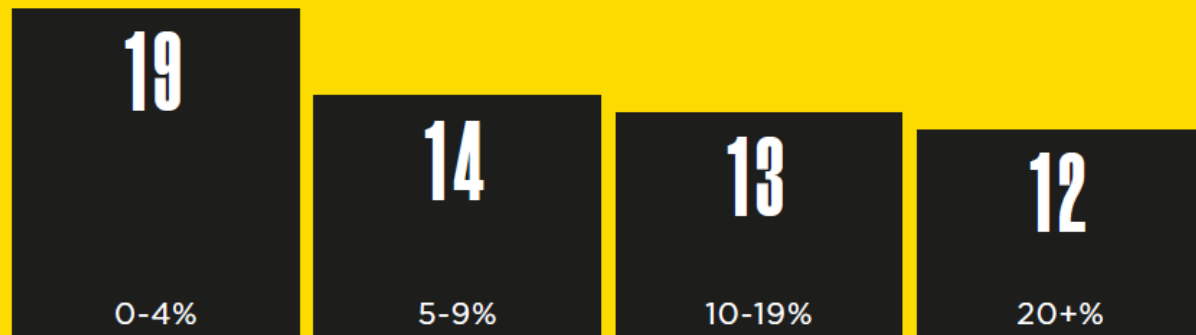
The graph below shows the top five countries in our supply chain paying above National Minimum Wage (and the % above NMW that is paid).



### The number of suppliers paying % over National Minimum Wage



### The number of suppliers paying % over local living wage



# JD GLOBAL AUDITS

The protection of workers in our supply chain is paramount and the JD Group continues to have zero tolerance to critical issues identified by JD Group personnel, or third-party auditors, from physical working environment concerns through to anything that impacts workers or causes hardship or harm. The factories used by the JD Group are audited by accredited third-party, specialist assessment and audit suppliers, as shown in the graph.

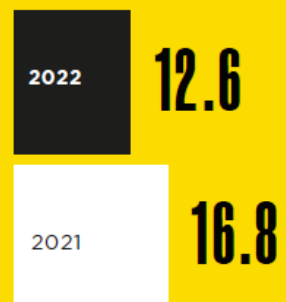
Of the remaining 15.8% of factories where an audit has not taken place:

- 3.2% did not require an audit due to the low level of spend or where 2021/22 was the first year that the JD Group has worked with these factories; and
- 12.6% were delayed due to restrictions arising from COVID-19.



## Audit status last year vs this year

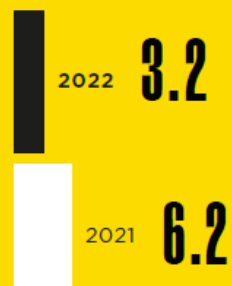
### Audit Required



### 3rd Party Audit in date



### No Audit Required





## ‘WHOLE OF BUSINESS’ APPROACH

JD Sports recognises that identifying and addressing modern slavery risks requires a ‘whole of business’ approach. The following activities will be key to supporting our monitoring and assessment of our compliance program.

- PARTNERSHIPS** Identify Modern Slavery Partners to assist with implementation of compliance strategies.  
Implement SRT and CRT that consists of senior management from Head Office and our warehouse.
- RESPONSIBILITY** Increase awareness by giving our employees the opportunity to come forward and seek support.
- AWARENESS** Demonstrate awareness and commitment to addressing modern slavery risks by implementing material, e.g. posters in the warehouse.  
Circulate video streams of examples of modern slavery to key areas of the business any analyse engagement.
- POLICIES** Review policies and procedures and undertaken a gap analysis making any necessary updates.
- AUDIT** Audit all employees within workforce in relation to right to work documents (where applicable).
- TRAINING** Ongoing Modern Slavery training.  
Modern Slavery Champions have been carefully selected across the business to provide first line support to colleagues on site on issues relating to general health difficulties and to support the detection and appropriate escalation of potential modern slavery matters.

# CONSULTATION GOVERNANCE



JD Sports owns and controls JD Sports Fashion Australia Pty Ltd and JD Sports Fashion NZ Pty Limited operating in Australia and New Zealand, respectively.

JD Sports' entities operate under a common central governance framework and common management system. Accordingly, consultation is not required as the same individuals represent each of these entities.

Over the course of this reporting period, we have established:

## 1. STRATEGIC AND CRITICAL RESPONSE TEAMS (SRT and CRT)

Comprises senior management from our Head Office and our warehouse.

The SRT reports to the CRT and JD Sports' Board and is charged with managing the Company's responsibilities and obligations regarding modern slavery risks across its operations and supply chains. The CRT are responsible for liaising with authorities, if required.

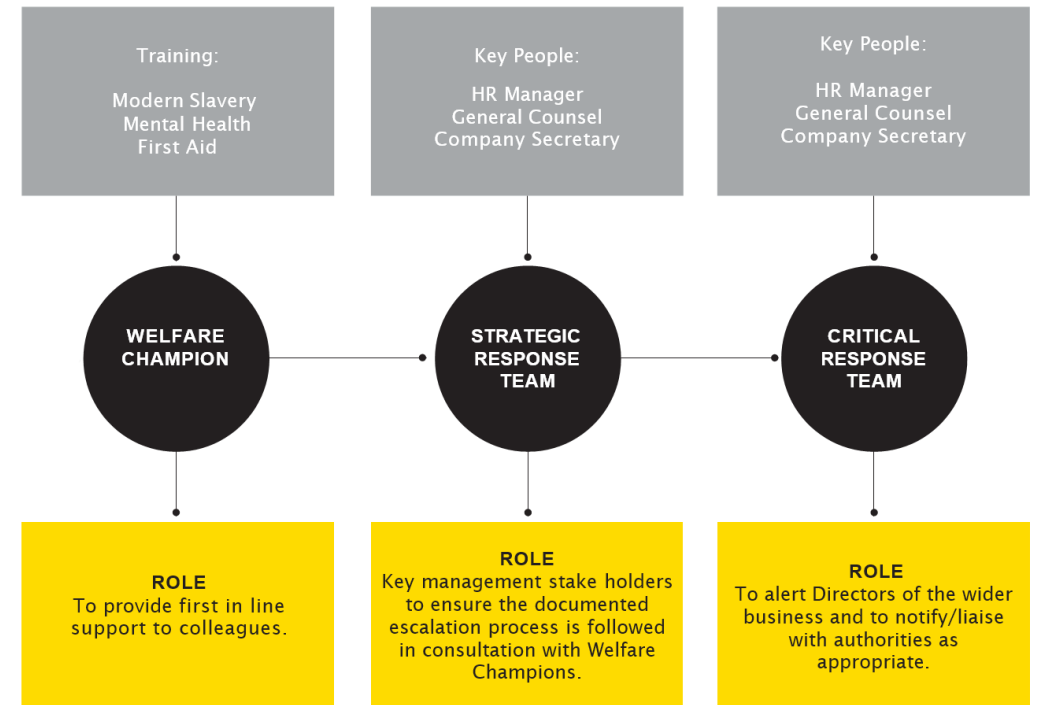
JD Sports' Board is accountable for the Company's management of modern slavery risks.

## 2. WELFARE / MODERN SLAVERY CHAMPIONS

Support the SRT in monitoring modern slavery risks across our operations and supply chains.

Include the CFO and Company Secretary  
General Counsel  
Head of People  
(Human Resources)  
Head of Warehouse

Chief Information Officer  
General Manager Buying & Product  
Head of Retail  
Head of Multi-Channel



# OTHER RELEVANT INFORMATION



## COVID-19

Throughout the reporting period, the pandemic continued to cause challenges to JD Sports' supply chains and retail operations including temporary closures of our retail stores and head office.

During operational periods, we re-introduced company-wide measures to protect the health and safety of our staff and customers in line with Government protocols. These measures included increasing cleaning and hygiene awareness, social distancing, and ongoing provision of personal Protective equipment.

We continued to promote our employee assistance program to team members (including mental health support).

Given the likelihood of future possible disruptions caused by COVID-19, JD Sports continues to work closely with its suppliers to minimise adverse impacts.

