



TAROCASH

yd.

CONNOR

Johnny
BIGG

ROCKWEAR

JOINT MODERN SLAVERY STATEMENT

FINANCIAL YEAR ENDED 31 MARCH 2020

This Statement sets out how Retail Apparel Group Pty Ltd (RAG) has identified, addressed and remediated against modern slavery pursuant to the Modern Slavery Act 2018 (Cth) ("The Act") during the first reporting period and our plans to address modern slavery going forward.

RAG refers to TFG Retailers Pty Ltd (TFG Aust), Retail Apparel Group Pty Ltd and its brands, Tarocash Pty Ltd (Tarocash), Connor Clothing Pty Ltd (Connor), Rockwear International Pty Ltd (Rockwear), yd. Pty Ltd (yd) and Johnny Bigg Pty Ltd (Johnny Bigg). In line with the Act, TFG Aust, RAG, Connor and YD are reporting entities for the reporting period.

All RAG entities report into a single Board and a shared services team is responsible for the implementation and day-to-day management of RAG policies and communication back to the Board.

TFG Retailers Pty Ltd
ABN 90 612 634 312

Retail Apparel Group Pty Ltd
ABN 31 110 176 077

Connor Clothing Pty Ltd
ABN 53 087 433 029

YD Pty Ltd
ABN 52 096 242 590

MODERN SLAVERY

Retail Apparel Group Pty Ltd and its brands (RAG) acknowledge the risk of Modern Slavery in global supply chains.

We are committed to achieving an ethical, legal and responsible approach to business, and ensuring effective processes and controls are in place to safeguard against Modern Slavery within our business operations and our supply chain. We will continue to work with suppliers to achieve this goal.

At this uncertain time during the COVID-19 pandemic, we acknowledge that there is a directly attributable increase in the risk of Modern Slavery in our supply chain and operations. We have considered this additional risk and adjusted our procedures where appropriate in line with the current environment.





OUR BUSINESS

RAG is 100% owned by The Foschini Group Ltd, a South African retailer listed on the Johannesburg stock exchange.

RAG is an Australian retailer for menswear and women's activewear representing the following brands: Tarocash, yd., Connor, Johnny Bigg and Rockwear. We have more than 500 stores across Australia and New Zealand where we distribute and sell a range of products. We sell products through physical stores and digital channels.

RAG operates out of our head office in Sydney, managing one Australian warehouse and engaging with third party warehouse providers in Australia. For this reporting period, Connor and YD are the reporting entities under the Act.

OUR OPERATIONS AND SUPPLY CHAIN

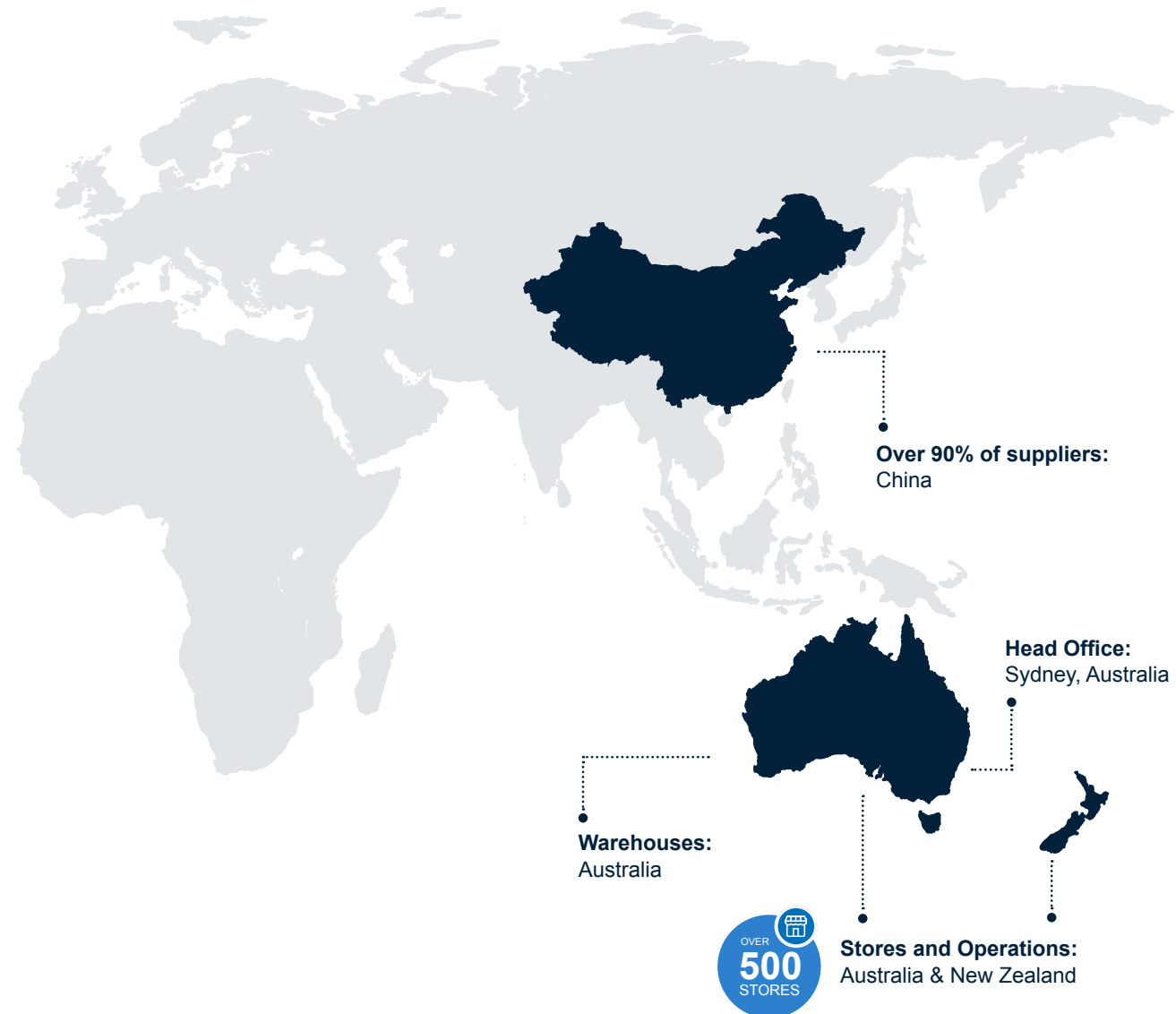
RAG's high-quality products are produced in numerous countries across the world.

Whilst we do not own or operate factories, we have developed considerable long-term relationships with our valued suppliers and are proud of the working relationships we share.

We collaborate with these suppliers to ensure the working environments in which our products are made are compliant with and align to RAG's Responsible Sourcing Principles which specifically address modern slavery.

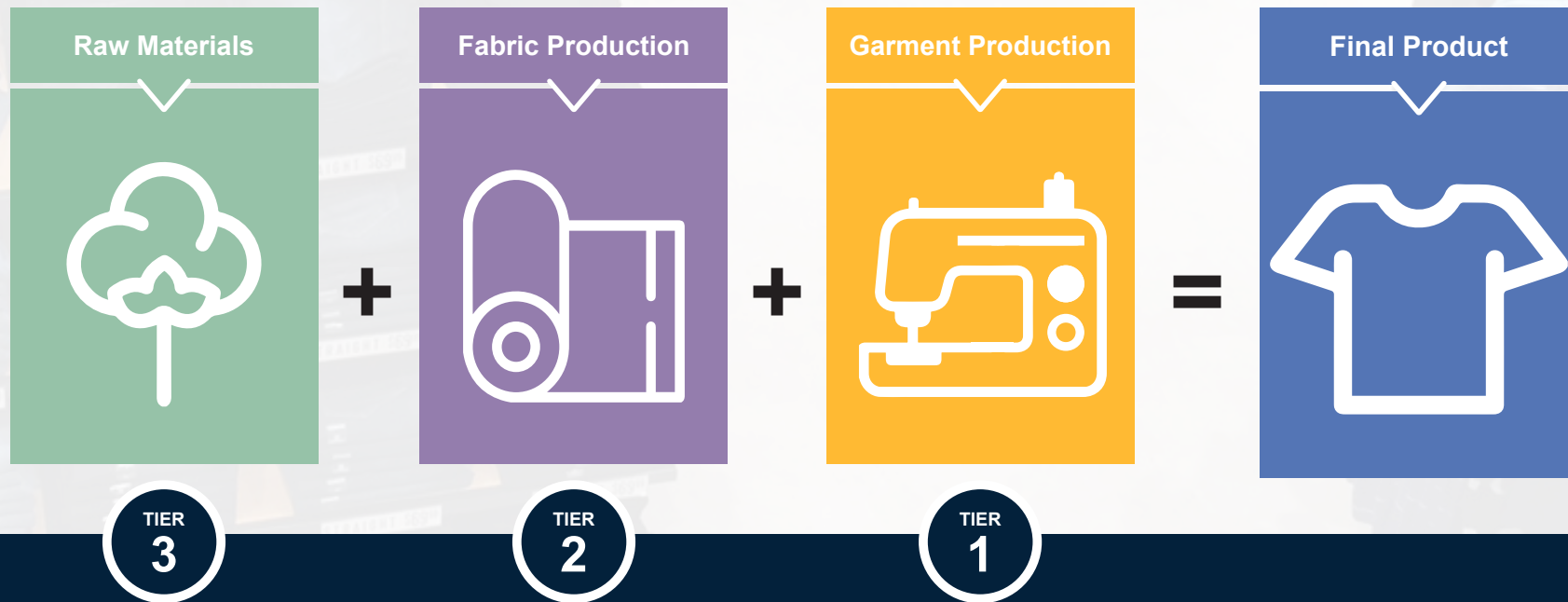
We acknowledge that our supply chains are complex and include various stages, geographies and skill sets to bring our products from raw materials through to finished products. These include the factories where garments are completed; the locations where materials are developed and made into fabric such as in various mills and dye houses; and further down the line, our raw materials which come from farms and various wholesaling relationships.

At present, RAG's strongest relationships are with the suppliers who are at the final stage of our manufacturing process. As a result, our current procedures focus on addressing modern slavery risks in this labour-intensive process. We recognize that there is a need to continue expanding these procedures further down our supply chain.



OUR SUPPLY CHAIN

At RAG we have identified our supply chain to have three tiers as outlined in the following chart:



IDENTIFIED MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

	DEFINITION	DESCRIPTION	TRACEABILITY STATUS	MODERN SLAVERY RISKS IDENTIFIED	Inherent Risk Level:	
TIER 0	RAG Brands and Operations	Warehouses Stores Head Office	Fully mapped	Forced labour and debt bondage in our third-party warehouses		LOW
TIER 1	Product Manufacture	A factory which cuts, trims and/or sews RAG products	Fully mapped	Child labour; debt bondage, and forced and migrant labour in the manufacturing and finishing of our products		HIGH
TIER 2	i. Material Manufacturing and Preparation for Finishing. ii. Goods Required for Garment Finishing	Fabric mills, dye houses, wash houses, labelling, hanger suppliers, cartons etc.	Partially mapped (Over 70% traced)	Child labour; debt bondage, and forced labour and migrant labour in the production and manufacture of leather		MEDIUM
TIER 3	Raw Materials	Raw material suppliers including: Cotton Farms, Tanneries etc.	Not mapped (Investigations are underway)	Child labour; debt bondage, human trafficking, slavery, and forced labour and migrant labour in the farming/growing/picking of our raw materials The key risk for RAG is a current lack of transparency, a risk we are currently working towards reducing		HIGH

ADDRESSING MODERN SLAVERY RISK: OUR APPROACH



1. Understanding, Analysing and Educating ourselves on Modern Slavery, its potential presence within our supply chain and the related risks to our business.

2. Adopting Responsible Sourcing Principles which address these risks.

3. Implementing Procedures and Monitoring of Compliance to help monitor compliance with our Responsible Sourcing Principles.

4. Developing Remediation Plans for best addressing any issues of Modern Slavery if suspected or identified.

5. Re-Understanding, Re-Analysing and Re-Educating ourselves over time and as our experiences and our environment evolves.



1. UNDERSTANDING, ANALYSING AND EDUCATING

We acknowledge that Modern Slavery is a risk in our operations and supply chain and are committed to analysing the risk; addressing the risk and educating our business. This is an ongoing analysis and education process which we will continue to question and investigate as our experience, environment and industry evolves. For example, the COVID-19 crisis has required us to revisit the Modern Slavery risks within our supply chain and consider the impact of our actions on those risks, such as our supplier payment terms.

All of our head office teams have engaged in training to understand Modern Slavery, the Modern Slavery Act and what this means for RAG and their teams specifically. Tailored training has also been provided to specific teams such as our product and our logistics teams. We have collaborated externally with Non-Government Organisations (NGO's), other organisations and universities to ensure we are kept up to date with the requirements of the Act, global risks and changing environments so that our approach flexes and evolves.

We know that true change takes time and that signing this statement is just another positive step towards reaching our ultimate goals.

In the area of product manufacture from tier 1 to tier 3 suppliers we acknowledge that child labour, debt bondage, forced labour and migrant labour present the key inherent risks of Modern Slavery within our supply chain. Our procedures, which check for occupational health & safety standards, fair pay & working conditions, and sub-contracting, act as warning indicators for these key Modern Slavery risks.



2. ADOPTING RAG'S RESPONSIBLE SOURCING PRINCIPLES

The foundation of RAG's approach to Modern Slavery is built on our Responsible Sourcing Principles. These principles define our core sourcing values:

- 1 NO CHILD LABOUR
- 2 NO FORCED LABOUR
- 3 NO HARASSMENT OR ABUSE
- 4 NO DISCRIMINATION
- 5 NO EXCESSIVE OVERTIME
- 6 APPROPRIATE COMPENSATION
- 7 COMPLIANCE WITH LAWS
- 8 HEALTHY & SAFE WORKPLACE
- 9 FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING
- 10 ENVIRONMENTAL AWARENESS & PROTECTION
- 11 NO BRIBERY OR CORRUPTION
- 12 TRANSPARENCY IN ALL BUSINESS RELATIONSHIPS
- 13 RESPONSIBLE RAW MATERIAL SOURCING
- 14 UPHOLDING RAG'S RESPONSIBLE SOURCING PRINCIPLES

3. IMPLEMENTING PROCEDURES AND MONITORING OF COMPLIANCE

To monitor compliance with these principles and local laws across our supply chain, all of our tier 1 suppliers must adopt these principles, evidenced through signing our Supplier Code of Conduct (the "Code"). We regularly monitor compliance through conducting at least bi-annual independent third-party social and ethical audits of all our tier 1 suppliers in line with the Code, a procedure we have had in place for several years. Re-audits and unannounced inspections are conducted more frequently when issues of non-compliance are identified. The manufacturing and transportation of our products, along with our audit procedures, were put on hold during the height of the COVID-19 crisis but have since recommenced as the social restrictions have lifted.

As we learn more about Modern Slavery and the risks faced within our supply chain and operations, we recognise the need for additional measures to improve and complement the scope of our supplier audits.

In recent months, through further investigations into our supply chain and educating ourselves on Modern Slavery risks, we have updated existing and implemented new policies and procedures to enhance the depth and breadth of our compliance. We monitor and analyse completion and measure the effectiveness of our procedures through our monthly brand compliance dashboard. These procedures and relevant KPI's include but are not limited to:

PROCEDURE	DETAIL OF PROCEDURE	KPI MEASURED
Due diligence and onboarding procedures	Updated supplier due diligence and onboarding procedures. All suppliers are required to sign up to our Code as part of our onboarding procedures. In recent months we have updated our onboarding procedures to include traceability disclosure.	<ul style="list-style-type: none"> • Percentage of factories signed up to our Code
Social & Ethical Audit in line with our Code	We conduct at least bi-annual independent third-party social and ethical audits of all our tier 1 suppliers in line with the Code.	<ul style="list-style-type: none"> • Social & Ethical audit results • Number of factories whose audit has expired or expires within 30 days • Number of audits failed
Transparency and Traceability	We worked with our independent third-party auditor to collect information from our suppliers to map our tier 1 and tier 2 factories which we can monitor through a tailored dashboard.	<ul style="list-style-type: none"> • Current percentage of Tiers 1, 2, & 3 which have been traced
Whistle-blower and Grievance Policies:	Improved worker grievance mechanisms including an anonymous grievance hotline for our tier 1 workers. All factories receive hotline instructions which they must display in specified factory locations around their factory which are easily accessible by workers. Workers are able to contact our hotline by free phone, WeChat or email. Our hotline service is operated by an independent third party who then report findings to RAG to develop corrective action plans where necessary.	<ul style="list-style-type: none"> • Total number of communications received • Total number of communications which required investigation by RAG • Total number of outstanding corrective action plans in place
Unannounced inspections	Increased unannounced inspections with a greater focus on their inherent modern slavery risk of child labour. The other key risks investigated include subcontracting, and occupational health & safety.	<ul style="list-style-type: none"> • Monthly number of physical inspections completed and the pass rate
Sanitation audits	Sanitation investigations as a direct response to COVID-19 risks.	<ul style="list-style-type: none"> • Number of sanitation audits completed and the pass rate
Group sourcing meetings	Recurrent group sourcing meetings across all our brands to discuss our Modern Slavery risks and procedures and other collaborative opportunities.	<ul style="list-style-type: none"> • Brands attendance at meetings
Internal team training	Internal training opportunities for head office employees on ethical sourcing and Modern Slavery.	<ul style="list-style-type: none"> • Number of head office team members trained on Modern Slavery

In addition to our ongoing ethical sourcing approach, the COVID-19 pandemic required an immediate response. In support of our suppliers and the valued people who manufacture our garments, RAG continued to pay in full for finished product from our global suppliers. We honoured agreed payment terms as reasonably as possible, providing ongoing communication across our supplier network.



4. DEVELOPING REMEDIATION PLANS

Any failure of our social and ethical audit requires a corrective action plan to be put in place and implemented. The supplier must be re-audited and achieve a pass before new orders can be placed.

We are educating ourselves on the best remediation processes to address any issues or concerns which may arise as a result of our procedures. We are taking time to collaborate with others, including memberships with local NGO's. This is a work in progress but one we are committed to investing time and effort into.

5. RE-UNDERSTANDING, RE-ANALYSING AND RE-EDUCATING

RAG appreciates that the breadth of our supply chain inherently means that there are risks in managing compliance and that the journey towards full transparency will be an ongoing effort. Therefore, our approach so far has been to concentrate our efforts on educating ourselves on Modern Slavery and the risks to our current supply chain and implementing strong foundations and fundamental procedures to address these key risk areas.

The impact of COVID-19 has highlighted the need for our approach to Modern Slavery to be adaptable and reviewed on an ongoing basis. As our internal and external environments change, we recognise the need to periodically review our risk assessment model and procedures. As a result of the recent crisis, we paused physical supplier audits until they were safe to resume. This global pause on audits initially created a weakness in our control process. However, we consequently identified an opportunity to broaden our approach, including developing our anonymous grievance hotline.

NEXT STEPS

Our aims for the next year are:

1

Understand and Analyse risks:

To continue to assess and review the risks of Modern Slavery within our supply chain, periodically reviewing the risks and relevant procedures and controls we have in place to detect, mitigate and respond to these risks.

2

Monitor, Enhance and Implement controls and remediation plans:

We will continue to monitor and review controls to ensure these are as effective and responsive to Modern Slavery risks as possible through monitoring and analysing our monthly compliance KPI dashboard. Where necessary we will develop and/or adjust procedures as we learn and evolve.

3

Expand traceability investigations:

To continue the substantial progress we have made in the last 12 months to further map our supply chain.

GOVERNANCE

The CEO and Executive team are responsible for ensuring RAG meets its responsibilities under the Act. They are supported by the RAG team members responsible for sourcing, production and sustainability.

This Modern Slavery Statement was prepared by the Retail Apparel Group sourcing and risk team and approved by the Retail Apparel Group Board of Directors on the 10th of December 2020.



Gary Novis, Chief Executive Officer

On behalf of the Retail Apparel Group Board of Directors

