



TAROCASH

yd.

CONNOR

Johnny
BIGG

ROCKWEAR

JOINT MODERN SLAVERY STATEMENT

FINANCIAL YEAR ENDED 31 MARCH 2022

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 third 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 Aus, RAG, Connor, Tarocash and yd are the 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.

OUR PROGRESS

This is our third reporting period under the Act, and we are proud of the advancements we have made in the last twelve months and recognise there is still a long way to go. Last year we identified 3 goals for the following year, all of which we have made significant progress on and are covered in more detail throughout this report:

1

Develop our compliance procedures deeper into our supply chain:

We have continued to develop our procedures including traceability projects, enhance the social & ethical auditing program to semi-announced audits, increased unannounced inspections.

2

Develop our strategy for our top 3 raw materials:

We have developed our traceability strategy and have already initiated this plan to trace all the way to raw materials. We look forward to further updating on this initiatives status next year.

As of the reporting date, we have now sourced over 20% of the group's cotton as Better Cotton and are taking active steps to prevent sourcing cotton from known high risk regions such as Turkmenistan, or the Xinjiang Uyghur Autonomous Region in China.

3

Develop our training programs:

We have developed two key training programmes which are currently being rolled out:

- i. Training for internal teams to learn about our sustainability strategy and Modern Slavery; and
- ii. Supplier and factory training on our Code of conduct, grievance hotline, gender equality, health and safety and common audit findings.

OUR STRUCTURE

RAG is an Australian menswear and women's activewear retailer and has the following brands: Tarocash, yd., Connor, Johnny Bigg and Rockwear. We have more than 550 stores across Australia and New Zealand where we distribute and sell a range of products through physical stores and digital channels. We also sell via third party concession stores such as via Myers and the Iconic.

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

OUR OPERATIONS

Since our 2021 Modern Slavery Statement, there has been no significant changes to our operations.

RAG operate out of our head office in Waterloo in Sydney. RAG's warehouse operations are spread across New South Wales and Queensland, one is managed directly by RAG and the other by third party providers. We also operate out of a small portion of a warehouse in Pennsylvania in the US. For this reporting period, Connor, Tarocash and yd are the reporting entities under the Act.

As a group, RAG directly employs over 3,000 people across Australia and New Zealand in our head office, stores, and warehouse; and have a good reputation for workplace quality and ethical business practises. Our operations also include the use of indirect workers engaged via third parties to provide services to support the ongoing activities of our operations. These indirect workers may include labour-hire in our distribution centres or cleaning services.

RAG does not manufacture goods directly, but rather engages with a range of suppliers and factories for the manufacture of goods sold by our five brands.



OUR BUSINESS

RAG's products are designed and engineered from our Head Office in Sydney. They are then manufactured in eight countries across the world (see page 6 for more details). These include apparel, footwear, and accessories. We also engage in "non-trade" procurement of goods and services (such as cleaning) to support the operations of our business.

Our non-merchandise procurement

To support the operations of our business, we procure and obtain non-trade goods and services from multiple global and local suppliers across various categories and industries. Most of these suppliers are based locally in Australia; however, they may involve both international and domestic activities.

Our key non-trade goods and services (based on spend) include:

i. Leasing of offices, stores, and a warehouse

ii. Logistics (freight and distribution)

iii. Information Communication Technology equipment

iv. Marketing

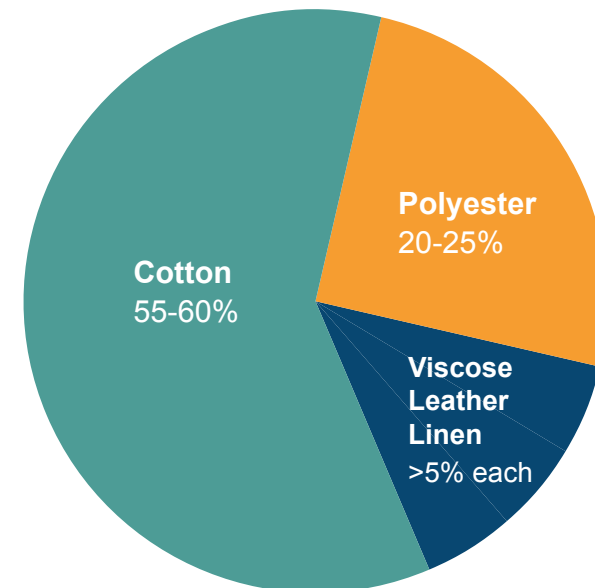
v. Instore fixtures and fittings

vi. Packaging

Our merchandise

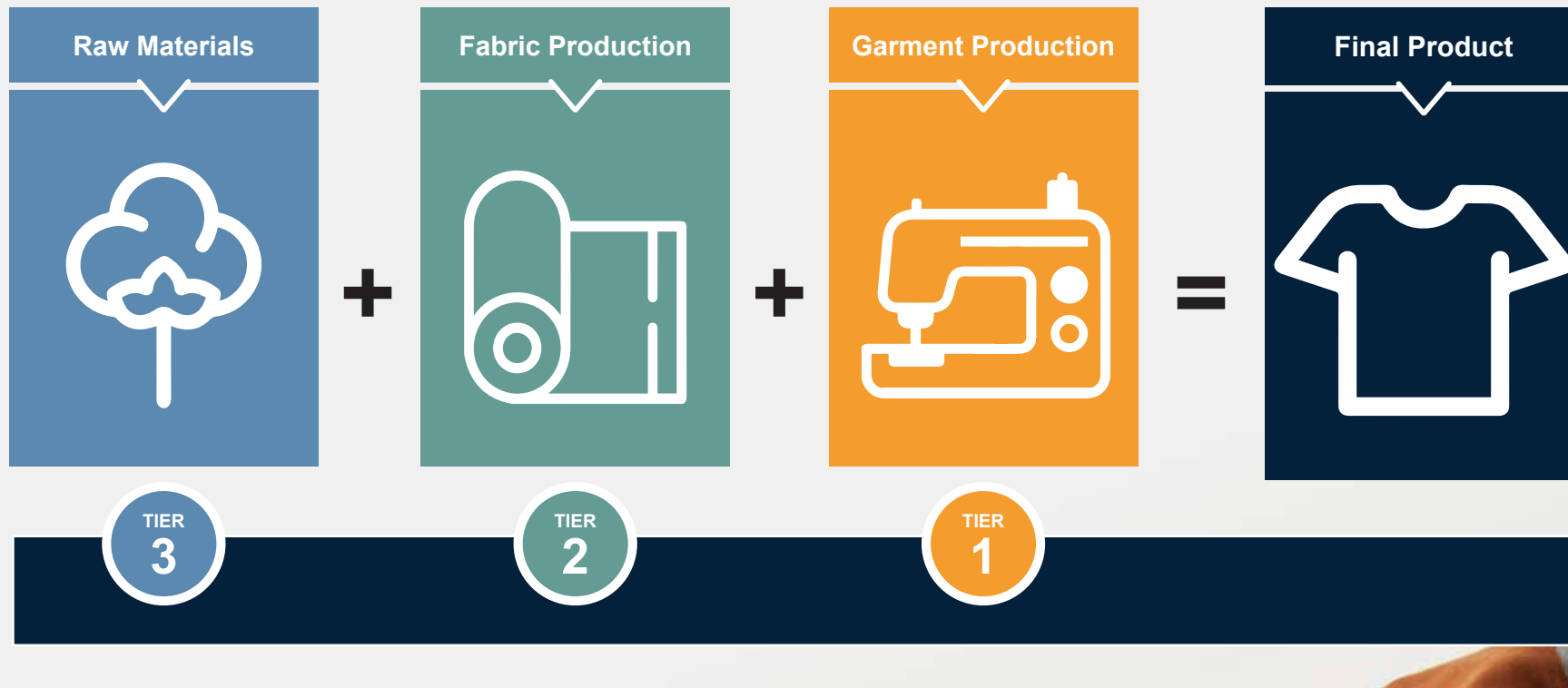
RAG's merchandise includes apparel, footwear, and accessories. Apparel being the most significant category.

In 2021, RAG's raw materials used in our products, based on weight, were broken down as follows:



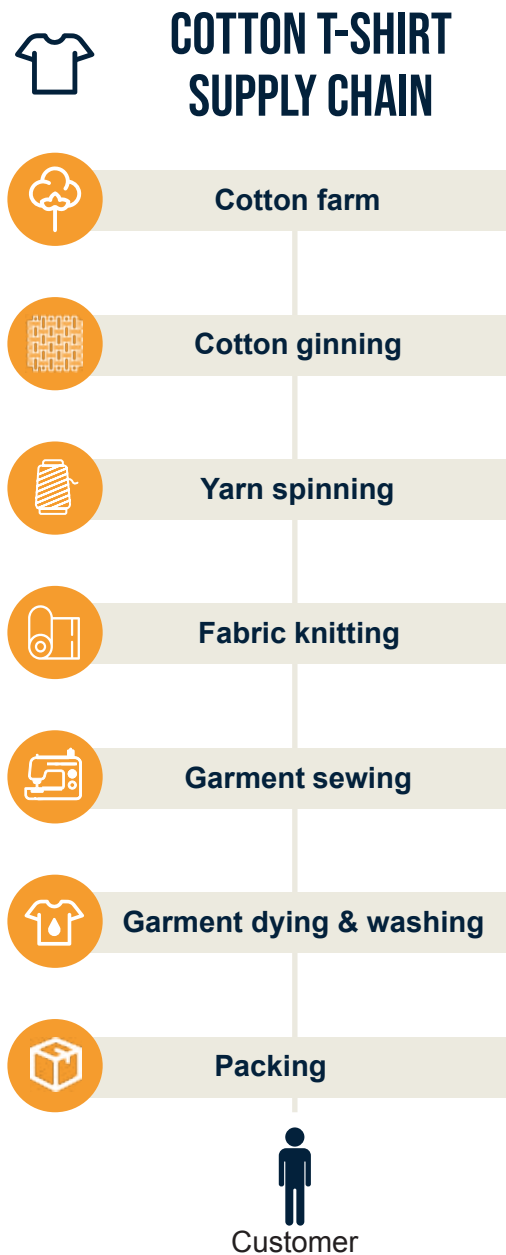
OUR SUPPLY CHAIN

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



Across our brands we produce many different types of product ranges, with apparel being our primary product. All of our products have individual and complex supply chains dependent upon the product type, raw materials used, processes required to finish the product, any trims required etc.

As outlined above, our primary raw materials used are cotton and polyester, see here two examples to show how their supply chains differ:



TIER 1

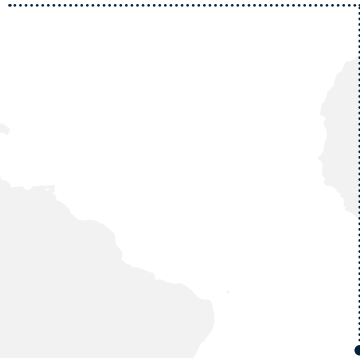
At the time printing this report, RAG currently source from 247 factories located across 8 countries, broken down as follows:

- **China:** RAG sources the majority of our product from 181 factories in China. The vast majority are located in the east coast provinces. No product is manufactured in the Xinjiang province of China.
- **Bangladesh:** RAG sources from 35 factories, these are all located in Dhaka. We work with these factories primarily in producing our t-shirts and knitwear.
- **Vietnam:** RAG sources from 9 factories who produce denims, shirts and suiting.
- The remaining factories are located in Cambodia, Indonesia, Vietnam, India, Pakistan and Sri Lanka.

These suppliers may own the factory that makes the finished goods, or they may outsource to factories pre-approved by RAG.

Whilst we do not publically publish our supplier list, we have shared this information with NGO's in the past for the purpose of research or evidence of traceability .

We also know that there is a risk our tier 1 suppliers may subcontract work unauthorised, we will explore the specific procedures in place for this risk later in this report.



Warehouses:
Australia &
Pennsylvania, US



• **Over 85% of suppliers:**
China

Factories:
Cambodia,
Indonesia,
Vietnam, India,
Pakistan and
Sri Lanka



Head Office:
Sydney,
Australia



Stores and Operations:
Australia & New Zealand





TIER 2 & 3

Whilst RAG's primary contractual trading arrangements are with our direct Tier 1 suppliers, we have some contractual arrangements with tier 2 fibre and fabric suppliers. However, whilst at this point, we do not know our full supply chain beyond tier 1, we acknowledge that we have a direct relationship through our suppliers to each part in the complex production and supply of our products.

We recognise the importance of supply chain traceability, and this is an active priority for our business. We have developed and are currently implementing a traceability action plan. Our objective here is to obtain proof (such as a certificate of origin for cotton) for each of the main raw materials used in the garments we manufacture, and to obtain transactional evidence to support this being used in our finished goods. The method for rolling out this action plan, is to successful test and implement this plan for Johnny Bigg first, with the intention to then roll out across the remainder of the group.

RAG are committed to use more sustainable materials from an ethical and an environmental perspective. Better Cotton's mission is to help communities survive and thrive while protecting and restoring the environment. At the time of writing this report, over 20% of our cotton for the year has been sourced as Better Cotton. We have set the target that by 2026, 50% of our cotton will be sourced as Better Cotton. Better Cotton is sourced via a system of mass balance and therefore whilst we invest in Better Cotton our products might not contain Better Cotton.



We are also committed to sourcing certified recycled polyester. Whilst this is primarily an environmental initiative, it does contribute to our traceability agenda for the group.

IDENTIFIED MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

Retail Apparel Group Pty Ltd and its brands (RAG) acknowledge the risk of Modern Slavery in global supply chains that we may cause, contribute to or be directly linked to.

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.

We recognise that in addition to the risks to the people in our supply chain, Modern Slavery also poses a risk to our business and to our industry and that through improving our traceability, transparency, and compliance function, we also gain many advantages including improved supply chain operations, higher quality products, improved team, and customer morale.

In addressing the risk within our supply chain, it is necessary we review considering industry, geographical, and commodity risks:

INDUSTRY RISKS	GEOGRAPHIC RISKS	COMMODITY RISKS
<p>The type of products we procure for retail and non-trade have different risks associated with those specific industries.</p> <p>For example, most of our sourcing is for apparel; and we have seen from our audit reports that the majority of garment workers in our factories are female who are at a higher risk of exploitation.</p>	<p>The countries and regions we source from may have a higher risk of Modern Slavery due to factors such as culture or the enforcement of legislation.</p> <p>In some countries, the legal age for work or the culturally accepted age for work is lower than 15. This increases the risk of child labour.</p>	<p>Different commodities are produced differently and pose different risks.</p> <p>For example, considering cotton makes up most of our raw materials used to make our products, as well as the location of our factories in Asia, there is an increased risk that the cotton used in our products could be from Uzbekistan, Turkmenistan or the Xinjiang region of China. All of these regions have an increased risk of forced labour.</p>

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

	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 or cleaning services		LOW
TIER 1	Final Stage Production	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	Inputs	Fabric mills, dye houses, wash houses, labelling, hanger suppliers, cartons etc.	Almost fully mapped	Child labour; debt bondage, and forced labour and migrant labour in the production and manufacture of leather		HIGH
TIER 3	Raw Materials	Cotton and Polyester represent approximately 70% of our supply chain. Viscose, Leather and linen represent about 4-5% each	Mapping project initiated (We have traced over 50% of our linen raw material to the farm in which it was picked. These have all been in Europe)	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

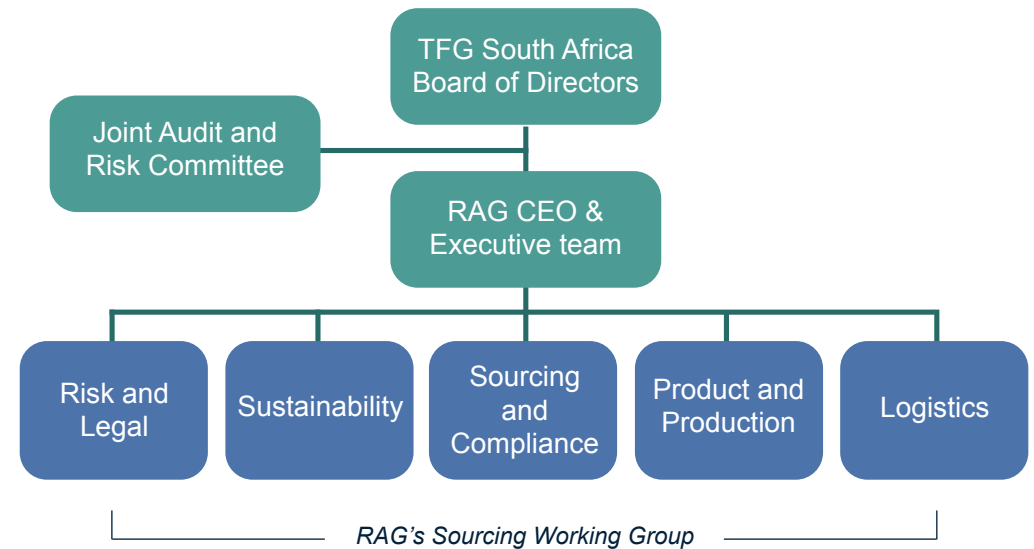
GOVERNANCE

RAG's governance framework is underpinned by various policies, procedures, and standards. The CEO and Executive team are directly responsible for the activities taken by all entities to assess and address Modern Slavery, including our reporting obligations under the Act. Our monthly sourcing and compliance KPI dashboards are included in our management monthly board packs.

Our parent company, TFG South Africa, also has direct oversight on Modern Slavery actions and reporting through the Group's Audit and Risk Committee which includes independent non-executive directors.

On a monthly basis during financial year 2021, our Sourcing Working Group convened to share information on Modern Slavery actions across the business, review and assess ethical sourcing KPIs, identify and collaborate on embedding Modern Slavery and broader human rights knowledge further across our operations and supply chains, and provide key inputs and consultation in the development of this statement.

Our Sourcing Working Group are responsible for the design, implementation and management of our Group's responsible sourcing policies and programs. They work, collaborate, and consult with our third-party auditors, governance teams to implement and manage these systems and processes effectively. Where issues or concerns are identified, we consult the wider team for input as well as, where necessary, consulting with third parties for additional guidance.



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 collaborate with our 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 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.

We are constantly reviewing our risks and compliance function to identify areas for improvement or new developments to reduce our risk of Modern Slavery. For example, we recognised that training is a key area in which we can improve. Last year we set an objective to prioritise training and this year we developed two key training programmes which are currently being rolled out:

1. Our supplier and factory training programme.

This RAG training is carried out by a third party and given to several members of each tier 1 factory (suppliers, factory managers, line managers and worker representatives). We have collaborated with our third-party auditor to develop this training which focuses on 5 key areas. See more detail below in section 3.

2. Our team sustainability training

As part of our company wide training programme on sustainability to our head office and store team members where we explore:

- the key risks of Modern Slavery to our business
- our procedures in place to reduce these risks
- educating our team where they can learn more on this topic.

In addition to our team wide training, tailored training is also provided to team members who work with suppliers of increased risk. For example, all of our new product and production team members engage in an onboarding meeting with our compliance manager to understand the business risks and our strategy and procedures.

We have also 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 subcontracting, act as warning indicators for these key Modern Slavery risks. RAG recognises that subcontracting itself is not considered Modern Slavery, but that it is a key indicator for factories of higher Modern Slavery risk.



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. In particular, in the last 12 months this has included:

<ul style="list-style-type: none">• Analysing factory capacity as a key measure in identifying risk areas for subcontracting	<ul style="list-style-type: none">• Developing our training programs
	<ul style="list-style-type: none">• Developing our traceability policies and platform
<ul style="list-style-type: none">• Case study examples being shared in our monthly working group as a learning for the rest of the brand on the risks identified, key indicators for the risk and the action plan in place/consultation gained/ results noted	<ul style="list-style-type: none">• Enhance the social & ethical auditing program to semi-announced audit
	<ul style="list-style-type: none">• RAG surveys for team members who visit factories
	<ul style="list-style-type: none">• Developing our grievance hotline for Bangladesh

We monitor and analyse completion; and measure the effectiveness of our procedures through our monthly brand compliance dashboard. Considering the risk of Modern Slavery in our industry and within our supply chain, we believe that detecting areas of concerns allows us to work with our supply chain to resolve them and improve our overall strategy. If our controls do not detect any issues at all, we believe this to be a weakness in our processes as opposed to a supply chain free from risk. 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. Our Code also includes our restricted list (processes, materials, entities etc.) In recent months we have updated our onboarding procedures to include traceability disclosure.	<ul style="list-style-type: none"> Monitoring of the number of active factories on a monthly basis Percentage of factories signed up to our Code
Factory risk level	As a group, we monitor our factory base on a monthly basis, ranking each factory on an ethical sourcing risk scale (from Very Low risk to Very High Risk). We base this scale off numerous factors including: audit results, unannounced inspection results, Corrective Action Plan (CAP) procedures, hotline calls, factory training prepared, factory capacity, etc. On a monthly basis we bring the very high-risk factories to the attention of our executive sourcing and production teams and share learnings on the risk and actions being taken to reduce the risk. Likewise, factories who have shown very low risk are flagged in this meeting and recommended to the group as best practise.	<ul style="list-style-type: none"> Each factory is rated on a risk level (Very Low, Low, Medium, High, Very High) List of Very High-Risk Factories List of Very Low-Risk Factories Factory capacity
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. In recent months we have transitioned our audit to be semi-announced, that means it will be performed within a two-week window to increase visibility and effectiveness of the audit.	<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 and reason why Number of governance breaches
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. We have also now developed a model and a platform to trace deeper into our third tier with an allocated resource who focuses directly on this initiative.	<ul style="list-style-type: none"> Current percentage of Tiers 1, 2, & 3 which have been traced Percentage of Tier 2 Fabric Mills with social and ethical accreditation Percentage of Tier 3 with social and ethical accreditation Percentage of raw materials from sustainable sources (e.g., Better Cotton, Recycled polyester etc.)
Whistle-blower and Grievance Policies	Improved worker grievance mechanisms including an anonymous grievance hotline for our tier 1 workers. Currently this is operative in Chinese factories only, however, we are currently in the final stages of developing this for our factories outside of China. 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. As of the reporting date, over 50% of our factories have had at least one unannounced inspection in the past 18 months. The other key risks investigated include subcontracting, and occupational health & safety.	<ul style="list-style-type: none"> Monthly number of physical inspections completed per month and the pass rate Monthly failures and their reason for failure (e.g., subcontracting, missing grievance hotline poster, concern for child labour, health, and safety concerns) Subcontracting incidents identified and related supplier Corrective Action Plans Status/Results
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
RAG Sourcing Working Group	Recurrent meetings for RAG's sourcing group to: <ul style="list-style-type: none"> Discuss our Modern Slavery risks and procedures Report and discuss KPIs Case studies Raw materials High risk factories (risks, due diligence results, Corrective Action Plans) Diversification Collaborative opportunities. 	<ul style="list-style-type: none"> Brands attendance at meetings
Internal team training	Internal training being rolled out to all team members in Head Office and stores on Sustainability and the risk of Modern Slavery to the people in our supply chain.	<ul style="list-style-type: none"> Number of head office team members trained
Factory/Supplier training	We are in the process of rolling out training to our suppliers and factories. This training will be a mixture of in-person and online and each factory taking the training will include supplier, factory management, line managers, worker representatives. The training covers: <ul style="list-style-type: none"> Brand introduction Our Code of Conduct Gender Equality RAG Grievance Hotline Health & Safety Common Audit Findings 	<ul style="list-style-type: none"> Number of factories who have received training Training feedback
Raw material sources	We continue to increase our use of more sustainable materials into our product	<ul style="list-style-type: none"> Raw material usage Raw materials – percentage sustainably sourced

4. DEVELOPING REMEDIATION PLANS

As mentioned above, we recognise that finding issues actually highlights strength in our procedure capabilities and effectiveness. Whilst the majority of our compliance results are positive, the majority of audit or inspection failures are as a result of minor incidents relating to sanitation or health and safety breaches which are not in isolation, indicative of Modern Slavery.

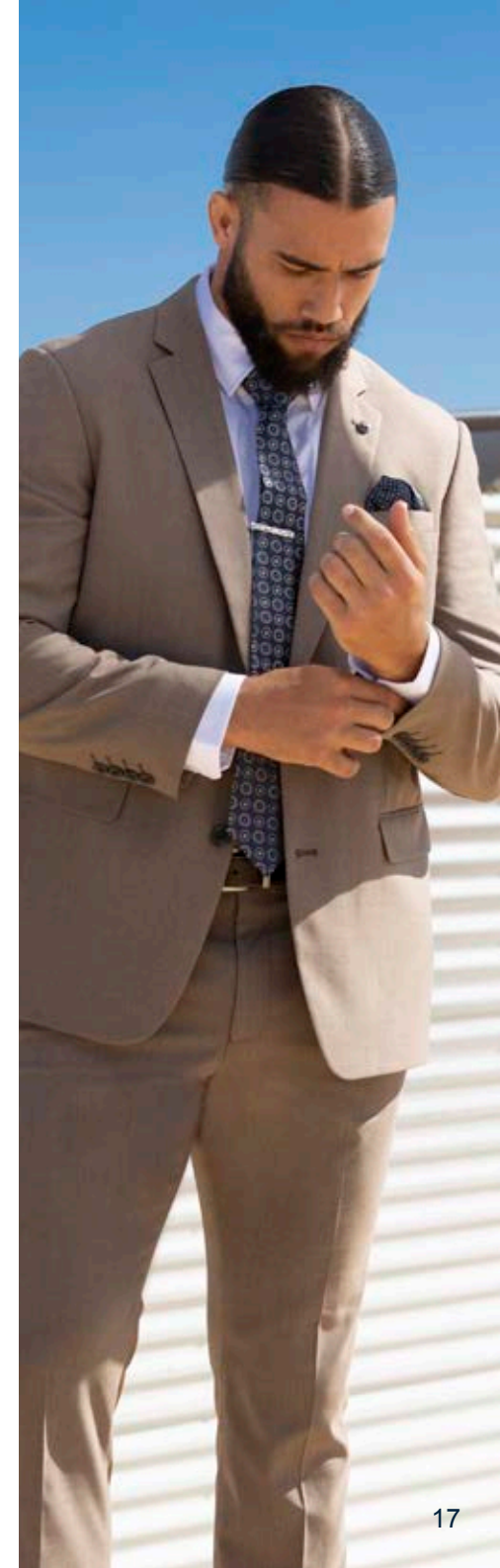
For example, any failure of our social and ethical audit requires a corrective action plan to be put in place and implemented. The supplier must be re-audited and achieve a pass before new orders can be placed.

Where more serious concerns are identified, we review the severity and the nature of the concern in determining the best steps to take in line with our remediation policy.

Where compliance procedures indicate a higher risk for Modern Slavery, a separate bespoke remediation and corrective action plan will be implemented based on internal management discussions and consultation with Be Slavery Free.

- i. Gather as much evidence as possible about the concern without increasing the risk to the potential victim
- ii. Consult with Be Slavery Free for their recommended course of action
- iii. Raise this issue internally with senior management and the brand to determine the best course of action
- iv. Depending on the specific concern, thereafter we will best endeavour to work with the factory to resolve any concerns and continue to monitor the factory as a high-risk factory going forward
- v. Where applicable we will identify other users of the factory to discuss their experience/raise their awareness
- vi. Continue to monitor factory and “perform follow up reviews as necessary

See below some case studies showing concerns which we identified through our compliance procedures, the Modern Slavery risks and our response and learnings.



RAG WORKING CASE STUDIES

FINDINGS	MODERN SLAVERY RISK	RAG DIRECT RESPONSE	GROUP LEARNING
<p>Through an unannounced inspection, our third-party inspector flagged a concern over a child present in a factory.</p> <p>On further investigation we identified that this was an infant being cared for while their parents worked.</p>	<p>Child labour</p>	<p>Considering the high risk and sensitive nature of this issue we brought this directly to senior management and consulted Be Slavery Free immediately for advice on best procedure before taking any action.</p> <p>We cautiously gathered additional evidence and the result concluded that this was a case of an infant in a work environment. Whilst we confirmed this was not child labour, it is a serious breach of our policy to have children in a hazardous work environment.</p> <p>We communicated directly to the factory the severity of our concern and reiterated that children cannot be in a hazardous environment. We continued to perform more frequent inspections of the factory who now remains in our high-risk dashboard.</p>	<p>Through this case study we recognised that the supplier did not understand the purpose for this element in our Code. This was one of the leading incidents which helped us recognise the need to develop a RAG tailored factory training program.</p>
<p>A key supplier used across the group had several unannounced inspection failures due to subcontracting.</p> <p>On closer inspection we realised the root cause for the subcontracting was because the factory capacity was too low for the amount of unit orders we were placing as a group.</p> <p>We also identified a gap in the supplier's understanding for why this was such a risk for our business.</p>	<p>Very High risk of subcontracting which increases our risk of forced or child labour</p>	<p>We consulted the supplier to understand their actual factory capacities. We worked with the supplier to understand our capacity needs which resulted in them onboarding new factories.</p> <p>We opened up our communication with the supplier to help them better understand the intent of our Code of Conduct. Once the supplier had a better understanding that our intention was to work with them to improve processes, we have noticed an improvement in their transparency, performance, and inspection results.</p> <p>The factory remains on our high-risk supplier dashboard, but due to recent results and frequent consultation their risk level has reduced.</p>	<p>We recognised the need to analyse the capacity for all of the group's factories to reduce this root cause for subcontracting reoccurring.</p> <p>We analysed a factory's capacity based on the following methodology:</p> <ul style="list-style-type: none"> • Number of sewing workers • Average output per worker per hour (type of product dependent) • Maximum working hours per week per worker in line with our Code • The percentage of the factory production capacity allocated to our brand <p>By implementing a maximum order amount per factory based on capacity we have reduced our risk of subcontracting and potential Modern Slavery.</p> <p>This case study also highlighted the benefit of supplier consultation and engagement in understanding our Code to get mutual benefits for all involved.</p>
<p>We received a grievance hotline call raising concerns over payment periods and working conditions.</p>	<p>Increased risk of forced labour and human rights abuses.</p>	<p>We gathered more information on the factory and our past relationship, consulted with Be Slavery Free and senior management; and held a meeting with the factory to understand the concerns further.</p> <p>We also realised via openapparel.com that a large global business also sourced from this factory recently and so we got in touch with them to see if they had any concerns from a Modern Slavery perspective which they did not at that time. We shared our experience with them.</p> <p>We are continuing to work with this factory through direct consultation, increased unannounced inspections and close monitoring to see if further improvements are made.</p>	<p>We amended our Code of Conduct to include reference to pay periods.</p> <p>We updated our factory training to include discussing pay periods, providing guidance on what is reasonable.</p> <p>We also recognised the opportunity in using openapparel.com as a resource to consult with other brands who may use the same factory as us on concerns over human rights and ethics.</p>

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.





NEXT STEPS

Our aims for the next year are:

1

Traceability

To trace deeper into our supply chain with certified documentation showing the raw material source and transactions through our chain of custody

2

Developing our compliance functions as we expand and diversify our supply chain

- Rolling out our hotline outside of China, tailored to the geographical risks of that region
- Increasing the amount of our factories who have had an unannounced inspection in the previous 24 months
- Performing a capacity analysis of all suppliers to reduce our risk of subcontracting
- Continue to update our risk register, encouraging our business to prioritise working with suppliers of lower risk and closely monitoring those of higher risk

3

Training

Rolling out our training across our internal business and to our factories

STATEMENT APPROVAL

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 29 September 2022.



Gary Novis, Chief Executive Officer
On behalf of the Retail Apparel Group Board of Directors

