

KnowTheChain 2023 Apparel & Footwear Benchmark

Additional Disclosure

Company Name: [The Foschini Group Limited](#)

In this report collectively referred to as TFG.

Date: 10 January 2023

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices. Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note **KnowTheChain has already undertaken a review of your website**. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.
- Column F in the Scored Research tab of your excel sheet highlights questions to your company where the KnowTheChain team is seeking clarification or further detail on particular points of your company's disclosure.

General Disclosures

TFG published in December 2023 a revised TFG Merchandise Supply Chain Code of Conduct for Raw materials and Finished goods suppliers and manufacturers to update existing policy.
<https://tfglimited.co.za/wp-content/uploads/2023/11/TFG-Merchandise-Supply-Chain-Code-of-Conduct.pdf>

TFG published in December 2023 a new TFG Merchandise Supply Chain Migrant Workers Employment Policy and Implementation Guidelines for Raw materials and Finished goods suppliers and manufacturers.
<https://tfglimited.co.za/wp-content/uploads/2023/11/TFG-Migrant-Workers-Policy.pdf>

TFG Human Rights Statement
<https://tfglimited.co.za/sustainability/human-rights-statement/>

TFG Anti-Corruption Policy
https://tfglimited.co.za/wp-content/uploads/2023/09/2023-Anti-Corruption-Policy_compressed.pdf

TFG Australia Modern Slavery Statement 2023
http://www.rag.net.au/wp-content/uploads/2023/10/Retail-Apparel-Group_Modern-Slavery-Statement_FY2023.pdf

TFG London Modern Slavery Statement

<https://www.tfglondon.com/pdf/FY2023-TFG-Brands-London-Ltd-Modern-Slavery-Transparency-Statement.pdf>

TFG Comments – Excel column F “Questions for Companies”

1.1: we would welcome clarity on whether there is one supplier code of conduct at group level which is applicable across all three business segments.

There is not one supplier code of conduct at group level, TFG collaborates across the business segments and shares information and the applicable codes of conduct are included in the above links.

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

The framework that defines our relationships with our suppliers is the TFG Merchandise Supply Chain Code of Conduct and the TFG Merchandise Supply Chain Migrant Workers Employment Policy and Implementation Guidelines, which was recently revised and updated on our corporate website in December 2023. This code of conduct refers to all raw materials and finished goods suppliers and manufacturers. All suppliers are required to accept and comply with our TFG Merchandise Supply Chain Code of Conduct and Migrant Worker Policy and read in conjunction with the applicable documents listed below should they wish to become part of our value chain. Furthermore, we joined Sedex in 2018 and we use this platform to monitor our suppliers' compliance with leading labour, health and safety, environmental and business ethics standards.

Supplier Documents

<https://tfglimited.co.za/wp-content/uploads/2023/11/TFG-Merchandise-Supply-Chain-Code-of-Conduct.pdf>

<https://tfglimited.co.za/wp-content/uploads/2023/11/TFG-Migrant-Workers-Policy.pdf>

<https://tfglimited.co.za/wp-content/uploads/2023/05/International-Merchandise-TsCs-21.07.2017.pdf>

https://tfglimited.co.za/wp-content/uploads/2023/05/Local-merchandise-TsCs_13.07.2017.pdf

<https://tfglimited.co.za/sustainability/human-rights-statement/>

https://tfglimited.co.za/wp-content/uploads/2023/09/2023-Anti-Corruption-Policy_compressed.pdf

http://www.rag.net.au/wp-content/uploads/2023/10/Retail-Apparel-Group_Modern-Slavery-Statement_FY2023.pdf

<https://www.tfglondon.com/pdf/FY2023-TFG-Brands-London-Ltd-Modern-Slavery-Transparency-Statement.pdf>

TFG Australia initiated supplier and factory training on their Code of Conduct, grievance hotline, gender equality, health and safety and common audit findings.

- 100% tier 1 suppliers have signed our Code of Conduct and are fully audited.
- We performed over 100 unannounced factory inspections.

- Published our third annual Modern Slavery Statement.
- Continue to consult with Be Slavery Free.
- Enhanced the social and ethical auditing programme to include semi-announced audits and increased unannounced inspections.

TFG London commissioned Anti-Slavery International to carry out a high-level Human Rights Risk Assessment (HRRRA) at our UK distribution centres, using a worker-centred methodology. We mainly considered risks in relation to permanent and agency worker recruitment practices. The participatory assessment enabled us to bring the voices of workers to the fore and thus ensure the appropriateness of any actions planned or taken. We selected distribution centres as the logistics sector is a high-risk area for modern slavery risk due to the prevalence of migrant workers, third-party labour recruitment agencies and a predominantly female workforce

Source of Information

https://tfglimited.co.za/wp-content/uploads/2023/08/Inspired-Living-Report-Interactive-2023_compressed.pdf

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- 1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

Communication and training are a key focus area to ensure we build awareness of our Merchandise Supply Chain Code of Conduct, the Migrant Worker Policy and the rest of our policies. With the recent updates to the TFG Merchandise Supply Chain Code of Conduct and the addition of a Migrant Worker Policy, TFG Africa have run group sessions for merchandise executives and will be extending these sessions to our supply chain in the first quarter of 2024.

TFG Australia developed and rolled-out modern slavery training to several tier 1 factories, including suppliers, factory managers, line managers and worker representatives, with the help of a third party.

Source of Information

https://tfglimited.co.za/wp-content/uploads/2023/08/Inspired-Living-Report-Interactive-2023_compressed.pdf

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INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

- 2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

- 2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

[TFG Comments addressing above 3 points](#)

TFG has recently appointed a Head of Group Merchandise Procurement with a structure to support implementation and delivery of the Supply Chain strategy.

TFG's Supervisory Board and committees provide an oversight role in sustainability issues, transparency, openness and accountability are the key principles according to which the Supervisory Board and committees operate. Our Enterprise Risk Management and combined assurance frameworks form the cornerstone of TFG's commitment to responsible oversight. Consideration of ESG risks and opportunities are integrated into governance structures, processes, policies and frameworks. Performance against the goals and key performance indicators (KPIs) for our sustainability objectives are reported to the Supervisory Board's Social and Ethics Committee at biannual meetings. The CEO, who also acts as the Chief Risk Officer, holds overall executive responsibility for ESG risks, including climate-related issues. The CEO reports any significant matters in relation to these risks and opportunities to the Supervisory Board. The CEO is informed about ESG risks through the Governance Risk Committee and the Sustainability Forum. New global standards for non-financial reporting and increasing scrutiny from regulators are also prompting TFG to ensure the accuracy, reliability and assurance of all our sustainability data and claims. This includes making sure that our goals are measurable, certifications are credible, and stakeholders can comfortably make decisions based on the information that we provide. As we develop, approve and review policies and codes, we need to test the effectiveness of these in changing behaviour and raising standards over time. These include for example the new diversity, equity and inclusion policy, the revised Code of Ethical Conduct and the reworked Merchandise Code of Conduct. We also need to ensure that TFG achieves sustainable empowerment, which means that all aspects of the Group's B-BBEE strategy and implementation remains a priority.

TFG company performance metrics for executives include headline earnings per share, Group return on capital employed and strategic ESG objectives. As shown below (page 2 from the attached report), this structure demonstrates our commitment to driving sustainability goals and delivering value to our stakeholders. Kindly refer to our 2023 Integrated Annual Report.

https://tfglimited.co.za/wp-content/uploads/2023/08/Integrated-Annual-Report-Interactive-4-Aug-2023_compressed.pdf.

page 140 for more detail.

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY
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3.1 the names and addresses of first-tier suppliers;

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

4.2 details on forced labour risks identified in different tiers of its supply chains; and

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

5.2 the percentage or number of supply chain workers who are migrant workers' and

5.3 the percentage or number of supply chain workers that are being paid a living wage.

INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

TFG London Participated with a multi-stakeholder initiative to develop a Common Framework for Responsible Purchasing Practices over a two-year period, with the aim to improve working conditions. Continued to enhance supply chain mapping, factory audit and onboarding programmes on its cloud-based platform, Segura Systems.

Source of Information

https://tfglimited.co.za/wp-content/uploads/2023/08/Inspired-Living-Report-Interactive-2023_compressed.pdf

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6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

2.1.4 FEES AND EXPENSES

2.1.4.1 Policy

Supplier shall ensure that migrant workers do not pay any fees, expenses, or deposits in connection with their employment—this includes monthly service fees charged by third party labour brokers to migrant workers over the course of their employment. Exceptions to this policy may include cost of transportation from the worker's home directly to the recruitment centre or embarkation point and passport fees directly chargeable to workers in accordance with local law.

The fees and expenses provision shall be clearly communicated to foreign workers in a language they understand at the beginning of the recruitment process prior to departure from their country.

To achieve and maintain this standard, Suppliers should pay fees or expenses related to the recruitment of migrant workers directly whenever possible. Where this is not possible or migrant workers are legally required to pay the fee directly, then Supplier shall reimburse the workers within 30 days of the start of the worker's employment with Supplier.

Source of Information

<https://tfglimited.co.za/wp-content/uploads/2023/11/TFG-Migrant-Workers-Policy.pdf>

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INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

On March 28, 2023, the American Apparel & Footwear Association (AAFA) and the Fair Labor Association (FLA) re-launched an enhanced, proactive industry Commitment to Responsible Recruitment. Commitment: As an industry and as individual companies, we are committed to the fair treatment of workers in the apparel, footwear, and travel goods supply chains. One important part of this ongoing effort is working together to eliminate conditions that can lead to forced labour in the countries from which we source products. We commit to work with our global supply chain partners to create conditions so that:

- No workers' pay for their job.
- Workers receive a timely refund of fees and costs paid to obtain or maintain their job.
- Workers retain control of their travel documents and have full freedom of movement; and
- All workers are informed, in a language they understand, of the basic terms of their employment before leaving their country of origin.

Please note that TFG will apply the above commitment to its entire merchandise supply chain and therefore all commodities and not only apparel, footwear, and travel goods supply chains.

8 TFG COMMITMENT TO RESPONSIBLE RECRUITMENT

As an industry and as individual companies, we are committed to the fair treatment of workers in the apparel, footwear, and travel goods supply chains. One important part of this ongoing effort is working together to eliminate conditions that can lead to forced labour in the countries from which we source products.

We commit to work with our global supply chain partners to create conditions so that:

- No workers' pay for their job.
- Workers receive a timely refund of fees and costs paid to obtain or maintain their job.
- Workers retain control of their travel documents and have full freedom of movement; and
- All workers are informed, in a language they understand, of the basic terms of their employment before leaving their country of origin.

TFG applies the commitment to its entire merchandise supply chain and all commodities.

Source of Information

<https://tfglimited.co.za/wp-content/uploads/2023/11/TFG-Merchandise-Supply-Chain-Code-of-Conduct.pdf>
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INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

The Group's supply chain strategy includes maintaining relationships with relevant government, industry and trade union organisations. This includes building sustainable relationships with local suppliers, as well as the continuous performance measurement and grading of suppliers.

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

3.3 UPHOLD FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

In order for employees to be able to voice their comments/concerns, suppliers should encourage open

TFG Merchandise Supply Chain Code of Conduct
Raw materials and Finished goods suppliers and manufacturers.
Updated: December 2023

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communication between workers and management, while respecting the right of employees to associate, organise and bargain collectively.

Suppliers must ensure that their workers have the right to freedom of association, union membership and collective bargaining. No retaliation may arise from the exercise of such rights and no remuneration or payment whatsoever may be offered to the workers to hinder the exercise of such rights nor threaten, penalise, restrict or interfere with employees' lawful efforts to join associations. Suppliers must adopt an open and collaborative attitude towards the activities of trade unions.

Workers' representatives must be protected from any type of discrimination and must be free to carry out their representative functions in their workplace. Where the rights to freedom of association and collective bargaining are restricted under law, appropriate channels to ensure a reasonable and independent exercise of such rights must be designed and adhered to².

² Aspects related to freedom of association are developed in accordance to ILO Convention no 111

Sources of Information

https://tfglimited.co.za/wp-content/uploads/2023/08/Integrated-Annual-Report-Interactive-4-Aug-2023_compressed.pdf

<https://tfglimited.co.za/wp-content/uploads/2023/11/TFG-Merchandise-Supply-Chain-Code-of-Conduct.pdf>

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INDICATOR 10: GRIEVANCE MECHANISM


10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

TFG has a zero-tolerance approach to fraud, corruption and other forms of crime or dishonesty. A whistle-blowing facility has been in place since February 1998. Whistle-blowing is encouraged through the outsourced Deloitte & Touche anonymous tip-off line, which is promoted among employees and suppliers. Reports are submitted to the Group Forensics department for investigation. Employees can also report issues, for example harassment, to the Fuse via the TFG on-the-go app, call or WhatsApp services.

There were 340 whistle-blowing reports received in the financial year 2023.



6.3 WHISTLEBLOWING CHANNEL

This Code aligns with the principles and values that are included in TFG's Ethical Code of Conduct, which is facilitated by the Deloitte Tip-Off line.

Suppliers, their workers or other interested third parties, who may choose to remain anonymous, should report corruption or any breach of this Code directly to Tip-Off line" via:

- Post: Deloitte Tip-offs Anonymous
- Free Post, KZN 138, Umhlanga Rocks, 4320, KwaZulu Natal, South Africa
- 0800 11 84 44 or 0800 00 77 88 (normal call rates from mobile phones)
- SMS: "Please Call Me": 32840
- Email: tfg@tip-offs.com

A copy of this contact information, translated into the local language(s) of the Supplier workers, must be displayed in locations accessible to all employees.

Sources of Information

<https://tfglimited.co.za/wp-content/uploads/2023/11/TFG-Merchandise-Supply-Chain-Code-of-Conduct.pdf>

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https://tfglimited.co.za/wp-content/uploads/2023/08/Inspired-Living-Report-Interactive-2023_compressed.pdf

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TFG Australia Grievance/Whistleblower policy

<https://www.rag.net.au/wp-content/uploads/2020/06/RAG-Grievance-resolution-and-whistleblowing-disclosure-policy-70524055v4-v.024.pdf>

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

TFG requires that all raw materials and finished goods suppliers and manufacturers comply with the TFG Merchandise Supply Chain Code of Conduct and Migrant Workers Policy. Examples of how we drive an ethical value chain:

- > We have a well-developed onboarding process and require new suppliers to meet a range of mandatory compliance criteria, including social and ethics audit reports, health and safety certification, and more. TFG Africa's supplier selection criteria also include SEDEX membership, completion of TFG's self-assessment questionnaire with disclosed manufacturers and factory profiles, an agents agreement, where applicable, and compliance with the UNGC principles. We also require suppliers to sign our code of conduct as part of contracting.
- > We make sure we have a solid understanding of suppliers' capacity and capabilities to avoid situations where suppliers make trade-offs. This includes, for example, exploiting workers to meet unrealistic lead times.
- > We ensure that any cuts in delivery speed and price are aligned with our procurement practices and policies.
- > We discuss payment schedules and margins with suppliers and ensure we make payments on time.
- > We ask suppliers about their use of subcontractors, recruiters and brokers to have visibility of supply chains

Source of Information

https://tfglimited.co.za/wp-content/uploads/2023/08/Inspired-Living-Report-Interactive-2023_compressed.pdf

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11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

NON-SCORED RESEARCH

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

Yes. <https://www.tfglondon.com/pdf/FY2023-TFG-Brands-London-Ltd-Modern-Slavery-Transparency-Statement.pdf>

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

Yes. http://www.rag.net.au/wp-content/uploads/2023/10/Retail-Apparel-Group_Modern-Slavery-Statement_FY2023.pdf

High Risk Sourcing

Please indicate whether your company sources any of the below high-risk raw materials. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.

- Bamboo

- Cashmere YES
- Cotton YES
- Leather (cattle) YES
- Rubber (natural)
- Silk
- Viscose YES
- Wool YES

TFG is procuring increasing volumes of sustainably sourced materials as production inputs, including cotton, wool and leather. As a member of Better Cotton, we have time-bound targets for sustainably sourced cotton. TFG London have a well-established portfolio of more responsible and lower impact fibre and material alternatives, including LENZING™ ECOVERO™, Better Cotton, Responsible Wool Standard, Traceable Cashmere, FSC® viscose, TENCEL™ and Leather Working Group.

Source of Information

https://tfglimited.co.za/wp-content/uploads/2023/08/Inspired-Living-Report-Interactive-2023_compressed.pdf

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Please indicate whether your company sources from any of the below high-risk locations.

- Argentina
- Bangladesh YES
- Brazil
- China YES
- Ethiopia
- India YES
- Malaysia
- Nepal
- North Korea
- Thailand
- Vietnam YES