WE INSPIRE OUR CUSTOMERS **TO LIVE THEIR BEST LIVES**

2022

INTEGRATED ANNUAL REPORT

THE FOSCHINI GROUP LIMITED

THIS YEAR WE LAUNCHED OUR NEW PURPOSE, VISION AND VALUES, WHICH REFLECT THE BUSINESS WE WANT TO BE.

The world has changed dramatically since we opened our first store in 1925, and how we conducted business in the past will not work in the future. To be successful, we cannot only keep up. Rather, we need to lead. This requires an ambitious vision, authentic values and a purpose beyond profit.

Purpose

We inspire our customers to

LIVE THEIR BEST LIVES

As a large, multi-brand, multi-segment fashion and lifestyle retailer, we sell products that touch every aspect of our customers' lives. This creates endless opportunities to inspire them.

Vision

TO CREATE THE MOST REMARKABLE

omnichannel experiences for our customers

This is the future of retail and goes to the heart of how we will bring our traditional bricks and mortar and new digital worlds together to offer a truly seamless customer experience.

Values

These values guide and inspire every individual within TFG, helping them remember that they are part of something bigger than themselves.

WE PUT OUR CUSTOMERS FIRST

If we don't please our customers, they'll find someone who does.

- We deliver the best quality customer outcomes by putting data and analytics at the heart of our decision-making.
- We embrace new ideas, technologies and innovations that help deliver the right product and the best shopping experiences to our customers.
- We ask questions and track the impact of our actions to continually enhance the customer experience, making sure we never lose a sale.

WE WORK SMART AND FAST

Today, staying in the same place means becoming irrelevant.

- We take quick, effective, and decisive action using data-led insights.
- We constantly push ourselves and one another to maximise the impact of our actions and find better ways to serve our customers.
- Our entrepreneurial spirit is brought to life by our "out of the box" problem solving and our commitment to fresh ideas and thinking.
- We know we don't have all the answers, but we push boundaries, take risks, try new things, and grow from our experience.

WE DO THE RIGHT THING

And we do things right.

- We care deeply about what we do and how we do it, taking accountability even when no one is looking.
- We are inclusive, we embrace diversity and treat everyone with equal dignity.
- If we make mistakes, we own them, rectify them, and use them to learn for the future.
- We build on the strengths of our heritage but are committed to continuous improvement for generations to come.

To arrive at our new purpose, vision and values, we looked far and wide and took inspiration from entrepreneurs, innovators and start-ups. We researched what the future of retail will look like. Finally, we looked at our own business to understand what sets us apart from our competitors and what we can do better as a business. With our new purpose, vision and values now defined, the next step is to make them part of how we work and engage with each other and with our customers.

We launched the change internally through communication campaigns and are transforming our physical and digital workspaces by relooking every touch point across our employee journey. This includes how we hire, assess and reward people, how we measure success and, ultimately, how we hold each other accountable. These actions are critical to ensure we embed our purpose, vision and values into our culture so they become "The TFG Way" for every employee across the business. We are bringing our purpose, vision and values to life for our customers by developing unique brand manifestos that show how our brands can inspire them.

CONTENTS

This report is interactive and contains hyperlinks that allow you to find the information you need easily, including additional detail referenced on our website.

ABOUT OUR REPORT

We proudly present our 2022 integrated annual report. This report tells you more about The Foschini Group Limited and explains how our strategy delivers outcomes that inspire our customers to live their best lives.

We split our subsidiaries into three segments, namely TFG Africa, TFG London, and TFG Australia.

TFG AFRICA

This refers to all our operations in Africa through 22 established brands. The TFG Africa business segment is managed from the Group's head office in Cape Town, South Africa. While information is provided on all three business segments, prominence is given to TFG Africa as it accounts for 69,8% of the Group's turnover.

TFG LONDON

This refers to the consolidated performance of the Phase Eight, Whistles and Hobbs brands. The TFG London business segment is managed by the local management team based in London, United Kingdom (UK). TFG London accounts for 14,4% of the Group's turnover.

TFG AUSTRALIA

This refers to the consolidated performance of the Connor, Johnny Bigg, Rockwear, Tarocash and yd. brands, collectively Retail Apparel Group (RAG). The TFG Australia business segment is managed by the local management team based in Sydney, Australia. TFG Australia accounts for 15,8% of the Group's turnover.

SCOPE AND COMPARABILITY

This report details the activities of The Foschini Group Limited and our subsidiaries (collectively referred to as TFG or the Group).

This report covers the financial year from 1 April 2021 to 31 March 2022. It includes significant events up to the Supervisory Board's approval date of 29 July 2022. Data presented in this report applies to the Group, unless specifically indicated otherwise. Data relating to financial, economic, social and environmental indicators remains broadly comparable to and consistent with our 2021 report. However, please consider the ongoing impact of COVID-19 when assessing TFG's performance and future prospects, as the pandemic may affect the comparability of financial and non-financial information.

REPORTING FRAMEWORKS

We present this report in accordance with the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)[1]; the Companies Act of South Africa, No. 71 of 2008, as amended; the JSE Limited (JSE) Listings Requirements; and the Value Reporting Foundation's <IR> Framework.

MATERIALITY

This report focuses on matters that materially impact our ability to create sustainable value and outlines how these matters impact our business strategy (page 16) while considering our stakeholders' perspectives (page 28). We identified our material matters, risks and opportunities using our Enterprise Risk Management Framework. Our material matters, risks and opportunities apply to the Group, albeit with different levels of likelihood and impact.

Read more about our process and relevant material matters, risks and opportunities on page 44.

[1] *Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

OUR REPORTING SUITE

This report is a concise communication, supplemented by reporting elements and information on our investor centre (www.tfglimited.co.za). Together with our integrated annual report, these reports provide a comprehensive view of TFG's performance.

Financial reporting		Governance reporting		Environmental and social reporting	
Target audience: Shareholders, investment community and analysts		Target audience: All stakeholders		Target audience: All stakeholders	
Reporting element	Assurance status and provider	Reporting element	Assurance status and provider	Reporting element	Assurance status and provider
Annual financial statements	Audited by Deloitte & Touche (see external audit report)	TFG corporate governance and Supervisory Board Committee reports	No external assurance	TFG Inspired Living Report	No external assurance
Results announcement	Reviewed by Deloitte & Touche	King IV register	No external assurance	TCFD report	No external assurance
Results presentation	No external assurance	Notice of annual general meeting	No external assurance	CDP report	No external assurance
				Carbon Footprint report	No external assurance
				B-BBEE credentials and scorecard	Assured by Honeycomb BEE Ratings Cape Town

In line with the global shift towards standardising non-financial reporting and definitions, we are moving towards structured data-driven environmental and social reporting.

We therefore revised our sustainability reporting to focus on our sustainability strategy, governance and key performance indicators. Our Inspired Living Report (as referenced above) is therefore not fully comparable to TFG's previous sustainability reports.

We also published our first report in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), demonstrating our awareness and intended management of climate-related issues that have a material financial and strategic impact on the business. This report is available on our website https://tfglimited.co.za/sustainability/. Another first is the Carbon Disclosure Project (CDP) submission for Forests and Water Security.

Readers are encouraged to consult the full reporting suite available online for a comprehensive view of TFG's financial and non-financial performance.

FEEDBACK

We value your feedback and endeavour to provide accurate, transparent and balanced information to our stakeholders. Please address comments and requests for printed copies of this report to our Company Secretary, whose contact details are on page 180. Should you elect to receive regular investor-related electronic communication from TFG, kindly provide your email address by emailing our Investor Relations department at investor_relations@tfg.co.za.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements regarding the results and business activities of TFG, which by their nature involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Various factors could lead to actual results or business activities that differ materially from those implied by these forward-looking statements. Accordingly, these forward-looking statements have not been reviewed or reported on by the Group's external auditors.

About our report continued

SUPERVISORY BOARD APPROVAL

The Supervisory Board acknowledges its responsibility to ensure the integrity of the integrated annual report and collectively reviewed and assessed its content.

The Supervisory Board believes that the integrated annual report:

- was prepared in accordance with the <IR> Framework;
- presents the material matters impacting the Group in a balanced way;
- fairly represents TFG's integrated performance and future prospects; and
- adequately presents TFG's strategy and how it enables the Group to sustainably create value in the short, medium and long term.

We provide further information on the procedures, controls and responsibilities related to the preparation of the integrated annual report on page 56.

The Supervisory Board approved the 2022 integrated annual report on 29 July 2022.

M Lewis	Chairman
A E Thunström	Chief Executive Officer (CEO)
G H Davin	Lead Independent Non-Executive Director
B Ntuli	Chief Financial Officer (CFO)
Prof. F Abrahams	Independent non-executive director
C Coleman	Independent non-executive director
D Friedland	Independent non-executive director
B L M Makgabo-Fiskerstrand	Independent non-executive director
E Oblowitz	Independent non-executive director
N V Simamane	Independent non-executive director
R Stein	Independent non-executive director
A D Murray	Non-executive director

02

WHO WE ARE

THIS IS TFG

13,0%
COMPOUND ANNUAL GROWTH RATE IN TURNOVER OVER FIVE YEARS

10,0%
COMPOUND ANNUAL GROWTH RATE IN SPACE FOR TFG AFRICA OVER FIVE YEARS

30 LEADING FASHION LIFESTYLE RETAIL BRANDS

4 351
TRADING OUTLETS IN

24
COUNTRIES ON

5
CONTINENTS

SPECIALIST IN-HOUSE CAPABILITIES FOR MARKET-LEADING STORE DESIGN AND UPGRADES, FASHION DESIGN AND MANUFACTURING

Income diversification
THROUGH 80%:20% CASH VS CREDIT SALES CONTRIBUTION

Integrated online platform FOR ALL TFG AFRICA ONLINE BRANDS WITH SINGLE CHECKOUT AND MULTIPLE PAYMENT OPTIONS

27,8 million
myTFGrewards LOYALTY MEMBERS (TFG AFRICA)

16 million SOCIAL MEDIA FOLLOWERS AS AT 31 MARCH 2022 ACROSS ALL TFG BRANDS AND

80,3% INCREASE IN SITE VISITS DURING THE PAST FINANCIAL YEAR

13,4% TFG AFRICA MARKET SHARE OF ONLINE TRAFFIC COMPARED TO PUREPLAY OR "ONLINE ONLY" BRANDS AND **24,5%** COMPARED TO "BRICK AND MORTAR" BRANDS

38 329 EMPLOYEES
13+ YEARS AVERAGE FASHION RETAIL EXPERIENCE AMONG EXECUTIVE MANAGEMENT

OUR CORPORATE PROFILE

TFG is one of South Africa's foremost independent chain-store groups and has a diverse portfolio of 30 leading fashion and lifestyle retail brands offering clothing, jewellery, cellphones, accessories, cosmetics, sporting apparel and equipment, and homeware and furniture from value to upper market segments.

TFG was established in 1924 and listed on the JSE in 1941.

The majority of our turnover is in the form of cash sales to customers, with the balance being from our own in-house credit offering. We offer credit to customers in South Africa, Namibia, Botswana, Lesotho and eSwatini. We generate revenue from interest received on customers' store cards and through value-added services available to our TFG Africa customers.

We focus on speciality retail where we invest in brands and build brand equity. Our brands cater for market segments from value to upper income while providing convenient shopping experiences in-store and online. Our unique portfolio of brands, geographic spread and customer retention initiatives differentiate us from other retailers locally and abroad.

TFG Africa's most significant markets are South Africa and Namibia. TFG London's most significant markets are the UK and Ireland. TFG Australia focuses on Australia and New Zealand.

We source our product offering locally and offshore, with strong in-house design teams across all business segments. We coordinate TFG Africa's manufacturing capabilities through our own factories and various independent cut, make and trim (CMT) factories with whom we have strategic alliances. This provides significant quick response (QR) capability and is a key differentiator for the Group.

VALUE CREATED IN 2022

ACHIEVED RECORD-HIGH GROUP RETAIL TURNOVER OF
R43,4 billion

1 009,0 (cents)
HEADLINE EARNINGS PER SHARE (HEPS)

INVESTING FOR THE FUTURE WITH
R1 600 million
CAPITAL INVESTMENT

67% OF THIS INVESTMENT WAS EXPANSIONARY AND SUPPORTS OUR DIGITAL TRANSFORMATION JOURNEY

10,2% GROUP ONLINE TURNOVER CONTRIBUTION, UP **11,7%** YEAR-ON-YEAR WITH DEMAND FOR ONLINE EXPECTED TO CONTINUE INCREASING

+7 176
MORE JOBS AND WORKPLACE OPPORTUNITIES, MANY SUPPORTING GOVERNMENT'S RETAIL-CLOTHING, TEXTILE, FOOTWEAR AND LEATHER (R-CTFL) VALUE CHAIN MASTERPLAN

OVER
R250 million
INVESTED IN 2022 TO CREATE A DIVERSIFIED LOCAL SUPPLY CHAIN, WORKING WITH THE SOUTH AFRICAN GOVERNMENT AND THE DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

73%
OF OUR TOTAL APPAREL WAS PROCURED LOCALLY IN SOUTH AFRICA AND NEIGHBOURING SADC COUNTRIES

2 465 LEARNERSHIP AND INTERNSHIP OPPORTUNITIES

R105 million IN SOCIAL IMPACT INITIATIVES INCLUDING ENTERPRISE AND SUPPLIER DEVELOPMENT AND SUPPORT TO COMMUNITIES AND NGOs

TFG AFRICA JOINS TFG LONDON AND TFG AUSTRALIA AS PROUD MEMBERS OF BETTER COTTON

PROUDLY B-BBEE **level 3**

2 149 EQUITY PROMOTIONS AMONGST OUR EMPLOYEES

+R2 billion MORE BUSINESS TO BLACK-OWNED SUPPLIERS

AN OVERVIEW OF OUR STRATEGY

BUILD OUT diversified, high brand-equity businesses

OPTIMISE sourcing mix and supply chain efficiency

LEVERAGE our assets – customer data, store footprint, talent and product assortment

TRANSFORM into a true omnichannel retailer and platform play

SUSTAIN ourselves and our stakeholders into the future

OUR 6 CAPITALS ARE INPUTS TO OUR STRATEGY AND OPERATING SYSTEM AND LINK TO OUR STRATEGIC OUTCOMES

SIX CAPITALS	TFG STRATEGY AND OPERATING SYSTEM	STRATEGIC OUTCOMES
FINANCIAL CAPITAL	BOLTS	PROFIT
HUMAN CAPITAL		GROWTH
SOCIAL CAPITAL		LEADERSHIP
MANUFACTURED CAPITAL		CUSTOMER AND EMPLOYEE OBSESSION
INTELLECTUAL CAPITAL		
NATURAL CAPITAL		

INTRODUCING BOLTS

Our new Purpose and Vision are brought about by our corporate strategy which was refined and more clearly defined during the year.

The strategy comprises of five strategic pillars set out on the next page, supported by an integrated sustainability imperative embedded in both the philosophy and execution thereof.

The strategy is executed through a number of initiatives which have been rigorously evaluated on both a qualitative and quantitative basis.

OUR STRATEGY FUNCTION

In support of the strategy planning, development and execution, the Group established a Strategy Office and appointed a Chief Strategy Officer that reports to the CEO.

The responsibility of this team is to support the operating board it the delivery of the strategy through various functions:

1. The management of the strategy development process at both a business unit level as well as a corporate level and the alignment between these and our strategic aspiration and vision.
2. The identification and evaluation of strategic initiatives and growth opportunities within the BOLTS framework.
3. The measurement of the performance, progress and business impact of strategic initiatives including the interface and interdependency of these.

BUILD OUT

Our aspiration and strategy is fundamentally a **growth** one. This will be brought about organically through the development of our own businesses, and **inorganically** through strategic partnerships and acquisitions.

Our diverse brand and customer mix presents compelling **location opportunities** that we rigorously evaluate against key criteria in both known locations and new nodes.

We continue to focus on driving the proportion of high margin **own-branded product** to mitigate direct-to-consumer.

Additionally, we are investing in the **value segment** – particularly in South Africa and Australia where there are known growth prospects.

Our Group scale, platform and e-commerce capabilities provides operating leverage opportunities to integrate **new businesses** to the group.

OPTIMISE

We continue to invest in both the capabilities and capacity for **local manufacture** in South Africa.

The near-shore benefits to our businesses, as well the social performance and impact are well demonstrated.

↑ Sales margin | Trading into higher demand for fashion items | Stock holding ↓

Increasing volumes of production are being shifted to a **Quick Response** manufacture methodology that links demand side signals to supply planning – in addition to reducing overproduction and the risk of textile waste to landfill.

In order to drive further efficiencies through the supply chain, an integrated programme of **distribution centre consolidation and development** has been undertaken in support of both our stores and omni-channel fulfilment plans.

LEVERAGE

The diversified range of businesses and customer segments served by our Group provides the opportunity to leverage group scale in a number of areas.

Specific areas of focus for increased leverage are **customer data** and how this will enable our vision to create remarkable omni-channel experiences.

Our **store-footprint** is extensive and represents a wide variety of opportunities to serve customers in new and innovative, digitally enabled ways.

TRANSFORM

To achieve the new vision of creating remarkable omni-channel experiences for our customers, the TFGLabs division has worked with the business to develop a single **new brand and platform** that combines our product catalogue, brands, customers, foot traffic and store network.

We are deliberately investing in critical **enabling capabilities** such as software and app engineering – bringing them in-house to deliver faster and more customer centric solutions.

Additionally, we have invested in **last-mile delivery capability** which will be built out and scaled alongside our platform.

SUSTAIN

The incorporation of the letter S for Sustainability references the integrated nature of ESG in our strategy and how it is fundamental to the realisation of those other strategic pillars.

Three sustainability objectives were defined to explain what we seek to achieve for our business and our stakeholders through a more sustainable business model.

Fashion that connects people and their passion

Fashion that shares the benefit of enterprise

Fashion that restores our relationship with nature

We take an integrated view **through our value chain** in identifying focus areas and initiatives.

SUSTAINABILITY INTEGRATED IN CORPORATE STRATEGY

Sustainability forms an integral and integrated part of our corporate strategy. It works towards achieving three clear objectives across our territories. Although our ways of working may differ, they are aligned to achieving these common objectives.

B – **BUILD OUT** diversified, high brand-equity businesses

O – **OPTIMISE** sourcing mix and supply chain efficiency

L – **LEVERAGE** our assets – customer data, store footprint, talent and product assortment

T – **TRANSFORM** into a true omnichannel retailer and platform play

S – **SUSTAIN** ourselves and our stakeholders into the future

Our sustainability objectives

1. **Fashion that connects** people and their passion
2. **Fashion that shares** the benefit of enterprise
3. **Fashion that restores** our relationship with nature

Our sustainability working groups

1	2	3
TFG Africa: People and Communities Localisation and Job Creation	**TFG Africa:** Localisation and Job Creation	**TFG Africa:** Product stewardship and supply chain and Environmental Efficiency
TFG London: People	**TFG London:** Manufacturing	**TFG London:** Planet, Materials
TFG Australia: People	**TFG Australia:** Community	**TFG Australia:** Planet

Our stakeholders

We specifically look to achieved outcomes that represent shared-value between TFG and our stakeholders, whilst minimising externalities and risks. Many of the areas in which we have made the most progress have come about through partnerships and working with representatives from, and for the interests of, our stakeholder groups.

Customers | Shareholders | Environment | Employees | Suppliers | Government, legislators and regulators | Non-profit organisations and communities

Specific targets supported

As a Group, we focus on three United Nations' Sustainable Development Goals (UN SDGs) and particular targets where our efforts and operations contribute most meaningfully to those global goals.

Targets	
8.2 Diversify, innovate and upgrade 8.3 Promote policies to support job creation and growing enterprises 8.5 Full employment and decent work with equal pay 8.6 Promote youth unemployment, education and training	The expansion and growth of both the manufacturing capacity, as well as extensive store footprint supports direct job creation. Additionally, the provision of learnerships, apprenticeships and internships, coupled with the YES programme supports a pathway to further employment opportunities.
9.2 Promote inclusion and sustainable industrialisation 9.3 Increase access to financial services and markets	Through the Group's strategy, and partnership with Government through the R-CTRL masterplan, the company is increasing the proportion and volumes of locally manufactured product. The company does this through direct investment in factories and equipment. The Group's responsible provision of credit often represents the first line of credit for consumers to access formal financial services.
12.2 Sustainable management and use of natural resources 12.5 Substantially reduce waste generation 12.6 Encourage companies to adopt sustainable practices and sustainability reporting	Through the Group's product stewardship working groups and commitments to specific sustainable sourcing targets for particular commodities, we are working towards more sustainable use of resources. Waste programmes are in place for both manufacturing and business waste and we aim to send zero waste to landfill.

VALUE CREATION AND SUSTAINABILITY PROGRESS HIGHLIGHTS

TFG Africa: TFG Africa joined TFG London and TFG Australia as members of Better Cotton and all three territories have now committed to time-bound targets for the sustainable sourcing of cotton

Signed a Promotional Licence Agreement with the Forest Stewardship Council® (FSC®), to show our commitment to sourcing from responsibly managed forests

TFG London: 41% uptake of sustainable fibres (outer fabric) achieved

TFG London: Implementation of the SEGURA supply chain platform

TFG Australia:
100% of tier 1 suppliers mapped
197 unannounced inspections performed on tier 1 factories
100% of tier 1 suppliers have valid social and ethical accreditation

TFG Africa: 87% of top 100 suppliers are SEDEX members

TFG London: 100% of tier 1 and 2 suppliers mapped

TFG Africa: We increased local manufacturing capacity and further verticalisation in our homeware segment through acquisitions
- Granny Goose with its manufacturing facility, Cotton Traders
- Tapestry Home Brands
- House of Monatic, Trade Call Investments Apparel, Radeen Fashions and Playtex

73% of our total apparel manufactured locally in Southern Africa
65% of tier 1 local apparel suppliers mapped
1 520 manufacturing jobs and 607 contract work opportunities created in local supply chain
100% of textile waste from TFG Africa own manufacturing repurposed or recycled

TFG Africa: 89% of supplier cartons reused

TFG Africa: Commenced integrated energy plan – 633 stores completed since October 2021

Progressively shifting to 100% post-consumer plastic recycle shopper bags

425 youth provided with workplace experience opportunities through the YES initiative

TFG Australia: Commenced paper packaging strategy

TFG Africa: Multiple ranges with sustainable raw materials launched

Markham Flip-your-Flop campaign to recycle old flip flops

Partnerships with the Clothing Bank and Gift of the Givers to extend the life of fashion and electronics through re-sale and enterprise development

TFG Australia: Partnership with Upparel to ensure garments or trimmings that are not donated to charity, are repurposed, upcycled or recycled

Partnership with Thread Together to extend the life of products through donations

OUR BRANDS

We have a comprehensive portfolio of 30 retail brands that offer clothing, footwear, jewellery, sportswear, mobile phones and technology products and homeware and furniture. Our diverse brands allow us to push the boundaries of the retail industry in new and innovative ways – helping us achieve our vision to create the most remarkable omnichannel experience for our customers.

TFG'S RETAIL BRANDS SPAN VARIOUS MARKET SEGMENTS[2]

[2] myTFGworld, the Group's online marketplace, consolidates 21 of TFG Africa's brands on one online platform.

Read more about our brands in appendix 7 on page 170.

TFG AFRICA (OUTLETS)

67,6% OF TURNOVER

@home, @homelivingspace, AmericanSwiss, ARCHIVE, EXACT, FABIANI, FIX, FOSCHINI, GALAXY&CO, G-STAR RAW, hi, Jet, Jet Home, MARKHAM, myTFGworld, RELAY JEANS, RFO, SNEAKER FACTORY, sportscene, STERNS 1896, TOTALSPORTS

TFG AUSTRALIA (OUTLETS)

14,3% OF TURNOVER

CONNOR, Johnny Bigg, ROCKWEAR, TAROCASH, yd.

TFG LONDON (OUTLETS)

7,9% OF TURNOVER

HOBBS LONDON, Phase Eight, WHISTLES

E-COMMERCE

10,2% OF TURNOVER

@home, @homelivingspace, AmericanSwiss, ARCHIVE, CONNOR, EXACT, FABIANI, FIX, FOSCHINI, GALAXY&CO, G-STAR RAW, hi, HOBBS LONDON, Jet Home, Johnny Bigg, MARKHAM, Phase Eight, RELAY JEANS, ROCKWEAR, sportscene, STERNS 1896, TAROCASH, TOTALSPORTS, WHISTLES, yd.

We have well-established e-commerce platforms and a leading omnichannel offering that provides customers with a one-stop shopping experience across all our merchandise categories. The contribution to revenue of our e-commerce brands is on a growth trajectory, and the Group continues to invest in e-commerce and omnichannel innovation.

MERCHANDISE CATEGORIES

TFG's merchandise categories respond to merchandise and fashion trends and are used as the basis for inventory management, planning and profitability analyses.

Cellphones	AmericanSwiss, ARCHIVE, EXACT, FABIANI, FIX, FOSCHINI, G-STAR RAW, hi, MARKHAM, RELAY JEANS, RFO, SNEAKER FACTORY, sportscene, STERNS, TOTALSPORTS
Clothing: family	EXACT, Jet, RFO
Clothing: female fashion	FIX, FOSCHINI, HOBBS LONDON, Phase Eight, ROCKWEAR, WHISTLES
Clothing: male fashion	CONNOR, FABIANI, G-STAR RAW, Johnny Bigg, MARKHAM, RELAY JEANS, TAROCASH, yd.
Clothing: sport	ARCHIVE, SNEAKER FACTORY, sportscene, TOTALSPORTS
Clothing: youth fashion	FOSCHINI
Cosmetics	FOSCHINI
Homeware and furniture	@home, @homelivingspace, Jet Home
Jewellery	AmericanSwiss, GALAXY&CO, STERNS

OUR FOOTPRINT

Group

4 351
TOTAL OUTLETS
(2021: 4 284)

38 329
TOTAL EMPLOYEES
(2021: 34 891)

TFG Africa

3 087
TFG AFRICA OUTLETS
(2021: 2 929)

32 842
EMPLOYEES
(2021: 28 987)

TFG London

688
TFG LONDON OUTLETS
(2021: 801)

1 915
EMPLOYEES
(2021: 2 480)

TFG Australia

576
TFG AUSTRALIA OUTLETS
(2021: 554)

3 572
EMPLOYEES
(2021: 3 424)

Insourced distribution centres

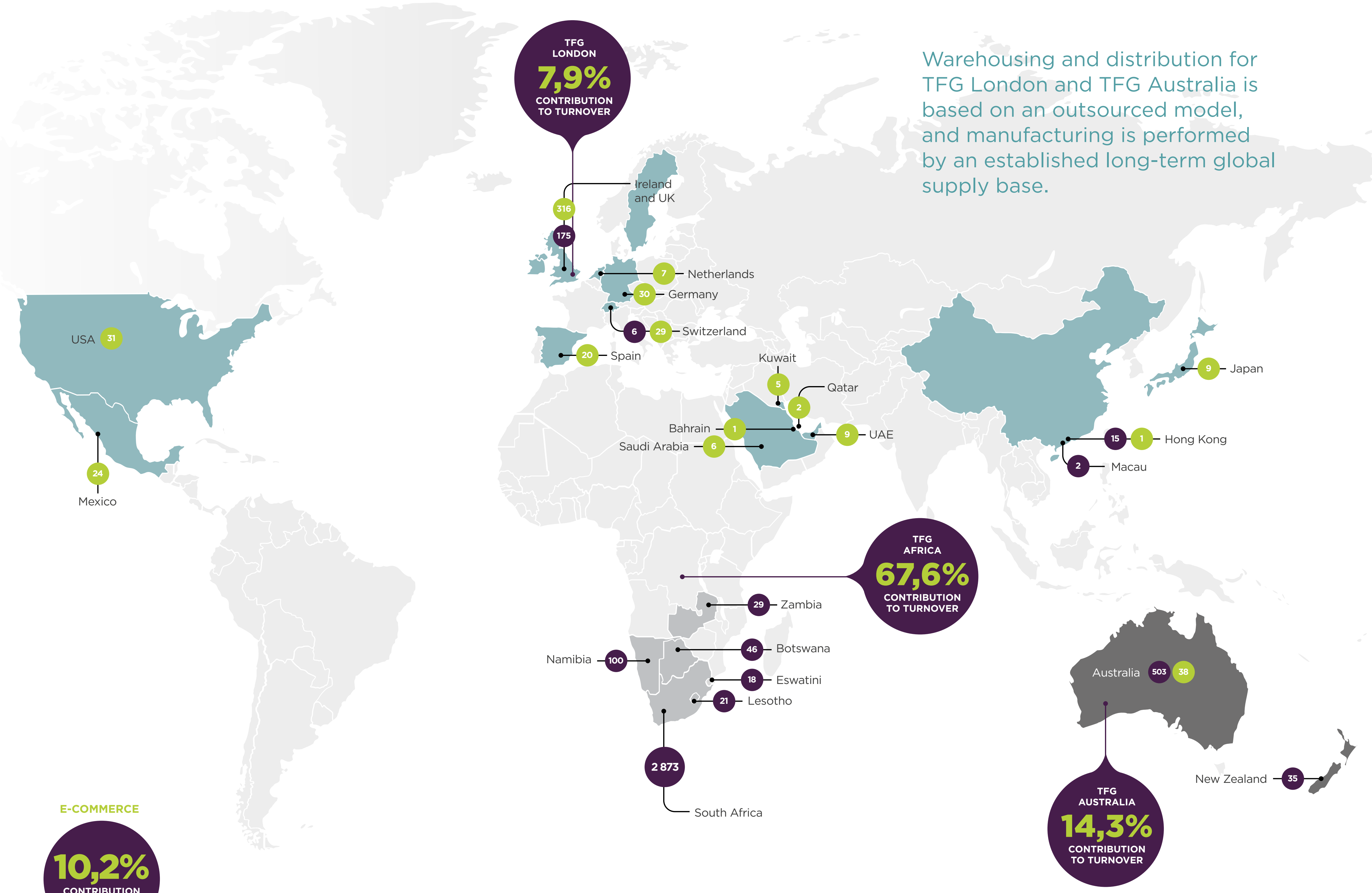
6 | 44 739m²
SOUTH AFRICA – WESTERN CAPE

1 | 22 000m²
SOUTH AFRICA – GAUTENG

1 | 25 000m²
SOUTH AFRICA – DURBAN

8 | 91 739m²
SOUTH AFRICA – TOTAL

Warehousing and distribution for TFG London and TFG Australia is based on an outsourced model, and manufacturing is performed by an established long-term global supply base.



E-COMMERCE

10,2%
CONTRIBUTION TO TURNOVER

Refer to page 88.

TFG Africa procures merchandise locally in South Africa as well as through imports. In South Africa, TFG Merchandise Supply Chain directs the manufacturing of clothing, with 73% of TFG Africa's clothing procured from its own factories and other local CMT factories with who we have strategic alliances.

- TFG's number of stores
- TFG's number of concessions
- TFG Africa
- TFG London
- TFG Australia

OUR REACH

We continue to expand our reach to find even more opportunities to inspire our customers and set us apart from our competitors. We have the second largest retail store footprint in South Africa and are growing the scale of our operations in the UK and Australia. Our expansion is supported by significant investment across the Group to transform into a tech-led omnichannel retailer. We offer our customers unrivalled fashion and lifestyle choices through more than 30 individual brands and more than 120 000 styles.

	TFG Africa	TFG London	TFG Australia
Number of brands	22	3	5
Number of stores	3 087	198	538
Number of concessions	–	490	38
Number of employees (head office)	8 186	456	223
Number of employees (retail)	24 656	1 459	3 349
Number of transactions	72 947 894	*	6 682 251
Number of items ordered online	2 551 115	2 126 880	1 738 585
Retail space (m^2)	1 237 043	15 367	83 836
Number of customer store visits	380 024 383	*	32 228 842
Number of customer website visits	130 628 963	129 593 552	15 476 194
Number of social media followers	14 239 905	924 730	611 962
Number of manufacturing facilities	5	–	–
Number of distribution centres	8	3	5
Number of units handled through distribution centres	156 622 002	6 729 473	18 196 700

* *Metrics cannot be measured due to concession stores.*

EXTENDING OUR REACH TO BECOME A TRUE TECH-LED OMNICHANNEL RETAILER

TFG's vision
To create the most remarkable omnichannel experience for our customers

WE WILL

TFG Labs' purpose
Simply advance fashion and lifestyle retail, for the better

In June 2021 we launched TFG Labs, our technology division, to establish TFG as the biggest and most profitable fashion and lifestyle e-commerce destination on the continent, while transforming the Group into a high-tech omnichannel retailer. This is the next step in our digital transformation journey and builds on our continuous investment to build a formidable e-commerce offering that spans people, merchandising, store technology, fintech, logistics and customer experience.

Why we are transforming

Globally, all successful traditional bricks and mortar retailers are pivoting their businesses into technology-enabled omnichannel platforms. Within South African retail, online sales have more than doubled in the past two years and competition has emerged from non-traditional rivals, including local pureplays and direct-to-customer international competitors.

Digital adoption has come of age, and we need to stay ahead to remain relevant.

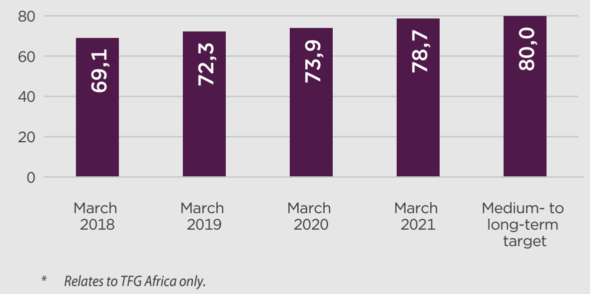
88% OF THE GLOBAL POPULATION OF ADULTS HAVE A MOBILE PHONE

99% OF SOUTH AFRICAN INTERNET USERS OWN A SMART PHONE

70% OF THE GLOBAL POPULATION OF ADULTS HAVE A SMART PHONE

62% OF SOUTH AFRICA'S POPULATION IS YOUNGER THAN 35: THEY ARE WEANED ON DIGITAL AND EXPECT DIGITAL EXCELLENCE

SOUTH AFRICA'S ONLINE RETAIL REVENUE (R BILLION) (1996 – 2022)



Sources:
Benedict Evans: Source – World Bank, GSMA, Apple, Google, CNNIC, ITU (2020)
World Wide Worx: Online retail in SA (May 2021)

We have the building blocks to not only succeed, but lead

Revolutionising TFG's omnichannel platform offers South African consumers an unrivalled selection of quality brands and products and the freedom to shop seamlessly across a myriad of locations. The simplicity of shopping when and how they want is an incredible strategic advantage for TFG.

27+ **MILLION CUSTOMERS**

South Africa's largest **QR MANUFACTURING CAPABILITY**

IN-HOUSE CREDIT capability

South Africa's **LEADING FASHION AND LIFESTYLE SHARE** of online traffic versus our traditional competitors and second only to Takealot

14 239 905 **SOCIAL MEDIA FOLLOWERS**

2 873 **STORES** and

8 **DISTRIBUTION CENTRES** handling

156,6 **MILLION UNITS**

22 **STORE BRANDS**

200+ **CONSUMER BRANDS**

120 000 **STYLES**

Delivered through one digital platform

Over the past year, TFG Labs identified and executed on transformative digital projects to ensure we are positioned for omnichannel leadership

Some achievements to date: moving from mediocre to globally competitive.

Established TFG Labs as a tech employer of choice: TFG Labs was branded and launched as a modern technology business that offers an innovative, entrepreneurial, high-performance working environment, enabling us to attract the best tech talent in the country.	**Built a diverse high-calibre engineering team:** Our focus is on in-house development by in-house engineering teams to establish TFG as a true tech business. At 31 March 2022, TFG Labs had 159 engineers, product managers, data scientists, logistics and operations specialists and digital marketers.	**Completed the Flat Circle acquihire:** The talent acquisition reinforced the development of TFG's digital platform. Flat Circle is a specialist mobile app development company – and its mobile expertise is significant considering that mobile will become the dominant platform for e-commerce sales within the next two years.	**Acquired last mile delivery business Quench:** The acquisition included Quench's marketplace platform of 60+ vendors, leapfrogging TFG's last mile delivery capability and enabling our 'ship-from-store' strategy. Delivery price, reliability and speed are also highly correlated to e-commerce penetration and purchase frequency.
Launched TFG Labs Incubator Programme: Through this programme we are creating first-time employment for high-calibre engineering graduates and individuals with unconventional coding backgrounds.	**Launched Freshdesk Customer Success tool:** We investigated, evaluated, implemented and launched a best-in-class customer service tool that embodies TFG's values of putting our customers first and working smart and fast to do the right thing. We are therefore better able to inspire.	**Online fulfilment cost per order decreased by 19%:** And it is consistently improving over time. **Marketing return across ad spend of 344% across our brands:** Building even better brand equity at a lower cost.	**Rebuilt taxonomy and re-classified all inventory:** For the first time, we have end-to-end sight of our inventory by the same classification. This improves online searchability and benefits inventory discovery.

Since the launch of TFG Labs, we have made significant step-change gains in improving our online and customer satisfaction metrics in South Africa.

TFG AFRICA ONLINE TURNOVER GREW BY **18%** TO JUST SHORT OF **R1 BILLION** DURING A YEAR OF REPLATFORMING

COST PER ORDER DECREASED BY **19%**

AVERAGE ORDER TURNAROUND TIME DECREASED BY **10%**

ON-TIME LAST MILE DELIVERIES IMPROVED BY **50%**

46% GROWTH IN FIRST-TIME ONLINE BUYERS

ONLINE VISITORS INCREASED BY **34%**

CUSTOMER SATISFACTION INCREASED TO **83%**

20% DECREASE IN CALL CENTRE CONTACTS DESPITE THE INCREASE IN ONLINE TURNOVER

What's coming next

TFG has the most advanced and valuable combination of omnichannel assets in South Africa. Led by our team of 159 high-calibre e-commerce specialists, TFG Labs is working hard to replatform our business and harness these assets to deliver an unrivalled choice of brands, product ranges and SKUs to consumers. This includes our own products as well as those of selected third-party vendors.

In the year ahead, we will launch a single new brand and platform that combines our product catalogue, brands, customers, foot traffic and store network – to offer our customers an unrivalled selection across fashion and lifestyle goods. This platform will deliver a first-of-its-kind experience to South Africans. Watch this space!

OUR TIMELINE

OUR HISTORY AT A GLANCE

George Ivan Rosenthal founded TFG in 1924. He started out in clothing retail in America, but became interested in other markets when the boom days in America ended. His research showed that while South Africa was very much an underdeveloped country, it had a traditional fondness for American goods and know-how, and so he set sail for South Africa with little money, a lot of confidence and a grand plan. When naming his company, he decided on an old Italian name, Foschini.

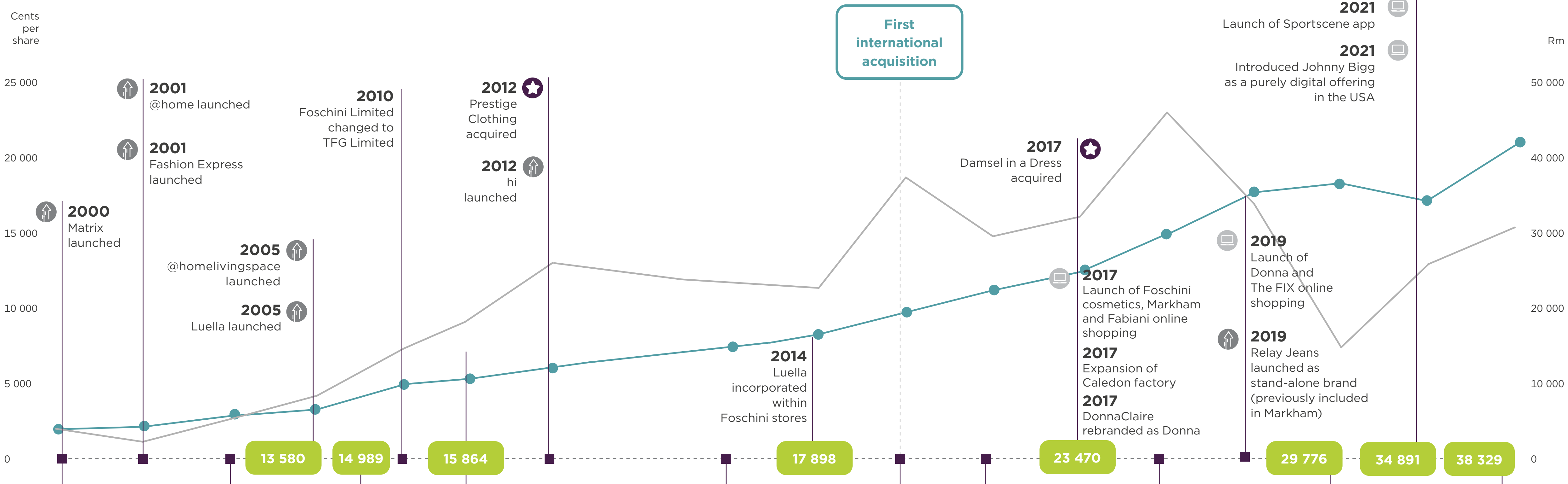
He found that Johannesburg was one of the best shopping areas in South Africa and started leasing premises. On 27 November 1925, the first Foschini store opened on Pritchard Street, Johannesburg and more stores across South Africa soon followed. For the first time, South African women had access to fashion garments – garments that were affordable, well-made, up-to-date and accessible to a wider public.

Foschini had arrived.

He continued to expand the business and within two years after opening, Foschini had nine branches across South Africa. In 1941, George registered Foschini Dresses Proprietary Limited on the Johannesburg Stock Exchange, the first clothing retailer to do so.

In 1958, Stanley Lewis bought what became a controlling shareholding in Foschini Limited. It then comprised only the Foschini business which sold largely ladies dresses. Over the next 40 years he oversaw the Group's rapid growth and diversification, including the acquisition of American Swiss, Markham in the late 1960s. During his tenure as Chief Executive and Executive Chairman he invested heavily in technology and laid the strong foundations on which the contemporary TFG has been built.

Since then, the Group has continued to grow, selling a broad range of merchandise categories to customers in-store and online.



2000 Matrix launched

2000 Totalsports acquired

2001 @home launched

2001 Fashion Express launched

2004 Duesouth launched

2005 @homelivingspace launched

2005 Luella launched

2008

2010 Foschini Limited changed to TFG Limited

2011 Fabiani acquired

2011 Charles & Keith franchise partnership

2011 Franchise rights for G-Star RAW in South Africa acquired

2012 Prestige Clothing acquired

2012 hi launched

2013 Matrix rebranded as Mat & May

2014 Luella incorporated within Foschini stores

2015 Phase Eight acquired

2015 RCS disposal

2015 Launch of @home and hi online shopping

2016 Launch of Totalsports, Sportscene and Duesouth online shopping

2016 SODA Bloc launched

2016 Franchise rights for Colette acquired

2016 Franchise rights for Next acquired

2016 Fashion Express rebranded as The FIX

2016 Whistles acquired

2017 Damsel in a Dress acquired

2017 Launch of Foschini cosmetics, Markham and Fabiani online shopping

2017 Expansion of Caledon factory

2017 DonnaClaire rebranded as Donna

2018 RAG acquired

2018 Launch of @homelivingspace, Exact, Foschini and SODA Bloc online shopping

2018 Hobbs acquired

2018 SODA Bloc incorporated within Foschini stores

2018 Next franchise rights ended

2018 Archive launched as stand-alone brand (previously included in Sportscene)

2019 Launch of Donna and The FIX online shopping

2019 Relay Jeans launched as stand-alone brand (previously included in Markham)

2020 Sneaker Factory and RFO brands launched

2020 Duesouth Escapes launched as stand-alone brand (previously included in Duesouth)

2020 Closure of Duesouth

2020 Charles & Keith franchise partnership ended

2021 Jet acquired

2021 Launch of TFG Jewellery online, including Galaxy & Co – our first purely digital offering

2021 Launch of Sportscene app

2021 Introduced Johnny Bigg as a purely digital offering in the USA

2022 Granny Goose acquired

2022 Quench acquired

2022 Completed first ever acquihire of Flat Circle

2022 Launch of Jet Home

2022 Tarocash onboarded onto new digital platform

BEFORE 2000

1924 Founded

1941 Listed on the JSE

1958 Stanley Lewis buys major shareholding

1967 American Swiss Watch Company acquired

1968 Markham acquired

1969 Pages launched

1993 Sterns acquired

1994 DonnaClaire launched

1996 Sportscene acquired

1999 Pages rebranded as Exact

RCS established

Acquired | Launched brand | Launched online shopping | Number of employees | Turnover | Closing share price

OUR STAKEHOLDERS

Our stakeholders are those individuals and groups that have an interest in our business, and can influence TFG's ability to create or preserve value. If not managed proactively, these relationships can sometimes result in value erosion.

By understanding our stakeholders, we create inspiring customer and employee experiences and enhance our supply chain. Stakeholder engagement also provides input into what is material for TFG and what the Group must focus on to remain competitive and sustainable.

A RESPONSIVE APPROACH TO ACHIEVE QUALITY ENGAGEMENTS

Customers

Our customers are diverse in their spread across geographies, gender, age and income groups. Our customers are a strategic priority as they provide income through the purchase of our products and services. Therefore, we put our customers at the forefront of everything we do. We offer them a diverse range of fashion, lifestyle and homeware choices through brand experiences that encompass their channel of preference.

How we engage

We engage with our customers through our call centres, digital media, online and in-store experiences as well as through focus groups and surveys. Our Voice of Customer tool is an example of an effective way for all TFG Africa brands to listen to their customers' point of view daily.

Our response and actions in 2022

Our relaunched purpose, vision and values place our customers at the heart of our operations and central to every decision we make. To ensure we can deliver inspiring customer experiences, we launched a Customer Hub Centre of Excellence in TFG Africa and replatformed our brands in TFG London and TFG Australia to access even more customer data that we can use to create even more inspiring customer experiences.

Needs and expectations

Customers raise specific issues relating to in-store experiences or credit queries. They also engage with us regarding merchandise and fashion trends.

Key measures we track

- The number of myTFGrewards customers
- The number of active TFG Africa account customers
- Customer complaints

Shareholders

We have 14 098 shareholders, with 26,7% of shares held outside South Africa and 74,1% public shareholding. It is vital to ensure alignment between our strategic focus and the long-term interests of shareholders, and to continue to meet their expectations through consistent strategy execution and risk management.

How we engage

We engage with shareholders through presentations, roadshows and meetings where we receive feedback and discuss their matters of interest.

Our response and actions in 2022

We resumed dividend payments this year and declared a total dividend of 500 cents per share 170 cents per share interim dividend and 330 cents per share final dividend. We continue to pursue ongoing, deep and transparent engagement with our shareholders on remuneration. Refer to page 134 for further detail on the outcomes of our AGM and for Remco's response to shareholder and investor concerns related to our remuneration policy and implementation report.

Needs and expectations

As our major source of financial capital, shareholders require sustainable growth. This requires transparent and ongoing communication regarding environmental, social and governance-related matters, our strategy, business model, approach to capital allocation and future growth prospects.

Key measures we track

- Share price performance (%)
- Full-year dividend per share (cents)
- ESG ratings

Employees

We value the skills and experience of our employees which enable us to implement and execute our strategy and deliver our products and services to our customers. Our 38 329 employees are diverse in their spread across geographies, gender, age and skills profiles.

How we engage

Multiple channels are used for communication, including WhatsApp and other digital channels and a COVID-19 portal which provided access to communication, policies and documents in one secure place. We also engage with our employees through our Voice of Employee (VoE) platform and encourage them to share ideas that could enhance profitability and the Group's performance culture.

Our response and actions in 2022

We continued to support our employees as we navigate the ongoing impacts of the pandemic. We launched a hybrid working model in recognition of changing employee expectations on flexibility and return to work. We continued to provide our employees with financial and emotional support to protect and promote employee wellbeing.

Our strategic focus on digitally-enabled learning and development remained a focus, as did the roll-out of change management solutions to help our employees keep up with the rapid pace of change in retail.

We engaged extensively with our employees during the year to communicate our new purpose, vision and values to ensure all our employees are on board and connected to what we are trying to achieve as a Group.

We continue to invest significantly in youth empowerment and creating opportunities for unemployed youth to access work experience through the Group via learnerships, internships and graduate programmes. We also provided workplace opportunities to 425 young South Africans through the YES programme during the year.

Read more about our employees and specific initiatives for the past year from page 35.

Needs and expectations

Employee engagement focus areas include communication about training and development, career advancement, human resource policies, remuneration and performance management, change management in response to our digital transformation journey, safety, health and wellbeing, and Group culture.

Key measures we track

- Employee retention
- Investment in training, including bursaries
- Employees participating in training interventions (physical and virtual)
- Learnerships, internships or apprenticeship programmes
- Diversity and inclusivity
- Employee wellbeing
- Employee engagement

Our stakeholders continued

Suppliers

The TFG supplier base consists of merchandise and non-merchandise suppliers, with the latter including landlords. Our mutual intent is to establish trust and loyalty and align business interests for the long term. This ensures we deliver merchandise of high standards, at the right price and in locations convenient to our customers. We acknowledge that our supply chains are complex and require different skills sets and capabilities to bring our products from raw materials through to finished goods. Despite this complexity, we are committed to sourcing commodities and input materials whilst trading responsibly.

How we engage

We engage with suppliers through various teams within our business, depending on the nature of the engagement. Engagement occurs through formal take-on procedures, supplier audits, visits and assessments, merchandise order discussions and service requests, purchase order discussions, landlord negotiations and account management discussions. Within our local TFG Africa supply chain, we also partner with small suppliers to increase and improve their operational and financial capacity.

Our response and actions in 2022

We continued to engage frequently with our suppliers due to COVID-19 restrictions and supply chain disruptions. Within all our business segments, a key focus remains on ensuring fair, ethical and sustainable global supply chain practices. We are working hard to map the respective supply chains according to the priorities and maturity of each business segment. TFG Africa has commenced this and is focussing on tier 1 and tier 2 suppliers in South Africa. TFG London fully mapped tier 1 and tier 2 suppliers and aim to map up to tier 5 suppliers. TFG Australia has fully mapped tier 1 suppliers and plans to map tier 2 in the next year. TFG Australia also continues to find ways to reduce modern slavery risks in its supply chain and operations while TFG London continued its partnership with Anti-Slavery International. Risk assessments and training will be held at its distribution centers in the new financial year. As part of TFG Africa's local manufacturing expansion strategy, engagement with suppliers continues as we collaborate with a greater number of suppliers on matters such as compliance and ethics.

Read more about our engagement with our suppliers in our Inspired Living Report, available online.

Needs and expectations

Our suppliers require oversight and transparent communication on various supply chain-related issues and non-merchandise procurement matters.

Key measures we track

- Percentage of TFG Africa apparel units procured from TFG Merchandise Supply Chain
- Percentage of Top 100 suppliers onboarded on the Sedex platform
- Enterprise and supplier development spend
- Number of jobs created in our own factories and within our strategic suppliers

Government, legislators and regulators

This stakeholder group includes revenue authorities, regulators and government departments in the countries in which we trade.

How we engage

We engage with government through business and industry associations such as Business Leadership South Africa and the National Clothing Retail Federation of South Africa, employer organisations outside of South Africa and the Australian Retail Association. We provide verbal and written submissions on proposed legislative changes (both in South Africa and outside of South Africa) and attend industry-relevant meetings at Parliament in South Africa.

Our response and actions in 2022

As a proudly South African business, and in support of government's 2030 retail, clothing, textile, footwear and leather (R-CTFL) Masterplan for the clothing manufacturing sector, TFG Africa actively drives increased engagement with relevant government departments (such as the Department of Trade, Industry and Competition).

Needs and expectations

Government requires businesses to participate in growing the economy through job creation and by complying with all applicable regulatory requirements.

Key measures we track

- Regulatory fines or penalties
- Taxes – direct, indirect and staff
- B-BBEE level contributor status

Communities and non-profit organisations

It is our responsibility to give back to the communities we operate in. The concept of "paying it forward" is significant to us and has inspired how we deliver positive and lasting impact. We focus on implementing flagship projects that strengthen communities. These are aligned to the National Development Plan and SDGs and are rolled out in collaboration with key partners to ensure they are delivered successfully and sustainably.

How we engage

In South Africa, the TFG Foundation serves as the vehicle through which we channel social investment activities in communities. Throughout the Group, our brands also make direct contributions to the communities in which they operate through direct brand-led corporate social investment initiatives aligned to our customers and the communities in which we operate.

Our response and actions in 2022

We work with various organisations to provide assistance and support through monetary and/or merchandise contribution in all three of our major territories.

In South Africa we continue to work with our relief agency partner Gift of the Givers to make donations towards various communities as part of their disaster relief efforts. A number of smaller efforts were also supported as they were identified. Total donations for South Africa amounted to R26,1 million and initiatives included R1,5 million cash donation to food relief and rebuilding efforts in KwaZulu-Natal after the July civil unrest and R12,4 million worth of clothing as part of the flood relief efforts.

Within the rest of Africa we continue to partner with SOS Children's Villages. This partnership has ensured consistency, scale and impact within each country we operate.

Through its brands, TFG Australia continued to work with different charity partners to support communities across the country. These partners include, among others, Thread Together, Make-a-Wish, UPPAREL and the Australian Red Cross.

TFG London donated a selection of samples and clothes to Smart Works UK, a charity that provides high-quality interview clothes and interview training

Needs and expectations

In South Africa, many communities are challenged by lack of access to housing, clean water and sanitation, quality education, social protection, good healthcare, electricity and jobs. These challenges are exacerbated by slow progress with economic empowerment and endemic corruption, combined with the impact of measures to mitigate the spread of COVID-19. Communities and non-profit organisations require collaboration between the private sector, public institutions and development partners to help build resilient economies post-COVID-19.

Key measures we track

TFG Africa:

- Amount donated through TFG Foundation and brands
- Socio economic development spend

TFG London and TFG Australia:

- Value of donations in local currency

Our stakeholders continued

Environment

Fashion retail depends on a long and complex supply chain that requires water, materials, chemicals and energy from its point of origin in agriculture and petrochemical production, manufacturing, logistics and retail.

How we engage

Our formal business champions and working committees for each sustainability strategy pillar advocate for consideration of environmental interests and trade-offs in the context of business activities, decisions and supply sources. Procurement is fundamental to how we bring about change in this area and we are formally evaluating the environmental impact of our purchases as well as the credentials of our suppliers. We are increasingly engaging with relevant external stakeholders on environmental aspects.

Our response and actions in 2022

In each of our territories we mobilised efforts to progressively shift toward more sustainable material choices. New sourcing metrics were introduced for cotton, wood fibre products and jewelry in South Africa. TFG South Africa also entered into a partnership with FSC® and became a member of Better Cotton, joining TFG London and TFG Australia.

Within TFG Africa, we embarked on an integrated power programme to reduce our carbon footprint and ensure business continuity, particularly given the impact of load shedding. The first initiative within this programme was retrofitting halogen lighting with LEDs across our South African stores. 633 stores have been completed since October 2021.

We continue to work hard to understand and mitigate our upstream and downstream environmental impacts. We are also working with our suppliers to better understand supply chain risks. This includes identifying our tier 2 and tier 3 suppliers so that we have greater transparency across our global and local supply chains.

Details on our environmental performance, measures and targets for each of the territories we operate in can be found in our Inspired Living Report, available online.

Needs and expectations

Due to the scale and complexity of fashion retail's supply chain, the global fashion industry is one of the most polluting and wasteful industries in the world. In response, fashion retailers are increasingly expected to focus on climate risk in the supply chain and mitigating this through renewable energy purchases, actively reducing supply chain carbon footprints and improving material selection.

Key measures we track

- Greenhouse gas emissions
- Business waste reduction
- Textile waste recycled
- Reuse of supplier cartons
- Energy efficiency
- Transparency in own operations

OUR PEOPLE

INTRODUCING OUR OPERATING BOARD[1]

A E Thunström (52)
BCom (Hons Acc), CA(SA)
Chief Executive Officer
Joined the Group in 2015

B Ntuli (45)
BCom (Hons Acc), CA(SA), AMP (Harvard)
Chief Financial Officer
Joined the Group in 2019

S A Baird (56)
Group Director – Retail
Joined the Group in 1986

J Fisher (49)
BSc (Hons) Mathematics and Computing Science
Group Director – Financial Services
Joined the Group in 2013

S E Morley (52)
BSocSc
Group Director – Human Resources
Joined the Group in 2002

G S Naidoo (54)
BSocSc (Hons), MA (Ind Psych), AMP (Harvard)
Group Director – Retail
Joined the Group in 2005

Jacques De Kock (52)
B. Eng, MBA
Chief Information Officer
Joined the Group in 2020

[1] *D B Gedye retired as a director of Foschini Retail Group (Pty) Ltd with effect from 31 January 2022. He retired as an employee of the Group with effect from 31 March 2022.*

Our people continued

RESPONSIBILITY

The Operating Board is responsible for the Group's strategy formulation and the day-to-day management of all aspects of the operations of the retail trading and service divisions. In addition, they are responsible for deliberating and making decisions or recommendations on all matters affecting TFG's strategy and operations, including risk management and the succession of executive and senior management.

The key focus areas per strategic outcome are unpacked below:

Transforming into a true omnichannel retailer

Customer & employee obsession

- Store location, design and architecture
- Credit management and customer relationship marketing and systems
- Employee and customer attraction and retention strategies

Leadership

- Human resource recruitment, training, development and remuneration
- Development and refinement of the business philosophy, value system and performance management
- Development, review and implementation of the skills development and employment equity plans
- Development, implementation and monitoring of the transformation strategy

Profit

- Merchandise sourcing, buying, warehousing and distribution
- Financial management and administration
- Development, review and achievement of budgets in relation to sales, operating expenses and capital expenditure (capex)
- Development and implementation of business optimisation initiatives
- Cash flow and liquidity management
- Approval of transactions regarding divestment, refinancing and restructuring in accordance with parameters set by the Supervisory Board

Growth

- Acquisition, development and maintenance of information and technology systems, including e-commerce and digital transformation initiatives
- Development, implementation and monitoring of revenue-generating growth initiatives
- Approval of transactions regarding investment in accordance with parameters set by the Supervisory Board

Our TFG purpose, vision and values

OTHER RESPONSIBILITIES

- Monitoring and proactively responding to pandemics (such as COVID-19)
- Formulating, developing, executing and refining the Group's strategic plan
- Risk management through identification, assessment and mitigation
- Development, monitoring and assurance of internal controls
- Development and monitoring of operational policies and procedures
- Adoption, implementation and monitoring of corporate governance practices and meeting standards set out in King IV and other relevant practices

INTRODUCING OUR EMPLOYEES

The skills and experience of our employees enable us to implement and execute our strategy and deliver our products and services to our customers. An evolving talent landscape requires us to continually review and adjust our talent offering – from acquisition to development – to ensure we remain an employer of choice. As such, we are making strides to differentiate our offering and strengthen our employer brand, underpinned by our revised purpose, vision and values.

38 329
EMPLOYEES
(2021: 34 891)

8 841
CORPORATE EMPLOYEES[1]
(2021: 6 622)

257
EMPLOYEES WITH DISABILITIES
(2021: 219)

29 488
RETAIL EMPLOYEES
(2021: 28 269)

69,1%
FEMALE EMPLOYEES
(2021: 70,3%)

96,6%
EMPLOYMENT EQUITY REPRESENTATION[2]
(2021: 96,1%)

32 842
TFG AFRICA EMPLOYEES
(2021: 28 987)

3
B-BBEE LEVEL
(2021: 6)

1 915
TFG LONDON EMPLOYEES
(2021: 2 480)

R135,1m
SPENT ON TRAINING AND DEVELOPMENT
(2021: R141,7m)

3 572
TFG AUSTRALIA EMPLOYEES
(2021: 3 424)

ZERO
WORK DAYS LOST DUE TO INDUSTRIAL ACTION
(2021: ZERO)

Read more about our employee-related performance measures and targets in our Inspired Living Report, available online.

[1] *Employees other than those working in outlets.*
[2] *Relates to South Africa only.*

Our people continued

EMPLOYEE-CENTRED GOVERNANCE

The Social and Ethics Committee assists the Supervisory Board with monitoring and reporting on social, ethical, transformational and sustainability practices. Remuneration falls within the mandate of the Remuneration Committee. Employees are supported by a shared service human resource (HR) team across all divisions and brands. HR teams work with line managers in areas such as talent acquisition, employee relations, training and development, performance management and transformation.

For more detail on territory-specific HR policies, including those related to remuneration, diversity and inclusion, see our Inspired Living Report, available on our website.

EMPLOYEE FOCUS AREAS FOR 2022

Our continued response to COVID-19

We continued to prioritise our employees' health, safety and wellbeing.

As we continue to navigate COVID-19 and begin to resume business as usual, we recognise that the pandemic has redefined the relationship between employers and employees and heightened the demand for flexibility. We therefore introduced a hybrid working model during the year. This model classifies employees as either office-based, hybrid or home-based, depending on their job and the type and frequency of interaction they require with their teams. We equipped our employees with the tools they need to work effectively, including laptops, data allowances and access to hybrid meeting rooms. We also published a Hybrid Playbook to guide employees and managers on how to interact, collaborate and manage performance remotely.

While we have not implemented a mandatory vaccine policy, we encourage all our employees to get vaccinated. This includes our head office employees, as well as those employed at our distribution centres, factories and retail stores. We provided access to vaccination facilities on-site, ran a vaccination campaign and incentivised vaccination by offering rewards like free data and meal vouchers. At 31 March 2022, 43,8% of our employees were fully vaccinated.

To help our employees manage the financial strain that many have experienced since the onset of the pandemic, we increased the level of funds employees can access through our internal financial assistance programmes. We relaxed the criteria for access to advanced pay and personal loans. We also launched an online financial assistance tool called Paymenow that enables employees to instantly access a portion of their net salary. This is done responsibly and is accompanied by financial literacy training.

Recognising the ongoing risk of heightened trauma and anxiety, we extended our Wellness Helpline to all employees across the rest of Africa. This service provides employees and their families with 24/7 confidential support and resources to manage their wellbeing.

In the past year, 19 of our people tragically passed away from COVID-19. Each of these employees contributed to TFG's success and we keep their families in our thoughts.

Employment equity, diversity and inclusion

We want to build a business that is diverse and inclusive within a culture of hard work, innovation, collaboration and transparency. Our current focus is on gender and race transformation for senior and professional middle management to reflect the diversity of our customer base and align to South Africa's economically active population.

Through our talent planning process, which includes developing our internal talent pipeline, we identify high-potential employment equity candidates who are flagged for vacancies or nominated for leadership development programmes to help prepare them for leadership positions.

TFG Africa remains focused on upskilling and creating employment for people with disabilities, and we employ 257 people living with disabilities across our business. We also partnered with institutions like St Vincent School for the Deaf and eDeaf at Prestige Johannesburg and are currently training 77 learners through this partnership.

Educate to employ

1

YES programme: creating opportunities and work experience for our unemployed youth

Through our participation in the YES programme, 425 youths were placed on 12-month work experience contracts throughout our South African operations. We provided quality work experience, mentorship and training and also equipped each learner with a smartphone learning device. This device was used to provide mobile micro-learning to ensure workplace readiness.

2

Product Management Development Programme: a TFG first

We employed 10 graduates from various disciplines and placed them on a two-year management development programme that immerses them in manufacturing. They are therefore adequately equipped to be employed as junior production managers at the end of the programme.

3

Bursaries for young talent: investing in the future

We invested in further education for 9 talented young South Africans through our partnership with FEDISA Fashion School and the University of Western Cape – providing an active pipeline of young talent into the business.

4

Learnerships and internships: investing in skills development

2 465 learnership, internship and graduate opportunities were created across stores, factories, distribution centres, contact centres and our head office operations. Through these initiatives we increase the employability of young people while creating a talent pool for TFG.

We are investing significantly in skills development for youth, especially in rural and semi-rural areas, to provide a diverse pipeline as we create new jobs. Our "educate to employ" strategy directs investment in various areas to develop a pipeline of young talent for TFG.

Our people continued

DIGITAL TRANSFORMATION AND CHANGE MANAGEMENT

TFG's strategic commitment to digital transformation and e-commerce is not purely an information technology driver but relies on our people's adoption and use of technology and their process proficiency. We have therefore made large investments over the past few years to equip our employees to be more customer-centric and work efficiently. We also have to ensure organisational readiness so that the new systems are embraced, adopted, and effectively utilised, yielding a return on investment and ensuring business value.

Key change management projects for digital store solutions included:

1 **"Buddy system" and on-the-ground technical coaching**	This project, which provides real-life job experiences and peer coaching, has been a great success.
2 **Implementing Dayforce, our workplace management tool**	We went live with 1 440 stores during the year and plan to complete the roll-out of Dayforce by September 2022 across all stores in South Africa.
3 **RFID implementation and reinforcement**	We continued to introduce RFID technology across our brands to optimise inventory availability. We supplemented this with online reinforcement sessions, which were attended by 1 298 employees during the year.
4 **Roll-out of Stock Count Application**	This is an alternative scanning tool to RFID technology that will be used by brands with products that cannot be tagged (for example, cosmetics and jewellery). Stock Count Application provides better reliability, data integrity and efficiency than our previous scanning devices.
5 **Increased use of our mobile point-of-sale system**	Employees have adapted well to the introduction of this system, which delivers a better customer experience.
6 **Completed the roll-out of our merchandising system Yoobic**	This tool enables a consistent look and feel across our stores, thereby improving customer experience.
7 **Introduced a new training tool, Yoobic Boost**	This is an interactive mobile learning platform that we are using to take customer service in stores to the next level.

Reinforcement was a key focus as many of our digital systems are now in their second year of implementation. Support included advanced training modules and information and remediation sessions for more complex modules.

Through our digital and mobile learning strategy, we are making learning more accessible to our employees. We therefore continue to invest in our employee digital offerings, TFGLearn digitised training and the TFG-on-the-go mobile app, which was relaunched this year with enhanced functionality.

40
NEW COURSES
added to TFGLearn

100 000
COURSES COMPLETED
on TFGLearn

200
UNIQUE COURSES DEVELOPED AND PUBLISHED TO DATE
on TFGLearn

Fair and equitable remuneration, underpinned by performance management

TFG is committed to fair and responsible remuneration and provides all employees the chance to grow their earnings through continuous training and upskilling and by leveraging opportunities for career progression by applying for internal positions. For example, an employee starting out as a sales associate could, through the assistance of various TFG programmes over a period of three to five years, move into a store management role.

As part of our annual remuneration review, we considered pay disparities related to race and gender and increases were moderated to address any inequities. Going forward, this process will be included in our annual remuneration review to identify any standout pay disparities (race, gender, equal pay for equal work), which will be investigated and addressed. We are also developing a fair pay policy that includes pay disparities and the pay gap.

For more information on our remuneration policy please refer to our Remuneration Committee report on page 136.

03

THE WORLD WE OPERATE IN

THE SOUTH AFRICAN CONTEXT

Zero
average downtime for TFG Africa

COVID-19 restrictions were eased to adjusted Level 1 from 1 October 2021 and the National State of Disaster was terminated on 4 April 2022

1,8%
South African GDP growth

Expanded definition of unemployment now at **46,6%**

Civil unrest experienced in KwaZulu-Natal and parts of Gauteng during July 2021

Youth unemployment (15-24) now at **77,4%**

THE UK CONTEXT

c.5,0%
average downtime for TFG London

On 24 February 2022 the UK Government ended all legal COVID-19 restrictions in England

Significant uptake of vaccinations

Some return to normal working patterns and a positive rebound in customers' desire for key categories of occasion and wear-to-work

1,3% UK GDP growth

THE AUSTRALIAN CONTEXT

c.15,0%
average downtime for TFG Australia

The vaccination rate reached almost 90%, which led to the easing of restrictions by most state governments

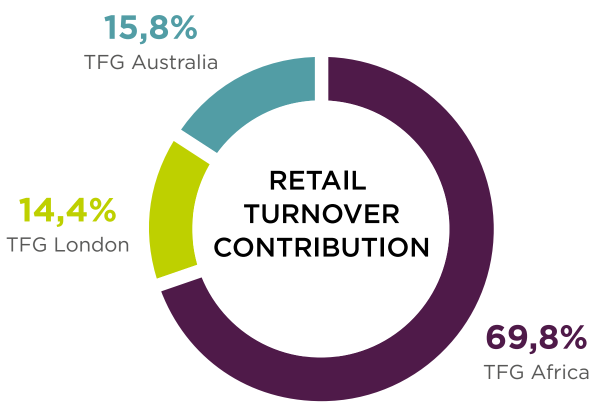
3,4% Australian GDP growth

3,9% unemployment

- Industry-wide labour shortages, including transport and logistics
- Challenges moving product, worsened by devastating floods

OUR OPERATING CONTEXT

While TFG's retail turnover is still largely generated by TFG Africa, and in particular South Africa, the Group's operating context is impacted by the external macroenvironmental factors across all three territories.



THE TRENDS SHAPING FASHION RETAIL

We continuously scan, monitor and obtain research on retail-specific trends. This is important as retail is dynamic and fast-changing, and some of these trends are quick to emerge only to bring permanent, structural change to the industry. We are confident that our strategy will help us manage the risks and opportunities that may arise and appropriately positions us to inspire our customers and society at large.

Sources:
SA; Bureau For Economic Research
Aus and UK: tradingeconomics.com

The rise of COVID-19 casual	TFG's response
The pandemic accelerated the casualisation of the customer, particularly with regards to workplace wardrobes as people adjust to remote ways of work. However, we are seeing reinvigorated demand for occasion, formal and work wear as life begins to return to normal in markets where vaccination rates are high.	Page 74

Shifting employee expectations	TFG's response
Flexibility around how, where and when people work – and the rise of hybrid and remote work – have become the norm. Employees expect a new contract with their employers, where they are offered a value proposition that aligns with their desires. To remain competitive, particularly in terms of attracting and retaining critical skills, businesses need to redefine the employer-employee relationship and think differently about work routines and spaces.	Page 36

Mid-market retail is under pressure	TFG's response
There is an increasing polarisation toward luxury and value. In South Africa, the tax-paying middle class is shrinking and there is increasing competition for share of their wallet.	Page 74

Green sells	TFG's response
Environmental aspects are becoming key decision drivers for younger consumers who are willing to pay more for sustainable products. To remain competitive, fashion retailers must therefore accelerate their sustainability initiatives.	Our Inspired Living Report, available online

Customer data and customer experience	TFG's response
Retailers are becoming more data-driven, leveraging insights to ensure that product development, inventory mix and retail experiences resonate with customers.	Page 24

Supply chain bottlenecks	TFG's response
Logistical challenges such as port closures, shipping container shortages and freight cost surges continue to intensify. There are growing concerns this disruption could last over the longer term or represent a new logistical normal for the global fashion industry. Most companies are diversifying their sourcing and investing in near-shore solutions to create more control.	Page 74

South African unemployment and structural instability	TFG's response
South Africa recorded record-high unemployment this year – reaching 34,5%. Sustained economic disruption from COVID-19, persistent inequality, and poor government policies contributed to weak employment.	Page 53

Fintech and Insuretech disruption	TFG's response
The pandemic accelerated demand for these online services, which are disrupting the traditional banking, insurance and financial services sectors. Retailers are also being challenged to make these online services available to customers who want access to an end-to-end service offering, including buy-now, pay-later.	Page 24

E-commerce surge	TFG's response
COVID-19 accelerated an expansion of e-commerce, providing customers with access to a significant variety of products from the convenience and safety of their homes, and enabling companies to continue operations in spite of social restrictions and other confinement measures.	Page 24

OUR MATERIAL MATTERS, RISKS AND OPPORTUNITIES

Our material matters are a combination of risks, opportunities and issues that can directly or indirectly affect our ability to create sustainable value in the short, medium and long term.

We review and update these matters as part of our continuous enterprise risk cycle. We consider several internal and external factors when determining these material issues. These factors include the Group's strategy, our stakeholders' expectations and concerns, sustainability in our supply chain, the competitor landscape and our current trading environment across all the territories in which we operate.

For each material matter we indicate whether the trend is increasing, remaining stable or decreasing and whether TFG's ability to create value is likely to be impacted in the short, medium or long term. We also indicate which of our strategic outcomes are impacted by the relevant material matter.

Read more about our four strategic outcomes in our strategic overview on page 80.

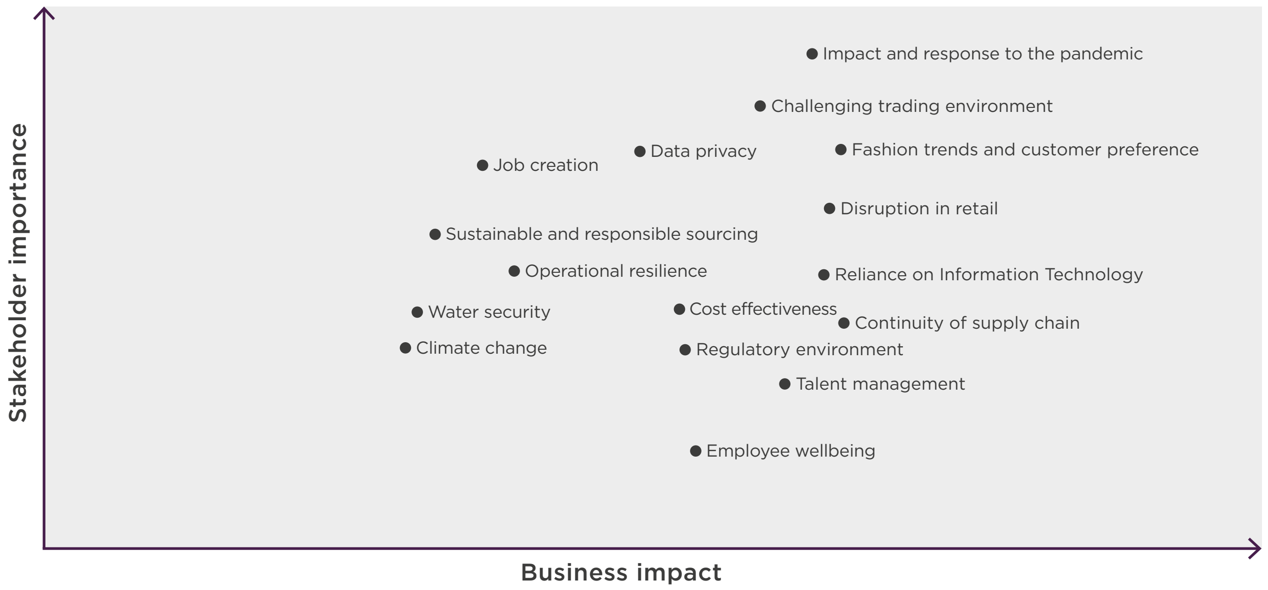
Our material matters apply to TFG Africa, TFG London and TFG Australia, albeit with different levels of likelihood and impact. They remain aligned with the Group's material matters reported in 2021.

The items depicted below stem from a robust debate and discussion on all material items. The key material matters arising from this discussion are articulated on pages 45 to 48.

Strategic outcomes

Customer & employee obsession | Leadership | Profit | Growth

Materiality assessment



CHALLENGING TRADING ENVIRONMENT

TFG continues to be exposed to uncertain and unstable economic, social and political environments in all territories in which it has a presence. This could lead to constrained growth as it affects consumer confidence and spending patterns, customers' purchasing power and influences their ability to settle accounts. The COVID-19 pandemic brought economic, political and social upheaval and the global economy experienced the deepest downturn since the 2008 financial crisis.

Risks impacting TFG	Opportunities and risk management
• In South Africa, increased load shedding, the performance of state-owned enterprises, youth unemployment, social inequality, deterioration of infrastructure and corruption continue to be a concern. More recently there has been an increase in civil unrest, leading to significant damages and loss of income. These factors impact consumer and investor confidence, interest rates and inflation. • Tensions remain between China and Australia, which could negatively impact TFG Australia's supplier relationships. • The war in Ukraine impacts global food and energy prices.	• The Group has an increasingly diversified business model and strives to increase accessibility to the market by growing its footprint in varied locations. • We continue to refine our credit score models, and regularly review our collection strategies. • Our resilience and balance sheet strength enables us to take advantage of opportunities to expand our footprint and increase our manufacturing capacity.

Trend	Term	Strategic outcomes
Increasing	S – M	

Read more about our operating context from page 42.

CONTINUED CHANGE IN CUSTOMER BEHAVIOUR AND EXPECTATIONS

Delivering an integrated, secure omnichannel customer experience across our various brands continues to be a strategic objective for TFG. Our customers expect a seamless experience across all channels and in all interactions with the Group. Our customers, employees and investors have also come to expect TFG to act responsibly, taking due cognisance of the environment in which we operate, our social responsibility and the challenges facing our planet.

Risks impacting TFG	Opportunities and risk management
• Accelerated change in retail trends necessitates that we be flexible in how we engage with our customers. Failure to meet this demand could erode customer loyalty. • Adapting the Group's store network to the changing needs of the Group's customers and securing the most appropriate mix of multi-channel distribution remains critical. • An inability to provide quality customer experiences and grow brand affinity could impact our growth outlook and future brand equity. • We need to ensure ethical and sustainable sourcing of products and services across our supply chain while still delivering value to our stakeholders.	• Strategic investment in digital transformation remains a strategic priority for the Group and a focus in the short to medium term to support our future resilience and success. • In South Africa, our localisation strategy brings efficiency, reduces shipping cost, limits supply chain disruption and creates employment opportunities. • Accelerate our sustainability initiatives exceeding the expectation of our stakeholders.

Trend	Term	Strategic outcomes
Increasing	S – M – L	

Read more about our growth and performance in the Chief Executive Officer's message on page 74.

Our material matters, risks and opportunities continued

FASHION TRENDS AND CUSTOMER PREFERENCES

As TFG aspires to create the most remarkable omnichannel experiences for our customers, our ability to offer, predict and deliver according to the latest trends and customer preference is essential for value creation. Our customers are increasingly seeking value and sustainable products.

Risks impacting TFG	Opportunities and risk management
• Our ability to generate profits could be undermined by a failure to quickly and accurately interpret and respond to fashion trends. • The inability of our brands to cater for a shift in consumer preferences. • Ensuring sustainable sourcing of products while remaining cost competitive and value conscious.	• Our brands are positioned as fashion-forward and premised on our market-leading, in-house capabilities in clothing and store design. • In South Africa, value continues to be created through our QR supply chain and increasing our local manufacturing capacity remains a strategic objective.

Trend	Term	Strategic outcomes
Stable	S – M	

Read more about changing consumer demand in our operating context on page 42.

CONTINUITY OF SUPPLY CHAIN

There have been increased supply chain disruptions, exacerbated by climate change and the availability of raw materials. TFG seeks to have a diversified supplier base to minimise the effect of disruptions and endeavours to ensure that its suppliers operate ethically and sustainably.

Risks impacting TFG	Opportunities and risk management
• Reputational damage due to failure to maintain ethical standards for the manufacturing of our products. • Failure by key suppliers to meet their supply obligations. • Loss at or disruption to in-house manufacturing facilities in South Africa. • Impact of climate change (increase in extreme weather events and water scarcity) on the continuity of supply. • Disruption in the supply chain as a result of port closures, weather events and limited availability.	• TFG seeks to ensure that its suppliers operate ethically, which includes working with Sedex to improve and monitor the ethical business practices across the supply chain. • We continue to develop our QR capability in the TFG Africa supply chain; QR units manufactured in TFG Africa have grown to 16 million units. • We continue to invest in local manufacturing capabilities influencing job creation and upskilling. • Our international businesses continue to diversify their supply base.

Trend	Term	Strategic outcomes
Increasing	S – M	

Read more about our QR capabilities, localisation and our supply chain in our Inspired Living Report, available on our website.

TALENT MANAGEMENT: ATTRACTING, RETAINING AND DEVELOPING KEY TALENT

Our ability to create value depends on our people. TFG has to retain and develop its core and critical skills pool while continuing to attract the best talent in the industry and embedding a culture of high performance.

Risks impacting TFG	Opportunities and risk management
• In South Africa, it is essential that we attract and retain employment equity candidates. • Considering the highly competitive retail market, a lack of focus on talent management could erode TFG's leadership pipeline and impact our ability to execute our strategic objectives. • It is challenging to attract and train employees with the skills necessary to carry out the Group's digital transformation initiative. • Changes in the expectations of employees including work routines and spaces.	• We continue to invest in talent through various talent development programmes to develop our future leaders, including our educate to employ initiative. • Launch of TFG Labs and TFG Labs' Incubator Programme. • Introduction of a scholarship programme for data skills. • Employment equity plans, which provide clear accountabilities and targets, are in place for each division in TFG Africa. • In line with our digital transformation strategy, we are leveraging technology to enhance our employee experience. This includes offering online training. • Transformation plans include reskilling and training of our talent. • Expansion of our local supply chain positively influences job creation and upskilling. • Introduction of a hybrid working model catering for the working preferences across the Group.

Trend	Term	Strategic outcomes
Stable	S – M – L	

Read more about our employee retention strategies in our Remuneration Committee report from page 131, our employee-focused initiatives from page 35 and in our Inspired Living Report, available on our website.

RELIANCE ON IT

IT continues to change the environment in which TFG operates and alters how we create, process and disseminate information critical to business performance. The Group has become increasingly dependent on IT to conduct certain operational and processing activities and continuous innovation is required to provide a seamless customer experience and respond to market disruptors.

Risks impacting TFG	Opportunities and risk management
• Failure to properly understand the impact of IT innovation in the retail sector could undermine the Group's future growth and success. • Increased risks of cyber security incidents threaten the privacy of our employee and customer-related data. • Increasing reliance on IT has raised the significance of potential IT failures within the Group.	• TFG recognises the importance of IT and continues to invest in this area – as prioritised in our digital transformation strategy. • We continue to invest in cyber security and the Risk Committee is regularly updated on IT-related risks and mitigation plans. • IT disaster recovery plans are in place across the Group and are regularly reviewed.

Trend	Term	Strategic outcomes
Increasing	S – M – L	

Read more about digital transformation in the Chief Executive Officer's message on page 74 and about TFG Labs on page 24.

Our material matters, risks and opportunities continued

CYBER AND INFORMATION SECURITY

The number of cyber security incidents continue to escalate and the continued combined impact of the COVID-19 pandemic, Ukraine war, socio-political upheavals and ongoing financial stress is likely to create more exploitable opportunities for cyber criminals.

Risks impacting TFG	Opportunities and risk management
• Increased risks of cyber security incidents that threaten the privacy of our employee- and customer-related data. • Reputation risk associated with a cyber security incident. • Continuity of operations threatened by a ransomware attack. • Cyber security of our third-party service providers.	• We continue to invest in cyber security and the Risk Committee is regularly updated on IT-related risks and mitigation plans.

Trend	Term	Strategic outcomes
Increasing	S – M – L	

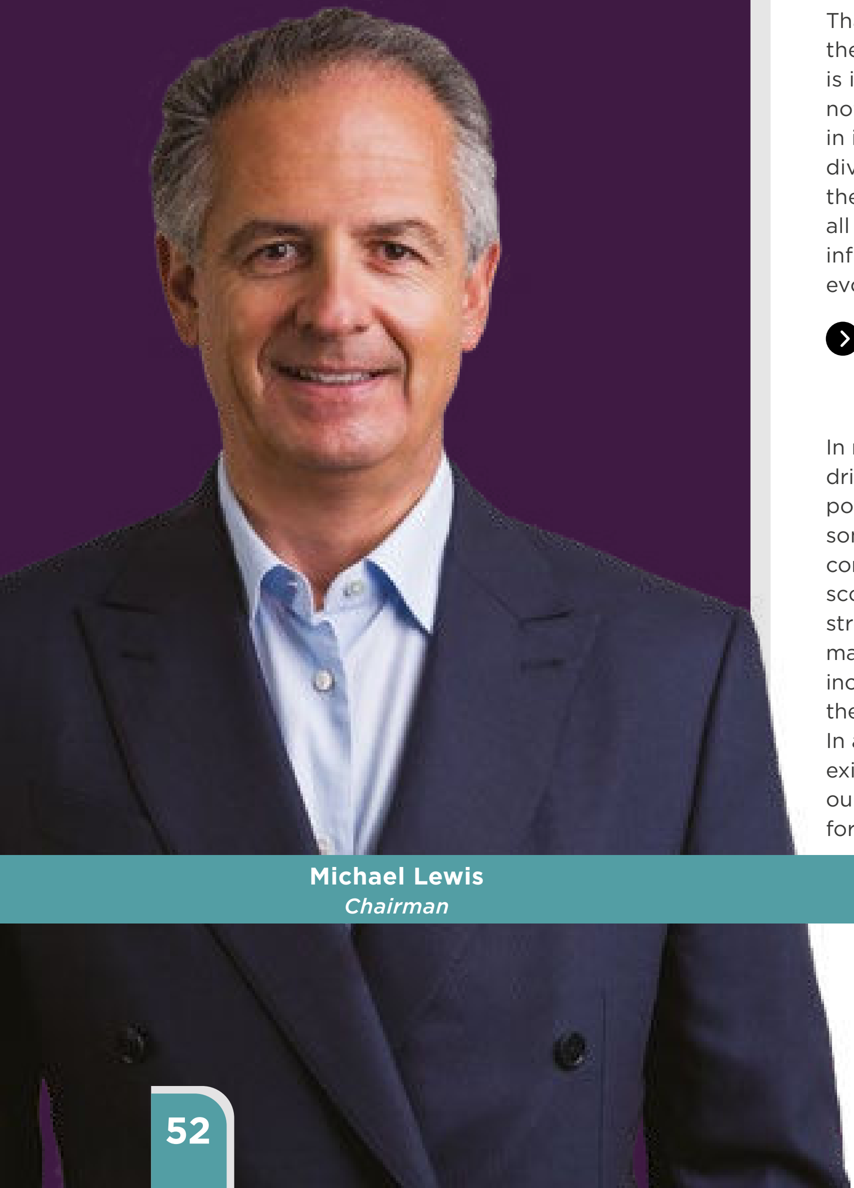
Read more about cyber and information security in the Group's enterprise risk management framework on page 122.

04

OUR VALUE CREATION POSITIONING

A MESSAGE FROM OUR **CHAIRMAN**

The Group has emerged from the pandemic in a historically strong position and has achieved record revenue and headline earnings, which represents a substantial growth from the pre-pandemic peak.



Michael Lewis
Chairman

REVIEW OF THE YEAR

It is with much pleasure that I present my review of the key aspects, achievements and results for the year ended March 2022.

It is most gratifying to be able to report that the Group has emerged from the pandemic in an historically strong position and has achieved record revenue and headline earnings – R46.2 billion and R3.3 billion respectively. This represents substantial growth from the pre-pandemic peak.

These results have been achieved against a challenging economic backdrop in South Africa aggravated by the civil unrest that occurred during the year and despite significant COVID disruptions particularly in the United Kingdom and Australia which are key markets for the Group. These achievements are a great credit to our CEO Anthony Thunstrom and the entire management team to whom I pay tribute on behalf of all the Group's stakeholders.

Our business in Australia produced record results notwithstanding prolonged periods of lockdowns and TFG London experienced a strong recovery from the previous year to record significant profit growth on a smaller turnover base following a major restructuring of the business over the last two years.

Thanks to the capital raised last year and the scale of the recovery in profits and cash generation, the Group is in a strong financial position with minimal net debt notwithstanding the highest level of capital expenditure in its history combined with the resumption of dividends. The heightened level of investment reflects the business' determination to strengthen its position in all the sectors in which it operates and to build out the infrastructure required for it to compete in the rapidly evolving retail environment.

Further information on the Group's trading and financial performance is available in the CEO's message from page 74 and the CFO's report from page 92.

In my report last year I wrote that "...we continued our drive to bring as much new talent into the business as possible as well as work on key strategic initiatives, some of which will have far reaching effects." This theme continued in the year under review with greater pace and scope than ever before. Two acquisitions were made to strengthen our position in the homewares and furniture market – the well known bed linen brand Granny Goose including its manufacturing arm Cotton Traders and the home furnishing business Tapestry Home Brands. In addition to their complementary value to our pre-existing business in this sector @home, they extend our local manufacturing capability beyond clothing for the first time.

On the digital front, the acquisitions of Flat Circle and Quench are important building blocks of the Groups digital strategy about which I shall have more to say further on in this review.

Stakeholders can expect these trends and initiatives to continue with a blend of smaller infill and larger strategic investments and acquisitions some of which will have profound effects on the business and its prospects.

DIGITAL TRANSFORMATION

In my previous two statements I referred to the Group's digital transformation. Last year I said that "... I anticipated further investment in technology and teams of people to ensure TFG's digital leadership and that stakeholders should expect more bold initiatives." I reiterate this with even greater emphasis this year.

In the year under review, TFG Labs was fully established and has recruited 134 highly talented and skilled people creating a top class digital team. This was augmented by the talent acquisition of the Flat circle team. Flat Circle is a mobile app development agency. Labs now comprises 159 people and growing. Its mandate is to attract the best tech talent available to build out the platform upon which TFG's digital ambitions rest. This is a very costly ongoing investment but I am confident that it will enable the Group to maintain its leadership position and compete in the years ahead.

An important milestone was reached recently with the soft launch of our digital marketplace: bash.com. This is a major initiative with far reaching long term implications for TFG and its position in the South African consumer market. The acquisition of Quench, the last mile delivery business will be a valuable resource for TFG and bash.

In addition to these consumer-facing investments, we will continue to employ every digital tool available to enhance the efficiency of our business. TFG is well into its digital transformation and as mentioned above, stakeholders should expect further developments on this front.

THE SOUTH AFRICAN CONTEXT

South Africa's lethal cocktail of low growth and high unemployment must be solved. Government is primarily responsible for creating the conditions for this to occur and must move rapidly to remove the many structural obstacles to economic growth once and for all.

Amongst other things, this means stabilising key elements of the country's economic infrastructure like Eskom and Transnet as well as the criminal justice system, the prosecuting authority, police and other aspects of the infrastructure that ensure not only the rule of law but law and order itself. These are prerequisites for entrenching a viable and democratic future.

Nothing less than this will do. These imperatives are not at all new. Last year's unrest prompted President Ramaphosa to commit publicly to addressing its causes. It is therefore disappointing that such limited progress is visible. The country is relying on the ability of the ANC to put its house in order so that it can govern effectively in order to solve these problems for the benefit of all South Africans, particularly those most in need of jobs.

In the pursuit of these objectives I again urge the government and all relevant stakeholders to reconsider ideological commitments which may have theoretical appeal to some but stand in the way of growth, investment and job creation. No further proof is needed of the failure of this approach.

Pleasingly, there is some evidence of the desire by government to seek solutions in conjunction with the business community to the hither to intractable problems in the state sector. We at TFG are proud and thrilled to be a leader in the partnership between the public and private sectors which is helping to make transformation a reality not a slogan. Our investment in bringing back to South Africa significant clothing manufacturing capacity is just one aspect of our commitment to South African manufacturing generally. Our recent acquisition of Tapestry Home Brands provides an entry into homewares, bedding and furniture manufacturing with other categories very much in our sites.

TFG's participation in the YES youth job placement programme, which provided workplace opportunities to 425 young people, is another good example of business led partnership with government.

We will also continue our support of Business Leadership South Africa and will seek other opportunities to cooperate with government in pursuit of the above mentioned objectives. Everything is possible if we work together.

Demonstrating strong commitment to our business and to the country, TFG spent a record R1.6 billion in capital expenditure in the year under review and created 3 747 new jobs. Transformation of our workforce continues apace at every level of the business.

Combined with many other social impact initiatives and supplier development support to communities and NGOs, this enabled TFG to achieve a level 3 B-BBEE rating significantly better than our competitors.

More detail can be found in our Inspired Living Report, available on our website and in the Social and Ethics committee report on page 127.

There is so much good in South Africa and so much that can be done to significantly enhance the growth rate of the economy in the interests of everyone. We implore the government to focus on this so that the promise of this country can be fulfilled.

A message from our Chairman continued

GOVERNANCE

I am pleased to report that TFG is succeeding in the continuous update of its governance arrangements and has struck the correct balance between protecting all stakeholders and the business on the one hand and the voluminous regulation which abounds internationally and, given its unique circumstances and challenges, in South Africa particularly.

Eddy Oblowitz in his capacity as chairman of the Remuneration Committee continues to lead a most extensive shareholder engagement process. The feedback from shareholders has been very positive. These are vital interactions as they provide the opportunity to place remuneration policy in the context of the Group's strategy and achievements and the specific circumstances facing our business.

As previously stated: "We will always maintain appropriate governance over remuneration in which there is much public interest given the level of inequality in South Africa. Bearing in mind the disruption and very considerable hidden costs associated with the loss of skilled people to companies seeking talent to solve their own problems, our remuneration policy must be bold and competitive. We ask shareholders and other stakeholders to consider and understand this point."

Happily, it is increasingly clear that TFG is a leader in its sector. Whilst this is obviously a welcome development, it means that our deep bench of talent is constantly being targeted by both South African and international companies in what can only be described as a "war on talent." It is in this context that I most earnestly appeal to all who have an interest in our remuneration awards to weigh very carefully these comments for they are statement of hard facts. I repeat that although not readily apparent when it occurs, the hidden cost of losing key people is immense and I would be failing in my duty if I did not point this out as clearly as I can. We of course encourage thoughtful discussion on this particular point during our extensive shareholder consultations and simultaneously ask for your most careful consideration of this vital aspect.

Last year I recorded a number of changes to board committees. This year a further change is proposed. Graham Davin has been nominated as a member of the Board Audit Committee in place of Ronnie Stein, who will continue as chairman of the Board Risk Committee.

All board committees had a very active and productive year.

LEADERSHIP TEAM

I am pleased to report that the changes referred to in my statement last year continue to bear fruit and we are committed to reviewing this on an ongoing basis to ensure adequate succession planning and that the appropriate structure is in place to meet the challenges and growth opportunities inherent in the rapidly changing South African and global retail environment.

PROSPECTS

We are clearly living in uncertain times with negative macroeconomic developments making forecasting difficult. This is exacerbated by the war in Ukraine. Last year I wrote that "It is worth keeping in mind...that the concerted actions of central banks and governments to keep the global economy as stable as possible during the crisis comes at a cost. Record low interest rates associated with these policies hurt savers. Inflation in asset prices fuelled by the massive injection of liquidity is set to continue, exacerbating income and wealth inequality. If this inflation were to spread to everyday commodities, the pressure on consumers will be increased. If this were in turn to lead to higher interest rates a negative spiral could develop especially for heavily indebted governments increasing the likelihood of tax increases which could further constrain demand."

Unfortunately inflation has now spread to everyday commodities and interest rates are rising. How far they rise will depend in part on the inflationary forces that emanate not only from the monetary and fiscal policies referred to above but that element which is being driven by the war – food and energy. If this were to continue for a protracted period, the hardship created through interest rate increases to keep inflation at an acceptable level will be considerable producing high unemployment and possibly a recession of unknowable severity. Conversely if the war ends and food and energy prices stabilise, then it will be the monetary policy induced element only causing the inflation and this is likely to be at a lower level and could be somewhat easier to restrain producing a more benign outcome.

Either way the outlook is very uncertain with potential negative impacts on the consumer in all the Group's markets.

TFG will continue to focus relentlessly on its business and pursue its strategies boldly but with respect for the current environment.

APPRECIATION

Once again, working with my colleagues has been both productive and pleasurable. Together much has been achieved, from record results to the pursuit of our strategies and much beyond. The environment has been extremely challenging and I salute all who have made the year so successful in these circumstances. They are:

- Anthony Thunstrom and his entire team in South Africa, Australia and the UK for their sterling efforts. Only those closest to them know the tole that their hard work and dedication takes and I thank their families too for their support.
- Every single person in the now 38 329 strong TFG family for their loyal dedication and hard work in the interests of the business and all its stakeholders.
- My non-executive colleagues and committee chairpersons for their tireless best efforts. Yet again, they have gone beyond the call of duty and TFG is most fortunate to have their skill, experience, wise counsel and dedication.
- Our valued suppliers, advisers and business associates, all of whom have risen to the increasingly high standards the business has demanded of them.
- Our shareholders for their support as we navigate TFG through a difficult and uncertain business climate and position it for success in a rapidly evolving consumer environment.
- Of course, our customers! Everything we do is in the knowledge that we ultimately exist to satisfy their requirements. They enable TFG to make profits from which it pays taxes and salaries, procures goods and services and makes investments in the future. In short, we have no business without them.

M Lewis
Chairman

29 July 2022

RESPONSIBLE OVERSIGHT OF PERFORMANCE AND REPORTING

TFG's values and culture are the foundation of our governance framework, with our Enterprise Risk Management (ERM) and combined assurance frameworks critical elements within our governance ecosystem. Combined, these form the cornerstone of TFG's approach to responsible oversight of our business operations, strategy and performance and shapes our communication with external stakeholders.

1. We maintain risks and opportunities in a centrally managed risk database. These risks and opportunities reflect the ESG and financial spectrum and are highlighted through activities such as horizon scanning, workshops, assurance reviews, projects and management discussions. We assess each risk in terms of likelihood of occurrence and potential impact on the Group.

   We consider the materiality of risks and opportunities with reference to our strategy, stakeholder importance, business impact and our ability to create sustainable value over the short, medium and long term. We consider qualitative and quantitative impacts aligning with the Group's risk appetite. This informs our materiality process.

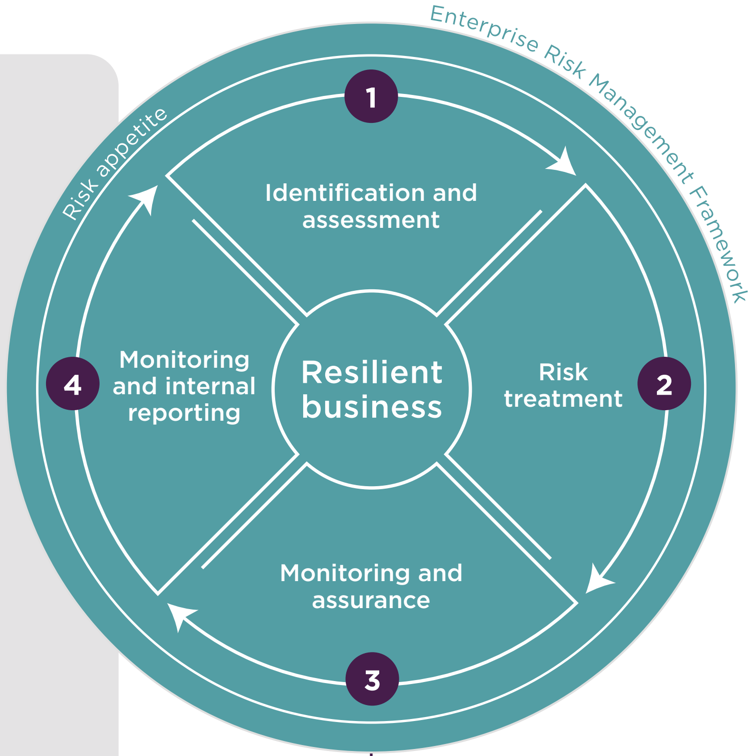
   Read more about our material matters, risks and opportunities on page 44.

2. We explore opportunities and, where relevant, include them in the strategic process. Our risk appetite guides investment in risk mitigation and we agree on relevant actions and assign these responsibly. We evaluate whether or not our mitigating activities are adequate to determine the residual risk.

3. Key risk indicators are used to monitor risk and mitigation. An assurance plan provides assurance that the treatment and related mitigations over significant risks are adequate and effective. The Risk Committee approves the assurance plan.

4. Various forums and committees review the risks and opportunities. The Risk Committee revises and discusses significant risks.

TFG's purpose, vision and values guide all business decisions.



The Group's combined assurance process optimises assurance activities. The five lines of defence approach identifies those responsible for internal controls, risk management and independent assurance. This enables an effective control environment and ensures the integrity of information used in the integrated annual report.

FIVE LINES OF DEFENCE

Assurance providers are increasingly engaged and meet more frequently with business

1. Business unit management, with regular reporting to the Operating Board
2. Centralised governance functions such as information technology (IT) security, risk and legal compliance
3. Internal audit with regular reporting to the Audit Committee
4. Various external, accreditation, certification and assurance providers
5. Supervisory Board and mandated sub-committees

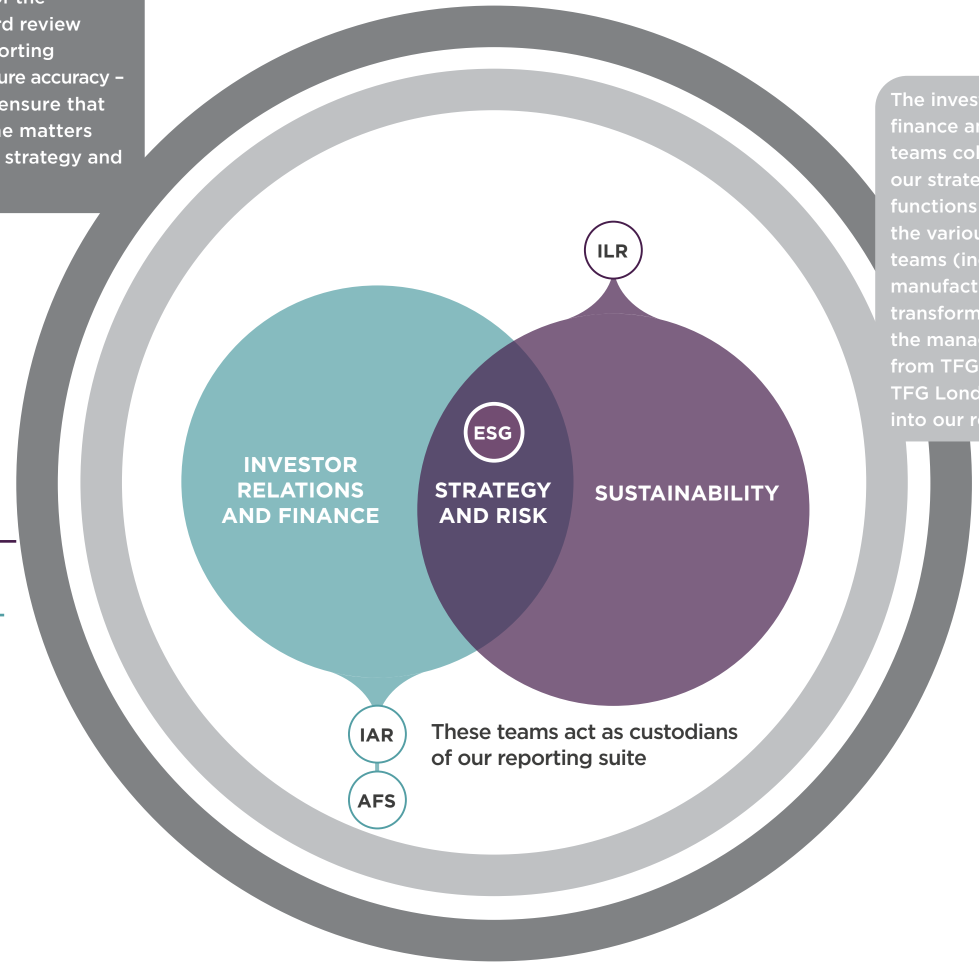
Assurance providers are increasingly independent

Read more about our combined assurance model from page 120.

Our materiality process, which is embedded within our ERM framework, is an important step in determining what content is included in our integrated annual report. It helps us focus our disclosures on those matters that are most impactful on our business or likely to influence value creation, preservation or erosion over time. These matters therefore guide the preparation of our integrated annual report and other elements within our annual reporting suite. We unpack this process, including contributors, systems, controls and accountabilities, below.

The members of the Operating Board review the various reporting elements to ensure accuracy – particularly to ensure that these reflect the matters affecting TFG's strategy and operations.

The investor relations, finance and sustainability teams collaborate with our strategy and risk functions and engage with the various management teams (including local manufacturing, digital transformation, HR and the management teams from TFG Australia and TFG London) for input into our reporting suite.



All elements of our reporting suite are reviewed separately by our CEO and CFO. Their input is fed back to the custodians of the reports.

The Audit Committee fulfils an oversight role in respect of the integrated annual report and annual financial statements. The committee also considers the sustainability information disclosed in the integrated annual report and assesses its consistency with the consolidated annual financial statements and Inspired Living Report.

The Social and Ethics Committee fulfils an oversight role in respect of the Inspired Living Report. The committee reviews TFG's sustainability strategy and its implementation, including approval of our Inspired Living Report.

Once approved by the various committees, all elements of our reporting suite are presented to our Supervisory Board, who is ultimately accountable for ensuring their integrity and collectively reviewing and assessing the content thereof.

Read more about the Supervisory Board's approval of this report on page 6.

VALUE THROUGH GOVERNANCE

TFG's Supervisory Board is committed to the highest standards of corporate governance and supports the outcomes and principles set out in King IV and the JSE Listings Requirements. This summary sets out the Group's key governance matters for the year.

The Supervisory Board is committed to exercising ethical and effective leadership towards the achievement of the following governance outcomes, as stated in King IV.

Ethical culture

The TFG code of good ethical conduct guides how we do business, maintain a workplace free from discrimination and ensure fair and ethical practices for all employees. The code also guides how TFG interacts with external stakeholders and broader society.

The Group 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.

- 251 (reports received in 2020)
- 198 (reports received in 2021)
- 276 (reports received in 2022)

Feedback on material matters received via the tip-off line is reviewed by the Audit Committee to ensure appropriate follow-up and remedial action is taken. Significant issues, including fraud, are reported to the Supervisory Board. No significant issues were recorded during the year.

Good performance

The Supervisory Board engaged with the Operating Board to assess TFG's performance and ensure alignment between the Group's strategy, performance and remuneration to achieve long-term sustainable growth and the enhancement of shared value for all stakeholders.

Effective control

The Group's governing structures (set out on page 59) assist TFG in setting the direction for how the relationships and exercise of power within the Group should be approached and conducted. A formal Board evaluation process is followed every two years to evaluate the performance of the Supervisory Board, its committees, its Chairperson and its individual members.

Read more about the Board evaluation process followed on page 65.

Legitimacy

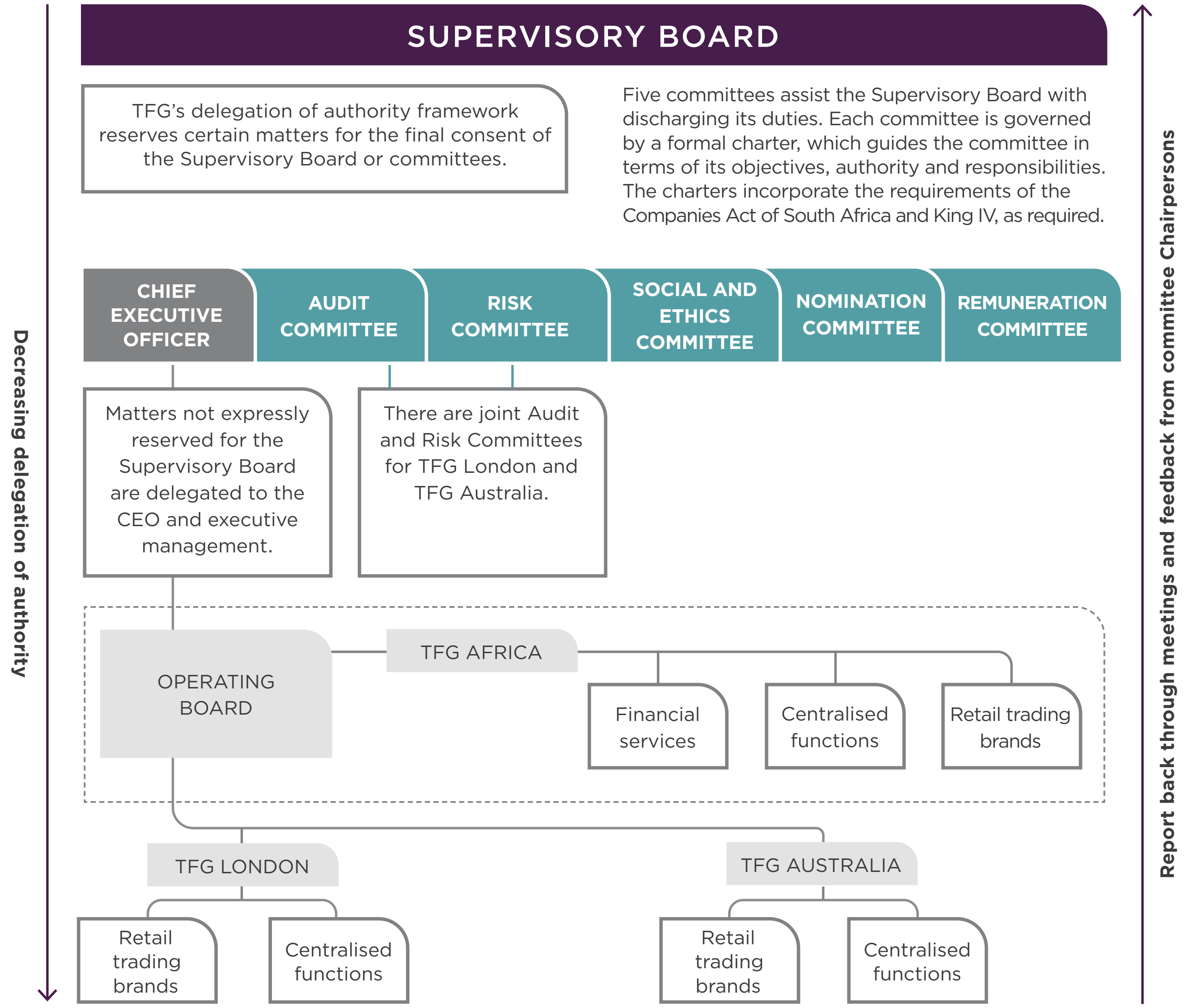
The Social and Ethics Committee is responsible for assisting the Supervisory Board with monitoring, reporting and discharging TFG's social, ethical, transformational and sustainability practices consistent with good corporate citizenship. Our stakeholder engagement programme enables us to understand and be responsive to the interests and expectations of all stakeholders.

Our King IV application register is available on our website and demonstrates how we are applying specific governance structures, processes and practices to achieve the 16 King IV principles and, as a result, the desired governance outcomes.

GOVERNING STRUCTURES AND DELEGATION

- The scope and functioning of the Supervisory Board and its committees are governed by charters. These charters are regularly reviewed and updated. They outline the relevant authority, responsibilities, powers, composition and functioning of the Supervisory Board and its committees.
- All committees are chaired by an independent non-executive director.
- An *ad hoc* Finance Committee, comprising both non-executive and executive directors and chaired by G H Davin, is tasked from time to time to assist the Supervisory Board in several areas. This includes making dividend recommendations to the Supervisory Board, implementing and monitoring treasury and liquidity key performance indicators and specifically considering and investigating all potential acquisition opportunities and their funding.
- The Operating Board is responsible for day-to-day management and operations. Read more about the role and responsibilities of the Operating Board on page 34.
- There is a clear distinction drawn between the roles of the CEO and the Chairman and these positions are occupied by separate individuals. The Chairman is considered independent.

A Group governance framework assists in setting the direction for how the relationships and exercise of power within the Group should be approached and conducted.



The Supervisory Board is satisfied that the delegation of authority framework contributed to role clarity and the effective exercise of authority.

Value through governance continued

HOW THE SUPERVISORY BOARD SPENT ITS TIME

The Supervisory Board typically meets five times per year in Cape Town. Proceedings at meetings are directed by an agenda.

The proposed agenda is circulated in advance to enable Supervisory Board members the opportunity to request additional agenda items.

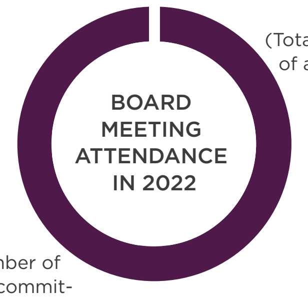
A comprehensive Board pack is distributed prior to meetings to ensure members are properly informed and able to engage in meaningful discussions and effectively discharge their duties.

Minutes of all committee meetings are included in the Supervisory Board packs and directors can raise concerns or questions arising from these minutes.

During the current financial year, the Supervisory Board undertook several discussions and debates related to the execution of TFG's strategy, the effectiveness of the Group's governance structures and the factors underpinning performance.

The Supervisory Board *inter alia*:

- considered the impact of COVID-19 on the business and the appropriate response measures;
- considered the impact of the civil unrest in KwaZulu-Natal, the appropriate response measures and the resultant insurance claims process;
- approved a number of acquisitions, including Cotton Traders, Quench and Tapestry Home Brands;
- approved TFG's new purpose, vision and values;
- approved budgets, projections and results;
- approved dividends;
- considered compliance and governance matters (including the application of King IV);
- approved the King IV application register;
- considered the independence of non-executive directors;
- considered report-backs on the governance structures for TFG London and TFG Australia;
- reviewed and updated the Board charter;
- reviewed strategy at various levels;
- focused on current performance;
- considered report-backs from Supervisory Board committees; and
- discussed emerging retail trends and TFG's omnichannel initiatives.



Full meeting attendance is detailed on page 110.

OVERSEEING STRATEGY EXECUTION

TFG's ongoing focus on its strategic objectives is supported by the Supervisory Board's commitment to oversee the execution of these strategies.

This oversight depends on the directors' collective ability to stay ahead of new and changing uncertainties, risks and opportunities facing TFG over time. It is thus important that the Supervisory Board assesses any gaps in its collective experience and upskills directors accordingly to ensure decision-making is properly informed. This further ensures that our approach to succession planning, director renewal, training and development and committee composition is relevant and resilient to TFG's changing risk environment.

In addition, a formal induction programme for new non-executive directors is in place to maximise their understanding of the Group and enable them to provide input and make well-informed decisions as quickly as possible.

All non-executive directors are exposed to the key aspects of the Group on a regular basis and are invited to proactively participate in this process. Directors have unrestricted access to the Company Secretary and all company records, as well as to independent professional advice at the company's expense in appropriate circumstances.

RISK MANAGEMENT

The Supervisory Board is ultimately responsible for the maintenance of an effective risk management process. The Audit Committee, together with the Risk Committee, assists the Supervisory Board in the assessment of the adequacy of the risk management process.

TFG's ERM framework provides a structured, dynamic and consistent approach to risk management. It is an integrated approach and recognises that effective risk management is critical to the achievement of strategic objectives and the long-term sustainable growth of the business. Risks are reviewed throughout the year and this continuous process informs any updates to the Group's risk registers and combined assurance plan.

The seven most significant risks to the Group are outlined below and unpacked in more detail from page 123. TFG's material matters on page 44 further elaborate on the risks, opportunities and issues that could affect the Group's ability to create shared and sustainable value.

Our most significant risks:

1. Threat of cyber attacks
2. Instability in both local and global economics influences available capital, results in fluctuating exchange rates and affects consumer
3. A stagnant economic climate negatively affects TFG's customers' purchasing power and influences their ability to settle accounts
4. Failure of TFG's IT environment
5. A fire, flood or other natural disaster, political crisis, terrorist attack or other catastrophic event could affect TFG's stores, distribution centres or head office
6. Weakening economies and/or a financial and/or catastrophic disaster leads to the collapse of key suppliers and service providers
7. The complexity of the regulatory environment across all three of the Group's business segments

Value through governance continued

THE SUPERVISORY BOARD: INTRODUCING OUR DIRECTORS

The Supervisory Board is ultimately accountable for the strategy, direction, leadership, governance and performance of TFG. It has oversight of the development, approval and updating of TFG's vision, mission and value statements, and significant policies and goals related to economic, environmental and social impacts. The Supervisory Board mainly comprises non-executive directors, with the majority being independent.

All directors exercise unfettered discretion in fulfilling their duties and there exists a balance of power and authority among the members of the Supervisory Board.

The CVs of our Supervisory Board directors are provided on page 108.

A E Thunström (52)
BCom (Hons Acc), CA(SA)
CEO
Member of: Risk and Social and Ethics Committees

B Ntuli (45)
BCom (Hons Acc), CA(SA), AMP (Harvard)
CFO
Member of: Risk Committee

M Lewis (63)
BA (Econ) (Hons)
Chairman
Member of: Nomination and Remuneration Committees
Chairman of:
Nomination Committee

G H Davin (66)
BCom, BAcc, CA(SA), MBA
Lead Independent Non-Executive Director
Member of: Audit and Nomination Committees

Prof. F Abrahams (59)
BEcon (Hons), MCom, DCom
Member of: Nomination, Remuneration, Risk and Social and Ethics Committees
Chairperson of: Social and Ethics Committee

- Executive directors
- Independent non-executive directors
- Non-executive director

C Coleman (59)
BA (Architecture)

D Friedland (69)
BCom, CA(SA)
Member of: Audit, Remuneration and Risk Committees

B L M Makgabo-Fiskerstrand (48)
BA
Member of: Audit, Risk and Social and Ethics Committees

E Oblowitz (65)
BCom, CA(SA), CPA(Isr)
Member of: Audit, Remuneration and Risk Committees
Chairman of: Audit and Remuneration Committees

N V Simamane (63)
BSc (Chemistry & Biology) (Hons)
Member of: Audit, Risk and Social and Ethics Committees

R Stein (73)
BCom, CA(SA)
Member of: Risk and Nomination Committees
Chairman of: Risk Committee

A D Murray (65)
BA, CA
Member of: Risk Committee

Value through governance continued

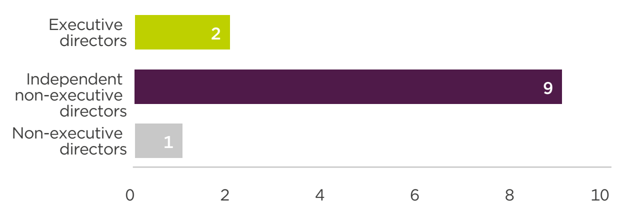
CHANGES TO THE SUPERVISORY BOARD OR COMMITTEES

As reported in our 2021 integrated annual report, Mr S E Abrahams retired from the Supervisory Board with effect from 2 September 2021, following the conclusion of the company's AGM. Mr Abrahams, who was due to retire by rotation at the AGM, accordingly did not offer himself for re-election. There were no other changes to the Supervisory Board or any of its committees during the financial year.

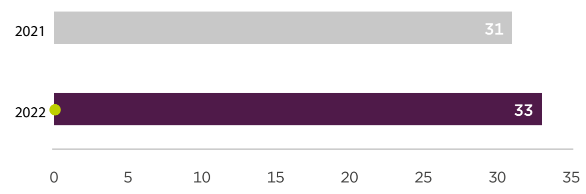
As was announced on SENS on 30 June 2022, the following changes to the Audit Committee have been made with effect from 1 July 2022 and are a result of a continual review process, by the Nomination Committee, with regard to the composition of the Board and Board Committees as well as the need for succession planning and renewal and aims to align the company with Corporate Governance requirements and best practices:

- Mr R Stein will step down as a member of the Audit Committee
- Mr G H Davin will be appointed as a member of the Audit Committee

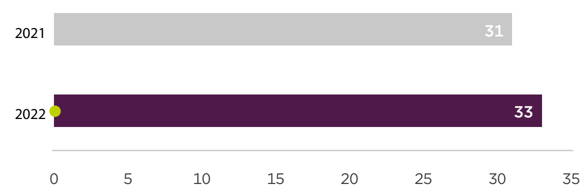
BOARD COMPOSITION



GENDER DIVERSITY (% WOMEN)



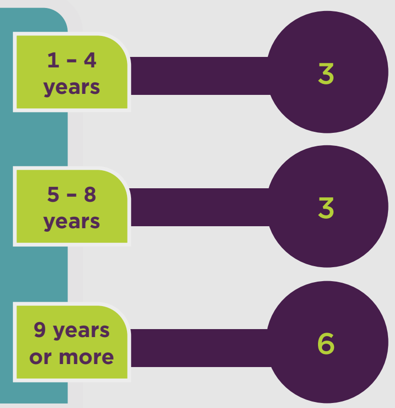
RACIAL DIVERSITY (% BLACK)



TFG has adopted a policy on the promotion of broader diversity at Supervisory Board level. Diversity is important to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management of TFG. A truly diverse Board will include and make good use of different skills, regional and industry expertise/knowledge, experience, age, culture, background, race, gender and other distinctions between directors.

Tenure of the Supervisory Board

Of the nine independent non-executive directors, six have served a term in excess of nine years. The Supervisory Board reviewed the independence of Mr M Lewis, Prof. F Abrahams, Ms N V Simamane, Mr E Oblowitz, Mr R Stein and Ms B L M Makgabo-Fiskerstrand (during the relevant meeting the aforementioned directors recused themselves). After due consideration, the Supervisory Board concluded that the length of their association with the Group does not impair their independence.



The Nomination Committee recommends re-election by shareholders after due consideration is given to the director's attendance at meetings and his/her performance. Each year, one third of the existing non-executive directors are subject to retirement by rotation. This is in line with the memorandum of incorporation.

The following Supervisory Board members will stand for re-election at the 2022 AGM:

- M Lewis
- A D Murray
- C Coleman
- G H Davin

Refer to the corporate governance report from page 108 for brief CVs of these directors.

The Supervisory Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence, as illustrated below.

INDEPENDENCE AND PERFORMANCE EVALUATION

As recommended by King IV, the Supervisory Board categorises non-executive directors as independent if it concludes there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making in the best interests of TFG. The Supervisory Board considers King IV and other indicators holistically, and on a substance-over-form basis when performing this assessment and is aided by an annual independence questionnaire completed by each non-executive director.

On this basis, nine of the ten non-executive directors are categorised as independent and one, A D Murray, is not considered to be independent. G H Davin has been appointed as the Lead Independent Non-Executive Director with effect from 1 August 2020.

The Lead Independent Director performs specific duties primarily aimed at strengthening the Chair of the Board of Directors in line with the recommendations contained in King IV. These duties include *inter alia* overseeing the evaluation of the Chair, being a sounding board for the Chair, being an avenue of communication for the other directors on any issues relating to the Chair, and chairing discussions and decision-making where the Chair has a conflict of interest.

The Supervisory Board is satisfied that the evaluation process is improving its performance and effectiveness.

Value through governance continued

Non-executive directors have no fixed terms, and the performance of all directors is subject to an evaluation process. This formal Board evaluation process is followed every two years as recommended by King IV, and includes the following steps:

1. Comprehensive questionnaires are sent to all Supervisory Board members to evaluate the performance of the Supervisory Board, its committees, its Chairperson and its individual members.
2. The results are collated and passed on to the Chairman.
3. The Chairman conducts a one-on-one interview session with each director to discuss his/her feedback and any areas of concern.
4. The Chairman provides feedback to the Supervisory Board on any actions arising from the evaluation process.
5. The outcomes of the actions are evaluated to ensure improvements were achieved.

This formal process was followed in 2021 and will be repeated in 2023. During the 2022 financial year, as recommended by King IV, the Chairman conducted an informal one-on-one interview session with each director to create an opportunity for consideration, reflection and discussion of the Supervisory Board's performance. No significant results or remedial actions were identified in this process.

DIRECTOR APPOINTMENT

Potential non-executive directors go through a thorough interview process until a suitable candidate is appointed. The process is contained in a policy that details the appointment procedure and ensures that appointments are a matter for the Supervisory Board, assisted by the Nomination Committee. Newly appointed directors hold office until the next AGM, at which time their appointment is confirmed and they stand for re-election.

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Responsibility for the implementation and execution of effective compliance management is delegated to management. The Supervisory Board retains ultimate responsibility for compliance with applicable laws, adopted non-binding rules, codes and standards.

The constantly changing regulatory landscape is carefully monitored to ensure that key regulatory changes are identified by jurisdiction, impact on the business is determined and appropriate business response plans are developed to ensure compliance.

The Foschini Group Limited (the company) is in compliance with the Companies Act of South Africa and other relevant laws of establishment, specifically relating to its incorporation. Further, the company is operating in conformity with its memorandum of incorporation.

Read more about how we identify risks and respond to the risk of non-compliance in our Risk Committee report from page 119.

OUR BUSINESS MODEL

TFG's vision is to create the most remarkable omnichannel experiences for our customers. Our business model illustrates the unique way the Group uses available resources to achieve this. It also illustrates how we transform these resources into outputs and outcomes and deliver on our strategic objectives in the short, medium and long term.

OUR KEY RESOURCES AND THE INPUTS INTO OUR BUSINESS MODEL

Financial capital

TFG's sources of funds consist of funds reinvested in the Group, retail profit generated, interest income, income from our value-added services, share capital and a combination of long-term and short-term borrowings. The two sources of funding for the Group are institutional lenders and banking syndicates. Financial capital is used to fund the growth of the Group, to pay interest on borrowed funds and for capex and expansion. When appropriate, it is used to pay dividends to our shareholders.

- R19,1 billion in total equity
- R2,2 billion free cash flow
- 79,9% cash turnover contribution
- 20,1% credit turnover contribution
- R1,0 billion net debt as at 31 March 2022

Financial capital constraints experienced during the year:

- Zero (TFG Africa), c.5,0% (TFG London) and c.15,0% (TFG Australia) of trading capacity lost due to COVID-19-related lockdowns across our territories
- Worsening macro- and socio-economic conditions and constrained consumer spending
- Supply chain and logistics disruption, resulting in steeply elevated shipping costs
- R750 million lost in retail turnover as a result of civil unrest and flood-related damage

Intellectual capital

Intellectual capital includes our broad retail experience, market-leading brand portfolio, omnichannel ecosystem and strong operational support. Our buying process and QR model help ensure inventory purchases and fabric selection are in line with projected turnover and based on actual trading patterns and sales trends. Our investment in a customer-focused digital offering positions TFG as more agile and fit for the future than our competitors.

- 30 brands
- 28 omnichannel brands
- 48,5 million locally manufactured units[1]
- 27,8 million myTFGrewards customers[1]
- 1 million total online orders fulfilled
- 14 million social media followers

Intellectual capital constraints experienced during the year:

- Greater reliance on digital systems and infrastructure increased cyber security risk
- Scarcity of IT and tech-related skills in all our territories

Social and relationship capital

Our ability to succeed as a business depends on our relationships with our various stakeholders. As a responsible corporate citizen, we invest in these relationships and strive to work effectively with our stakeholders to create shared value.

- R27,0 million in corporate social investment spend for TFG Africa
- R1,3 billion paid to governments in income taxes
- 73% of TFG Africa clothing procurement is local (South Africa and surrounding SADC countries)
- R48,7 million invested in supplier development

Social and relationship capital constraints experienced during the year:

- Slow economic progress, high unemployment and limited access to education, housing and social protection, among others, impacted the welfare of communities served by TFG Africa

Manufactured capital

We use a range of physical sites and facilities throughout our markets in Africa and internationally, which enable us to procure, import, manufacture, sell and deliver our products and services. This includes our outlets and offices, distribution centres, manufacturing facilities and logistics infrastructure, including roads, ports and railways. In-house manufacturing increases TFG Africa's QR capabilities.

- 4 351 outlets
- 6 TFG Africa-owned factories
- 8 TFG Africa insourced distribution centres
- 1 online warehouse
- R1 600 million in capital investment

Manufactured capital constraints experienced during the year:

- Electricity load shedding in South Africa impacted our stores and production facilities
- Stores and warehouses damaged during the civil unrest and flooding

Human capital

Human capital constitutes the skills and retail experience of our employees, who enable us to implement our strategy and deliver our products and services. We grow our human capital through bursaries granted to employees and through retail and manufacturing internship and learnership opportunities. Our human capital also relies on our employees' ability to adapt to change and our ability to contribute positively to their health, safety and wellbeing.

- 38 329 employees
- 256 627 training interventions
- 96,6% employment equity representation[1]

Human capital constraints experienced during the year:

- Industry-wide labour shortages impacting TFG Australia
- Competitors continue to target TFG's deep skills bench
- COVID-19 continued to challenge employee wellbeing

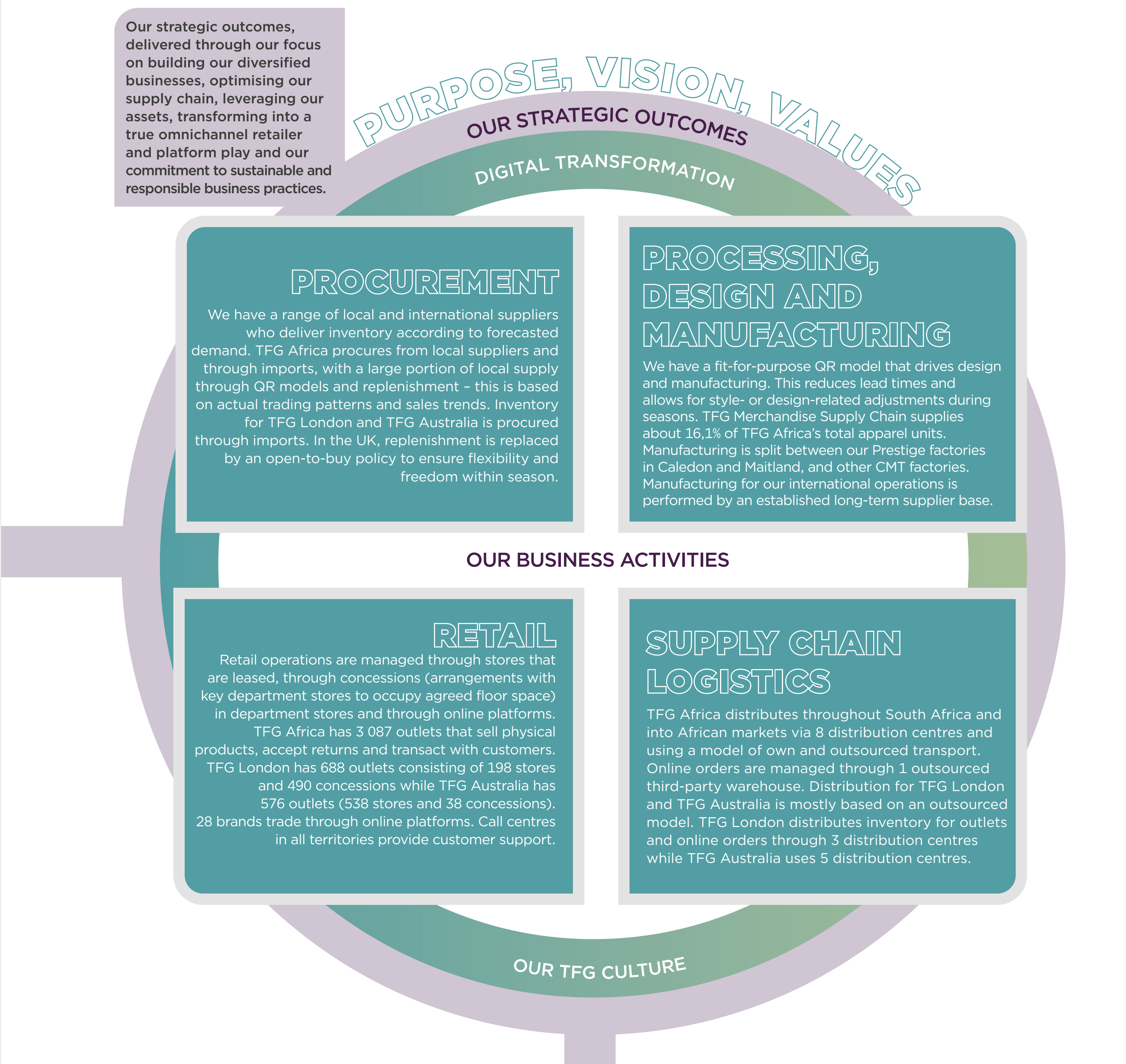
Natural capital

As a retailer, we rely on natural resources for the production and delivery of goods. These natural resources include fibres as input for the production and manufacturing of our products, and energy and fuel to distribute and sell our goods. We rely on water throughout our supply chain. Other natural resources include cotton, paper, electricity, gold, diamonds and silver.

Natural capital constraints experienced during the year:

- Increased power interruption due to load shedding affected store operations in South Africa
- Increased transport between distribution centres, warehouses and stores

[1] *Relates to TFG Africa only.*



OUR EXTERNAL OPERATING ENVIRONMENT

Our performance can be positively or negatively influenced by market conditions; environmental, social and macroeconomic factors; and retail trends – either creating an environment for growth or restricting the degree to which we can preserve or create value.

Read more about our operating context from page 42.

TFG Africa | TFG London | TFG Australia

THE OUTPUTS OF OUR BUSINESS MODEL

Products and services

Our retail brands offer clothing, jewellery, cellphones, accessories, cosmetics, sporting apparel and equipment, and homeware and furniture. TFG Africa also offers customers a range of value-added services such as magazines, insurance products, mobile airtime and our myTFGrewards programme.

By-products and waste

The majority of our environmental impacts are found beyond our retail and head offices; further up our supply chain (farming, dyeing, printing and manufacturing) and downstream (washing, drying and disposal of products).

While we implement resource efficiency measures at our head offices, retail outlets and distribution centres, we also work extensively with our suppliers to drive sustainability best practice. This ranges from fair treatment of employees to producing garments on demand to reducing waste.

Our business model continued

The outcomes of our business model

The outcomes of our business activities include the positive or negative internal and external consequences for our stakeholders and capitals, and collectively result in the value that we create, preserve or erode over time. While COVID-19-related restrictions again impacted trading hours, the outcomes of our business model were also impacted by events such as civil unrest, fires, floods and load shedding. Through the collective efforts of our Operating Board and management teams, we mitigated value erosion where possible to ensure we preserved the stakeholder and resource value under our care.

Financial capital

Our employees and shareholders benefit from the proper management of financial capital:

- Total equity increased by 11,2% to R19,1 billion.
- Group gearing (total debt to equity – pre-IFRS 16) of 11,2% – reducing the Group's financial indebtedness insulates the statement of financial position against potential future shocks while at the same time positioning us for future growth and opportunities.
- Free cash flow of R2,2 billion, which is robust despite trading losses and investments into strategic growth initiatives.
- Credit turnover growth of 24% was behind cash turnover growth – this supports the Group's strategy to curtail credit sales in the prevailing economic environment.

Intellectual capital

Our customers, employees and shareholders benefit from the proper management of our intellectual capital.

- The number of TFG brands increased to 30, meaning that customers can now enjoy an increased portfolio of our leading brands.
- We invested further in digital transformation, improving employee and customer experiences alike.
- We acquired Quench and completed our first ever acquihire when we bought Flat Circle. These businesses significantly enhance our digital expertise and strengthen our position as a true tech omnichannel retailer.
- We launched TFG Labs and a Customer Hub Centre of Excellence in TFG Africa. TFG London and TFG Australia similarly invested in replatforming their brands to enhance their position as omnichannel retailers.
- We partnered with Tymebank to enhance the in-store value-added services we offer our customers.
- We continue to focus on advancing product stewardship through innovative partnerships and brand-led initiatives.

Social and relationship capital

All our stakeholders, including governments, legislators and regulators as well as the non-profit organisations and communities we work alongside, benefit from responsible stakeholder engagement.

- We supported communities through total Group donations of R27,0 million for TFG Africa.
- COVID-19 vaccinations sites were rolled out at TFG.
- We increased locally sourced clothing to a meaningful 73% of total TFG Africa procurement, with plans in place to support significant local supply chain growth over the next few years.
- 425 young people were employed through the YES programme during the year.
- We improved our B-BBEE level from Level 6 to Level 3 and we remain committed to making a meaningful contribution to transformation within South Africa.
- TFG London carried out risk assessments across the tier 1 and tier 2 suppliers in its supply chain and onboarded all its brands onto the SEGURA platform, which provides visibility across global multi-tier supply chains.
- In support of our efforts to eradicate modern slavery, TFG London continued its partnership with Anti-Slavery International and TFG Australia continued to collaborate with the Australian organisation, Be Slavery Free.

Manufactured capital

Our employees, customers, suppliers and shareholders benefit from the proper management of our manufactured capital:

- 73% of TFG Africa's clothing procurement is from local and regional sourcing, enabling us to optimise our manufacturing and in-house design capabilities.
- Capex increased by 86,5% to R1,6 billion, underpinned by solid business growth.
- QR manufacturing (TFG Africa) increased to 15,7 million units (90% of locally manufactured units), strengthening our ability to react to in-demand, in-season sales while protecting our margins.
- Our Group footprint increased by net 67 outlets, enabling us to provide customers with more opportunities to shop conveniently in more locations.

Human capital

Our employees, customers and shareholders benefit from the proper management of our human capital.

- 1 858 internship and learnership opportunities were made available in retail, creating more employable people within our communities.
- Training and development spend as a percentage of payroll increased by 1% and the total number of training attendees increased by 13,5%.
- Our transformation drive delivered a sustained increase in the representation of Black employees within our top and middle management teams.
- Continued efforts to support, develop and fairly remunerate our people to drive retention. Considering the challenging nature of the local and global retail sectors, this provides TFG with a critical competitive strength.

Natural capital

All our stakeholders benefit from the responsible and sustainable management of our natural capital.

- The Group is reporting under the Task Force on Climate-Related Financial Disclosures for the first time for financial year 2022 with commitments to progressive disclosure under this reporting standard in subsequent years.
- In addition to the climate change disclosure made under CDP, the Group participated in and disclosed under forest and water for the first time this year.
- TFG Africa recycled 100% of our textile waste.
- We improved our energy efficiency, achieving a 0,5% reduction for TFG Africa.
- This year the Group made further shifts towards more sustainable material choices. New sourcing metrics and commitments were introduced for cotton, wood fibre products and jewellery in South Africa. TFG South Africa also entered into a partnership with FSC® to show our commitment to sourcing from responsibly managed forests and joined TFG London and TFG Australia in being a Better Cotton member.
- Our designers and merchants have championed sustainability through a number of successful collections with specific sustainability characteristics.
- TFG South Africa has made a commitment to shift to plastic shopper bags with 100% post consumer recyclate in the new financial year.

RESOURCE AND STAKEHOLDER TRADE-OFFS AND THE IMPACT ON OUR CAPITALS

In our strategic and tactical business decisions, we have to prioritise certain resources and stakeholder outcomes above others. These decisions are made with consideration of the long-term focus of our strategy, and in accordance with the delegation authority framework as approved by the Supervisory Board. It can also form part of daily operational choices. Below are some of the key decisions undertaken during the year.

Investment in local manufacturing

TFG is passionate about driving economic growth and prosperity through successful business practices. We are committed to investing in local retail and manufacturing infrastructure as well as in skills development and job creation across the nation. This dedication is evident through our commitment to the South African R-CTFL Masterplan, formulated by the retail sector, organised labour and the Department of Trade, Industry and Competition in 2019. This plan aims to increase local production to boost employment in the sector, with a target of creating 165 000 jobs within the industry by 2030.

Our investment in local manufacturing is an investment in our business as well as an investment in the South African economy and in our local communities, especially the communities where our factories are situated. While this investment reduces our financial capital in the short term, it strengthens our local supply chain and results in employment creation and preservation.

Short-term	Medium- to long-term
↓	↑

Product stewardship and expansion into the value segment

With the build out of our value segment offering, the Group naturally procures higher overall levels of commodities made from natural and synthetic resources such as cotton and polyester. The production of these natural resources is not infinitely renewable. Consequently, we mobilised efforts to progressively shift into more sustainable alternatives. Starting with our highest volume product, cotton, TFG South Africa became a member of Better Cotton this year, joining TFG London and TFG Australia. The Group is committed to a goal of sustainable sourcing with targets of 50% sustainably sourced cotton, including Better Cotton, by FY 2026 in both TFG Africa and TFG Australia, and 100% sustainably sourced fibres, including Better Cotton, by FY 2026 in TFG London. The Group is working towards a commitment for recycled polyester and is currently establishing a baseline and exploring relevant and appropriate certifications.

Short-term	Medium- to long-term
↓	↑

Store expansion and the impact on our carbon footprint

73% of our carbon emissions arise from purchased electricity, with 91% of this coming from our store footprint. Within South Africa, around 85% of electricity supplied by Eskom is being generated from coal. Consequently there is a trade-off between the Group's growth ambitions and the expansion of our South African store footprint, and the environmental impact of generating electricity. To this end, we have embarked on an integrated power programme to reduce our carbon footprint and ensure business continuity, particularly given the impact of load shedding. The first initiative within this programme was retrofitting halogen lighting with LEDs across our South African stores.

Short-term	Medium- to long-term
↓	↑

05

VALUE CREATION THROUGH PROVEN STRATEGY

A MESSAGE FROM OUR **CEO**

2022 was one of the busiest in the Group's history and, despite the challenging environment, we continued investing in key current and future retail capabilities and made progress on key Group strategies that support recovery and position us for further growth.

A E Thunström
Chief Executive Officer

We are hopefully seeing the end of COVID-19's worst impacts. However, our performance, particularly in the first half of the year, was negatively impacted by COVID-19-related store closures. Although we did not lose any trading hours in TFG Africa as a direct result of enforced store closures, we did lose 5% of available trading hours in TFG London and 15% of available trading hours in TFG Australia. In South Africa, we further experienced civil unrest, devastating floods and a return to high levels of load shedding, which exacerbated the negative economic consequences of the pandemic. In Australia, a series of floods in Queensland and New South Wales lead to the loss of life, severe property damage and financial losses. All of our operations were impacted by global supply chain disruptions, which affected the timing of shipments and overall logistics costs.

Despite these headwinds, we bounced back from one of the most turbulent periods in decades to end the year with record-high Group revenue of R46,2 billion (up 29,7%). This was underpinned by strong growth in Group retail turnover to R43,4 billion (up 31,6 %), Group gross profit to R21,0 million (up 40,3%) and headline earnings to R3,3 billion (up 442%) with all territories performing above expectation. The Group, and TFG Africa in particular, saw strong like-for-like gross margin recovery. TFG London's new business model and structure delivered record results, with EBIT back above pre-COVID-19 levels. TFG Australia again delivered strong top line and margin growth and outstanding operating leverage. Group online retail turnover growth of 11,7% remains pleasing, particularly coming off a high base in the prior year and considering that we purposefully throttled the growth of e-commerce for TFG Africa while replatforming the business.

In addition to this strong operational performance, we reaped the dividends of our previous strategic investments, progressed on key strategies and invested organically in maximising and rolling out our brands and stores. We also significantly strengthened our digital as well as our supply chain and manufacturing capabilities. What is most important about this progress is that we achieved it both responsibly and sustainably, with deliberate and intensified investment in ESG. In particular, we focused on job creation and preservation, which remains a key component of our social contribution to South Africa.

PROGRESS AGAINST STRATEGY

What we want to achieve as a business has never been clearer and is articulated through our new Group purpose, vision and values. Ultimately, all of our customers want and expect more choice of the brands, products and styles that they love and aspire to; they want and expect to be able to shop for and receive these products through the channels of their choice, which happen to be increasingly digital and increasingly fast, and they want to know that these products have been ethically and sustainably sourced. It is clear that all of these customer desires can only be fulfilled through thoughtful and meaningful investments in our brands, our digital capabilities and our agile and responsive supply chains.

Our strategic pillars

BUILD OUT diversified, high brand-equity businesses

OPTIMISE sourcing mix and supply chain efficiency

LEVERAGE our assets – customer data, store footprint, talent and product assortment

TRANSFORM into a true omnichannel retailer and platform play

Our sustainability strategy is critical in enabling us to deliver on our commitment to create shared value by driving social and environmental benefits for our stakeholders while supporting our business strategy.

SUSTAIN ourselves and our stakeholders into the future

Fashion that connects people and their passion

Fashion that shares the benefit of enterprise

Fashion that restores our relationship with nature

More information about our sustainability strategy is available in our online Inspired Living Report.

To deliver on this purpose and our aspirations, we identified five strategic pillars critical to our long-term success. We are confident that by focusing on these enablers, unpacked in more detail below, we will be well positioned to grow turnover and margins, lead and outcompete and grow market and customer value while acting responsibly.

Build out diversified, high brand-equity businesses

Our record results for the past financial year reinforce our belief in our business model and our focus on building out high-equity, individual speciality brands.

The strength of this approach was demonstrated during the year by the fact that we continue to outcompete and win market share across each of our territories. In South Africa's key men and ladies wear segments, we grew our sales by 27,0% against a market average of 5,9%[1].

TFG London grew by 57,3% against market growth of 12,7%[2] and TFG Australia grew by 24,0% against market growth of 12,2%[2].

This superior growth is the direct result of putting our customers and brands first, with the value of this investment demonstrated by the measurable brand equity of each of our individual brands. More people than ever before are following our brands across the various social media platforms and the gap between TFG and our competitors continues to grow.

At 31 March 2022, we had 16 million social media followers, a 80,3% increase in year-on-year site visits. Our 13,4% share of online web traffic is the largest compared to our traditional retail competitors in South Africa and second only to Takealot when compared to pureplays. More people are joining our customer base. We saw a 22% increase in our already significant myTFGrewards base and more than 700 000 new customer accounts were opened this year. Importantly, our customers are more satisfied with our brands than ever before and our customer satisfaction score improved from 82,7% to 83,1%.

[1] *As per Retailers Liaison Committee (excluding Sport categories which are not reported).*
[2] *As per Euromonitor, for the best available comparable periods.*

A message from our CEO continued

In putting customers first, we are consistently investing in and striving to have the best brands, the best people and the best stores.

Sportscene was rated as South Africa's fifth strongest brand this year in the Brand Finance report, competing with distinguished brands like Capitec, FNB and MTN. Markham and Foschini also featured in the top 50 most valuable brands in South Africa. These examples serve to further highlight the strength of the brand equity associated with each of our specialist brands.

The power of our collective brand portfolio further enables us to continue to expand across various retail segments and living standard measure groups. This is bolstered by our increased penetration within the resilient and defensive value segment in TFG Africa through the purposeful expansion of Exact, JET, RFO and Sneaker Factory and in TFG Australia through Connor and Rockwear. This expansion has come at an opportune time as we are seeing a boom in demand from customers looking for affordable, quality merchandise.

TFG has had the lowest selling price inflation in the South African market over several years and we have remodelled our pricing architecture to ensure we offer value and remain relevant to our entire customer base. While this was important pre-COVID-19, it is even more relevant now and will remain a key component of our brand strategy moving forward.

Optimise sourcing mix and supply chain efficiency

Retailers around the world are being negatively impacted by supply chain delays and steeply elevated shipping costs, which have risen by more than 238% year-on-year.

In TFG London and TFG Australia, this disruption profoundly impacted capacity and cost as well as stock availability and our ability to launch relevant product on time. To mitigate these impacts, we are utilising alternative supply routes and undertaking risk assessments to better understand where the risks in our supply chain lie. We also further improved our logistics efficiency by investing in greater automation and mechanisation. TFG London moved two of our brands into a single shared services centre and TFG Australia relocated and enhanced its warehousing capacity for Connor. This is part of our strategy to achieve faster speed-to-market and a better customer experience.

In TFG Africa, we continued to invest in local Quick Response (QR) manufacturing and made several manufacturing acquisitions in South Africa. The measurable and tangible benefits of these investments include a GMROI (Gross Margin Return on Investment) benefit of R230 million. Of even greater importance is the improved in-stock availability and sell through and sales advantages that come on the back of this QR model.

We remain South Africa's largest clothing manufacturer, with 73% of our apparel manufactured locally (being manufactured in South Africa and neighbouring SADC countries). While this is significant, we will seek to further localise our apparel, homeware, furniture and jewellery production. This includes expanding our QR capabilities into non-apparel products and developing local procurement in segments dominated by imported goods.

We have acquired Tapestry Home Brands for R2,35 billion. Tapestry is a prominent direct-to-consumer, vertically integrated designer, manufacturer and omnichannel cash retailer of home furnishings. Significantly, Tapestry's own, locally manufactured product accounts for c.47% of net sales. We also acquired local bedding brand, Granny Goose together with its vertically integrated manufacturing arm, Cotton Traders. Both of these transactions support our focus on job creation, local manufacturing and harnessing innovation and home-grown talent. They are also in line with our stated strategy of vertical integration in key product categories which will enable us to improve margins and working capital efficiency.

Our medium-term ambition is to significantly ramp up our QR manufacturing and increase the number of units manufactured from 15,7 million this year to 30 million units by FY 2026. This is a bold goal that we will reach responsibly and efficiently as we have a clear strategy to create a digitally-enabled, accredited, compliant and sustainable local supply chain. The economic and market share benefits this will bring for TFG are clear. Just as significant are the jobs this will create and the opportunities it will bring to empower more people through upskilling and employment.

Leverage our assets

Brands and stores remain absolutely critical to our business model and are core to our success.

In South Africa we rebuilt, restocked and reopened 176 of the 198 stores that were looted during the July unrest. We also opened 274 new stores – including opening our 3 000th store for TFG Africa in September. As at 31 March 2022, TFG Africa had 3 087 stores.

While many other Australian brands divested from formal wear during COVID, we leveraged the diversity of our brand portfolio to capitalise on our athleisure brand Rockwear, whilst ensuring that we remained in stock and true to brand for our occasions-based brands. TFG Australia was thus strongly positioned to gain market share and capitalise on consumer demand when pandemic-related restrictions lifted and social events returned. We also stayed true to our expansion strategy and invested capital to open 29 new outlets in Australia and 2 new outlets in New Zealand.

In TFG London, we continued redesigning the business model away from the legacy department store channels and championing fewer, better stores and our own direct-to-consumer digital channels. While we opened 62 new outlets, we also closed 175 loss-making outlets.

An important part of leveraging our TFG assets is utilising our significant store footprint to offer customers convenient access to a full suite of value-added services. Our Tymebank partnership ushers in an entirely new end-to-end digital financial services offering into the retail environment, both in-store and via digital platforms. Kiosks will soon be rolled out to stores, providing near instant debit cards, personal loans and a full suite of services that include a market-leading buy-now, pay-later payment option called MoreTyme. We see significant potential in this offering, particularly among younger customers, and believe it enhances our existing store credit offering which remains a key business asset.

Jet has been part of the TFG family for just over one year and continues to meet our ambitious expectations for the business. There is no doubt that Jet contributed to our impressive results for the year, providing a significant addition to Group turnover and profitability. Over and above the financial results, we also launched Jet Home as a bold new store-in-store format across 380 of our existing Jet stores and through 11 stand-alone test stores. Initial trading has been robust, and this gives us confidence that we will have a real business in the value homeware segment, which continues to have significant tailwinds behind it.

During the year, we brought TFG Africa's customer functions together into a single Customer Hub Centre of Excellence that supports cross-functional, customer-centric decision-making. We are also investing in a harmonised customer data platform. This platform will provide us with a true single view of our 27,8 million customers for the very first time in our history and will enable us to leverage data to deliver an even more relevant, trusted and consistent customer experience. An example of this is the launch of UNION-DNM, our denim lifestyle brand that was launched under the Markham banner in response to our customers' tangible desire for an additional strong and credible branded offering in the denim category, as identified by our Customer Hub.

Transform into a true omnichannel retailer and platform play

TFG is well on its way to becoming Africa's market-leading omnichannel fashion and lifestyle retailer.

We completed our first ever acquihire when we bought Flat Circle – South Africa's leading mobile shopping app developers. Leveraging their expertise, we are well on our way to completing the development of a world-class TFG shopping app and to replatform our .com website during the course of the next financial year. We also acquired Quench, a digital, on-demand shopping platform and last mile delivery provider. In the short time since this acquisition was completed, the Quench team has already provided the Group access to fast, reliable delivery across South Africa and to proprietary software and engineering capability that brings a scientific approach to planning, least-cost routing and asset utilisation. This is evident in the 19% reduction in cost per order and 10% reduction in average order turnaround time.

Having a strong set of digital skills in-house through TFG Labs has been a game changer and is cementing our position as a true digitally led omnichannel retailer. While still in the growth phase, TFG Labs has identified and executed on transformative digital projects to ensure we are positioned for omnichannel leadership. You can read more about these initiatives on page 24, which underpin our strategic ambition to be the continent's largest, most reliable and most profitable fashion and lifestyle e-commerce destination by FY 2026.

In TFG London, we continued to prioritise our digital strategy and are building our digital capability to establish a more direct-to-customer service proposition. Data remains crucial and we are seeing the benefits of consolidating technology into one platform that provides a single view across our brands. In-store initiatives include offering personalised, one-on-one shopping and styling appointments that include the option of virtually engaging with specifically trained stylists, friends or family from the comfort of pre-booked changing rooms. This concept is still relatively new and we are currently trialling in selected stores across the UK. Our in-store employees are being digitally empowered by providing them with access to handheld devices through which they can engage customers on products, fabrics, styles and more. We are also looking to improve self-service in stores, including access to online styling advice, guidance on sizes and price.

A message from our CEO continued

We are one year into our two-year roadmap to replatform TFG Australia and position the business as a leading omnichannel retailer. Tarocash has been fully onboarded and we went live with a click-and-collect service for the brand in March – with a great customer response. We are aiming to have all brands on the platform and for it to be fully operational by April 2023.

As part of our replatforming strategy, we created a digital hub in TFG Australia that combines the digital expertise across our brands into a single centre of excellence. The hub will play an important role in growing online sales, and we are aiming for online sales to contribute in excess of 10% of total sales in the year ahead – an increase from 9,3%. We have seen how impactful the hub can be in this regard, with Johnny Bigg gaining great traction in international trade since moving into the hub.

What we are doing in the digital space is not a pure e-commerce play. Rather it is about maximising the value of our existing physical assets together with our newly enhanced digital capabilities to deliver the best choice, service and value to our customers. This includes finding new ways to inspire them by leveraging our acquisitions, such as Quench, and pursuing new opportunities outside of our traditional comfort zones, to offer customers more than we ever have before.

Sustain ourselves and our stakeholders into the future

We believe that job creation is South Africa's most critical concern as our unemployment rate of 34,5% is the highest in the world[1].

As a business, we are in the fortunate position that we can invest in areas of the economy that absorb largely unskilled labour. As mentioned earlier, we have ambitious plans to grow our local QR manufacturing and this includes growing the number of people we employ in manufacturing jobs from 5 200 to 11 200 by FY 2026. The positive impact this investment will have for the country is significant and demonstrates just how strongly we feel about playing our part in realising the potential of South Africa and its people.

Highlights for the year include creating more than 7 716 new jobs and workplace opportunities in South Africa. We invested more than R2,0 billion in black-owned businesses and R105 million in social impact initiatives including enterprise and supplier development and support to communities and NGOs. As a result of this clear focus on social investment and performance, I am pleased to share that we improved our B-BBEE rating from Level 6 to Level 3, significantly raising the bar for major listed South African retailers.

Beyond our social investment, we recognise the very real threat of climate change, which will only exacerbate existing challenges related to human health and safety, food and water security and socio-economic development. The flooding in South Africa and Australia, which caused tremendous devastation and the tragic loss of lives, served as a stark reminder of this.

We therefore support the global drive for climate action. In addition to ongoing initiatives to reduce our carbon emissions, we published our first TCFD report this year which enables our stakeholders to assess our commitment to and progress on addressing climate-related risks within our business.

We are significantly invested in ensuring fair, ethical and sustainable supply chain practices. TFG London continued its partnership with Anti-Slavery International and will be running risk assessments and training at its distribution centres in the upcoming financial year. TFG Australia continued its partnership with Be Slavery Free and is reducing modern slavery risks in its supply chain and operations by periodically reviewing the procedures and controls in place to detect, mitigate and respond to these risks. 87% of TFG Africa's supplier spend is with Sedex compliant vendors.

We are committed to using more sustainable materials to make our garments. This year, TFG Africa joined TFG London and TFG Australia as Better Cotton members and is committed to sourcing at least 50% sustainable cotton by FY 2026. TFG Africa has further set environmental commitments and targets for cotton, wood fibre products, jewelry and wash care labels.

OUTLOOK AND APPRECIATION

We have a differentiated, resilient and diversified business model that is not easily replicable and ensures we are positioned to deliver significantly superior growth. Furthermore, our strategy is clear and we know which opportunities we need to prioritise and execute, led by our purpose and vision.

We will continue to invest meaningfully in our businesses to ensure they remain as relevant going forward as they have in the past. We anticipate investing more than R2,1 billion in capex in FY 2023 – 75% of this will be focused on expansionary projects in stores and in our digital transformation journey.

Over the next three years we are aiming to open 1 000 new stores for TFG Africa. In TFG London, our existing brands are looking to expand into children's wear and more premium occasion wear. We are also looking to acquire new brands and grow our international sales. In TFG Australia, the focus is on closing underperforming stores, growing the footprint of our existing stores, ramping up online sales and looking for acquisition opportunities.

[1] *Statistics South Africa: Quarter 1, 2022.*

In addition to investing aggressively in organic growth, we will continue to look to acquire strong brands and businesses that meet our investment criteria, whether these are located in South Africa, the UK, Australia or elsewhere in the world. We have a strong investment pipeline and a strong balance sheet to support this.

Ultimately, the past year has once again shown us that TFG's business model is resilient under extremely difficult circumstances and we are confident that it will support growth. While we are aware of macro and external factors such as inflation and rising interest rates, geopolitical conflict, supply chain disruptions and rising energy prices, we have taken far reaching steps in the past two years to de-risk our balance sheet and insulate ourselves as much as possible from these anticipated disruptions. We therefore believe that we have reason to remain cautiously optimistic given the levers that are at our disposal to execute on our future strategic growth ambitions.

This growth will be underpinned by our strong, capable and supportive TFG team comprising 38 329 employees in Africa, the UK and Australia. Again, this fantastic team receives the thanks and appreciation of the Supervisory and Operating Boards for demonstrating their resilience and agility and adapting to new ways of work to ensure our customers had inspiring experiences across all our formats.

The Supervisory Board and I are humbled by the continued support of our shareholders. In particular, the substantial oversubscription in respect of the rights offer during the height of COVID enabled us to pursue multiple key strategic initiatives during the year that we otherwise may not have been able to. We thank you for your support and for your belief in our ability to achieve our ambition to be the continent's largest, most reliable and most profitable fashion and lifestyle e-commerce destination by FY 2026.

On behalf of the Operating Board and myself, sincere thanks go to our Chairman, Michael Lewis, as well as our Supervisory Board. We engaged them continuously throughout the year, seeking their support and guidance to do more in one year than we usually would do in many.

To our customers, suppliers, employees and other stakeholders – sincere thanks on behalf of myself and the rest of the TFG Supervisory Board for your continued support and collaboration.

A E Thunström
Chief Executive Officer

29 July 2022

PERFORMANCE AGAINST OUR STRATEGIC OUTCOMES

While the core principles of our strategy remain unchanged, certain parts are becoming more critical. Our key strategic priorities are discussed in the message from our CEO, which further unpacks the actions taken during the year to position TFG as a business stronger than ever before.

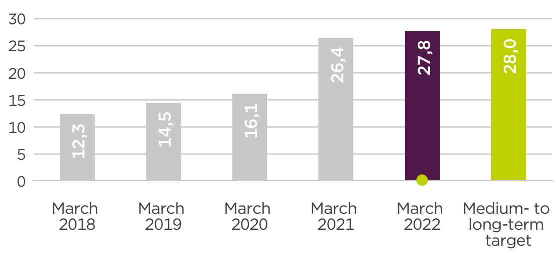
CUSTOMER & EMPLOYEE OBSESSION

Material matters, risks and opportunities relevant to customers and employees:

- Challenging trading environment
- Disruption in retail across our various markets and channels
- Fashion trends and customer preferences
- Continuity of supply chain
- Talent management: attracting, retaining and developing key talent
- Reliance on IT

We track our performance against key strategic measures, building on valuable progress made in recent years. An overview of TFG's performance against these measures is provided on the following pages, with details of our strategic and operational progress included throughout this report.

myTFGrewards CUSTOMERS (R MILLION)



Why we measure this: myTFGrewards allows us to track a larger percentage of turnover at a customer level. With the use of data science, we further enrich our customer knowledge and refine our engagement strategies to ensure customer relevance and resonance.

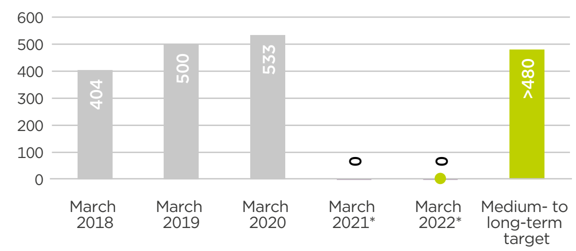
How we performed: We increased our investment in in-store and direct marketing for our loyalty offering by 31% and increased the value returned to members of myTFGrewards by 15%. As a result, we acquired 1,7 million new members (up 6,5% year-on-year) – growing our loyalty base to 27,8 million customers and cementing myTFGrewards' position as South Africa's largest retail loyalty programme.

NUMBER OF ACTIVE ACCOUNTS (R'000)

Why we measure this: Active accounts determine the success of our credit division, which remains an important part of our business.

How we performed: Our new account approval strategy remained conservative and approval rates were restricted to c.25%. This ensured that the level of risk remained within management expectations. However, we resumed our marketing initiatives, which increased demand for new accounts by 122,9% year-on-year. The number of active accounts therefore increased by 2,0% to 2 558 million.

NUMBER OF CUSTOMER-FACING EMPLOYEES TRAINED THROUGH THE TFG RETAIL ACADEMY



* *Due to COVID-19 and restrictions on face-to-face training, all training through the TFG Retail Academy was cancelled in 2021.*

Why we measure this: Launched in 2016, the TFG Retail Academy has been an important vehicle to assist current and future retail managers and customer-facing employees develop management competencies and leadership abilities.

How we performed: Due to the ongoing impact of COVID-19 and restrictions on face-to-face training, we again offered customer-facing employees other interventions in field and store operations. Through these interventions, we provided opportunities for customer-facing employees for learning, development and work experience.

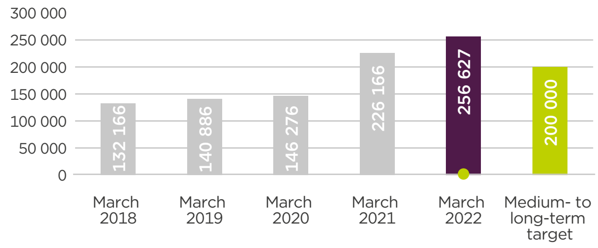
Performance against our strategic outcomes continued

LEADERSHIP

Material matters, risks and opportunities relevant to leadership:

- Talent management: attracting, retaining and developing key talent

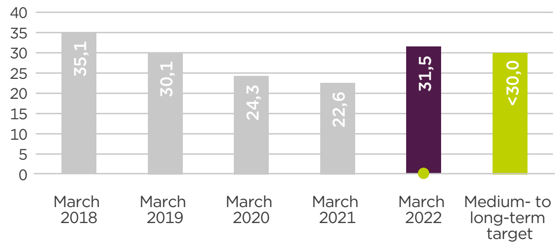
NUMBER OF TRAINING INTERVENTIONS DURING THE YEAR



Why we measure this: The highly competitive retail environment requires a strong focus on talent management and development. In South Africa in particular, we have a strong commitment to upskilling our employees to ensure a resilient and scalable future supply chain.

How we performed: The number of annual training interventions continues to increase year-on-year. In addition to our focus on developing customer-facing employees and managers, we also support training initiatives focused on developing world-class management capabilities needed to drive TFG Africa's localisation strategy.

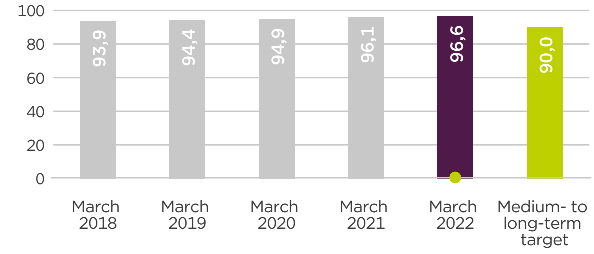
EMPLOYEE TURNOVER (TOTAL %)



Why we measure this: Tracking employee turnover is important to determine the effectiveness of our people management strategies.

How we performed: Employee turnover remains within industry norms. We continue to focus on retention initiatives.

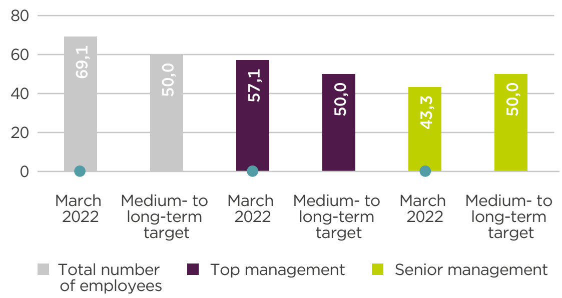
EMPLOYMENT EQUITY (% REPRESENTATION OF PREVIOUSLY DISADVANTAGED GROUPS AMONG PERMANENT EMPLOYEES) – SOUTH AFRICA ONLY



Why we measure this: Employment equity remains a critical aspect of the Group's transformation agenda. Our current focus is on gender and race transformation for senior management and professional middle management, and a higher proportion of people with disabilities.

How we performed: We continue to work with our heads of business to incorporate transformation into their unit strategies. As part of developing our internal talent pipeline, we identify high-potential employment equity candidates. Our transformation drive delivered a sustained increase in the representation of Black employees within our top, middle and junior management teams, while retaining our focus on gender diversity. 83,2% of middle management appointments and 38,1% of senior management appointments were employment equity appointments. 56,4% of appointments were women.

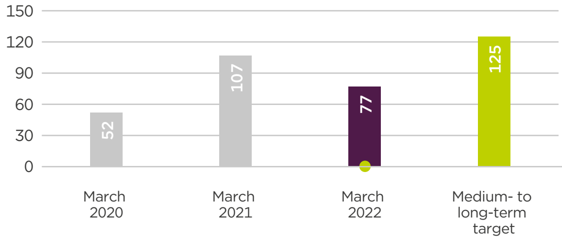
GENDER DIVERSITY (% FEMALE REPRESENTATION) – SOUTH AFRICA ONLY



Why we measure this: In line with our value of empowerment, the Group strives to create equal opportunities for all. As such, we measure gender diversity both at a total employment level and at management representation level.

How we performed: Through our recruitment practices we are continuing to improve female representation across the Group with the target for both middle management and all employees being exceeded.

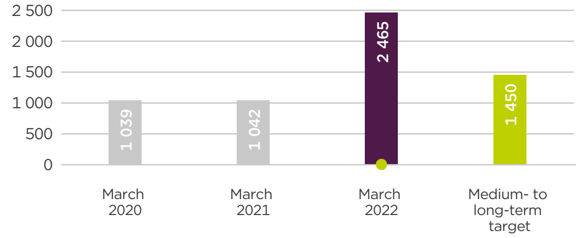
PARTICIPANTS IN DISABILITY LEARNERSHIPS/ INTERNSHIPS – SOUTH AFRICA ONLY



Why we measure this: As part of our drive to build a diverse and inclusive business, we believe it is important to pursue fair representation and equal opportunity for people with disabilities in the workforce. Our aim is specifically to target unemployed youth who did not have the opportunity to train or study at a higher learning institute. In this way we create jobs, contribute to empowerment and help communities reduce reliance on social grants.

How we performed: We currently employ 257 people living with disabilities across our business. We also partnered with St Vincent School for the Deaf and eDeaf at Prestige Johannesburg and are currently training 77 learners through this partnership.

LEARNERSHIPS, INTERNSHIPS AND GRADUATE OPPORTUNITIES (NEW ROLES CREATED) – SOUTH AFRICA ONLY



Why we measure this: Creating learnerships, internships and graduate opportunities that are focused on skills development in areas where we are expanding or where there are limited skills available enables us to attract and upskill high-calibre individuals for roles at our head office and across our brands in all stores. This is underpinned by an aggressive talent acquisition strategy.

How we performed: 2 465 learnership, internship and graduate opportunities were created across stores, factories, distribution centres, contact centres and our head office operations. Through these initiatives we increase the employability of young people while creating a talent pool for TFG. Project Elevate remains one of our primary vehicles to develop high-calibre individuals for entry-level, customer-facing roles within stores across our brands. We enrolled 348 young people into the Project Elevate initiative in distribution centres and stores across all our brands.

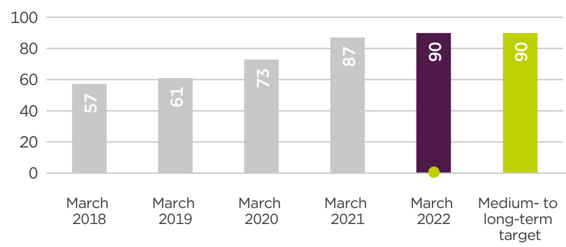
Performance against our strategic outcomes continued

PROFIT

Material matters, risks and opportunities relevant to profit:

- Challenging trading environment
- Disruption in retail across our various markets and channels
- Fashion trends and customer preferences
- Continuity of supply chain
- Reliance on IT

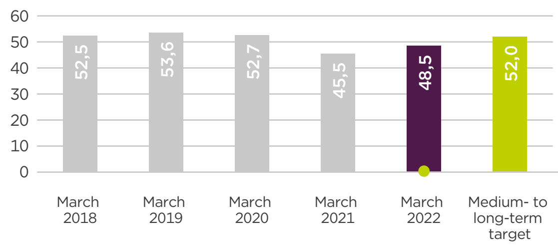
QUICK RESPONSE CONTRIBUTION TO TOTAL UNITS MANUFACTURED (%)



Why we measure this: We believe that increasing our QR units provides a strong competitive edge as this supports margin advantage, trend relevance, reduced lead time and superior inventory cost control. Furthermore, our QR manufacturing capability is based on innovative production processes, lean manufacturing principles, IT systems and digitisation.

How we performed: We achieved an increase of 5,6 million units year-on-year, with a total QR unit growth of 57%. During the year, we ramped up our local manufacturing capacity through several manufacturing acquisitions in the Western Cape, KwaZulu-Natal and Gauteng. We acquired Tapestry Home Brands and Granny Goose in line with our stated strategy of vertical integration in key product categories. Our medium-term ambition is to significantly ramp up our QR manufacturing and increase the number of units manufactured from 15,7 million this year to 30 million units by FY 2026.

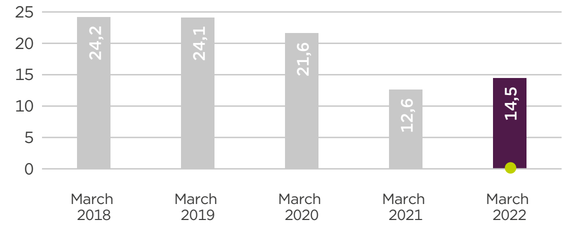
GROSS MARGIN (%)



Why we measure this: Gross margin is an important measure to assess our procurement capability and supply chain efficiency, profitability and financial performance.

How we performed: Gross margin expanded strongly to 48,5% as a result of an increasing proportion of full price sales and lower inventory markdowns due to strong consumer demand for our products and an increasingly efficient localised supply chain supporting TFG Africa.

TFG AFRICA ROCE (%)^



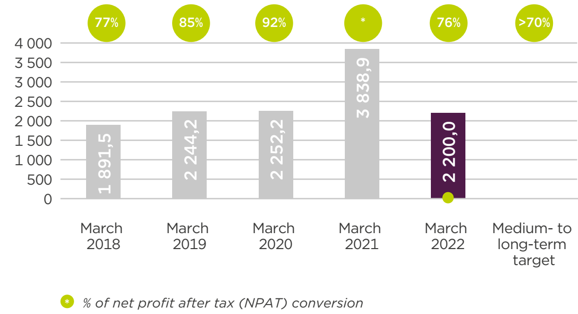
^ Pre-IFRS 16.

Medium-to long-term target: Weighted average cost of capital (WACC) for TFG Africa +5%

Why we measure this: A specific focus on ROCE and cost saving initiatives ensures that we are allocating resources optimally and thus positions us well to meet our future cash requirements. This achieves a more profitable business and ultimately increases shareholder and broader stakeholder value.

How we performed: ROCE increased to 14,5%. Looking forward, the Group will increase ROCE steadily without sacrificing investment into our business.

FREE CASH FLOW (R MILLION)^



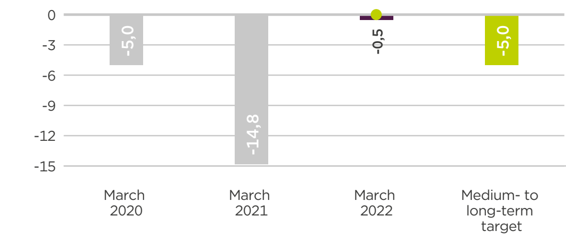
** Number not calculated as a net loss after tax was incurred for the year.*

^ Free cash flow in financial years ended in March 2016 to March 2018 was not restated for IFRS 9, 15 and 16.^ Pre-IFRS 16.

Why we measure this: Enhanced free cash flow generation enables us to pursue opportunities and sustainably support ongoing investment in digital and physical infrastructure to ensure we continue to meet the expectations and needs of our customers.

How we performed: The Group generated cash from operations of R8,2 billion through the strong trading performance and careful management of working capital, which translated into free cash flow of R2,2 billion for the year. This allowed the Group to maintain healthy reduced gearing with net debt (pre-IFRS 16) of R1,0 billion[1] at year-end.

IMPROVE ENERGY EFFICIENCY (% REDUCTION IN KW/H PER SQUARE METRE IN TFG AFRICA STORES)

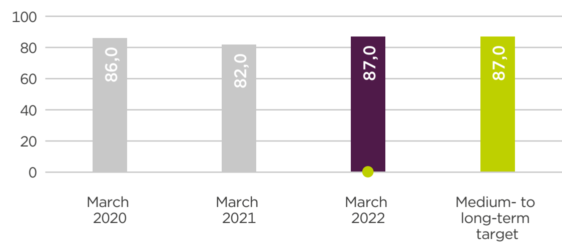


** Excluding Jet.*

Why we measure this: We aim to reduce emissions and save costs by improving energy efficiency in our buildings and stores. This is critical if we are to deliver on our goal of creating more efficient production and supply chains to shift the world towards a more resource-efficient economy that will be able to deal resiliently with climate change.

How we performed: We improved the energy efficiency in our buildings and stores by improving our store trading densities and ensuring space efficiency. We continue to focus on the roll-out and installation of energy efficient lighting and monitor electricity spend in stores to identify where we can reduce consumption. We also engage with our landlords to encourage investment in renewable energy, including the installation of solar panels.

REDUCE BUSINESS WASTE (% WASTE RECYCLED ACROSS ALL TFG AFRICA SITES)



Why we measure this: We are working towards a zero-waste business and value chain and are therefore focused on reducing business waste, which includes supplier cartons and online order packaging.

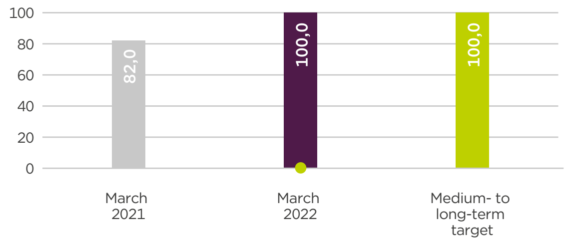
How we performed: We took measures to reduce carton waste, with 89% of TFG Africa's supplier cartons (to distribute all stock to stores) reused in FY 2022. Overall 87% of our waste was recycled across all TFG Africa sites.

[1] Pro forma information used to calculate net debt pre-IFRS 16.

Performance against our strategic outcomes continued

PROFIT CONTINUED

REDUCE PRODUCTION WASTE (% TEXTILE WASTE RECYCLED FROM TFG AFRICA OWN MANUFACTURING SITES)



Why we measure this: We are working towards a zero-waste business and value chain and are therefore focused on reducing textile waste.

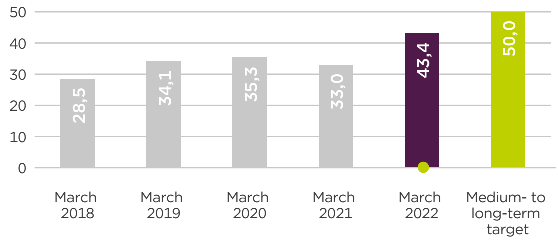
How we performed: 100% of textile waste from TFG Africa's own manufacturing sites was recycled, achieving the set target. We work with a number of partners, including small enterprises, who are involved in bailing our waste such as factory off-cut fabric and end-of-roll fabric, processing and reuse. These partners include Rewoven in South Africa, NewLife and Smart Works in the UK and Red Cross, Thread Together and UPPAREL in Australia. We rolled out new wash care labels made from recycled PET bottles for all garments in Africa. This will continue in the year ahead.

GROWTH

Material matters, risks and opportunities relevant to growth:

- Challenging trading environment
- Continued change in customer behaviour and expectations
- Fashion trends and customer preferences

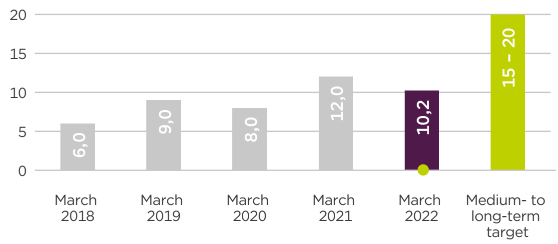
RETAIL TURNOVER (R BILLION)



Why we measure this: Retail turnover measures turnover of retail trade at point of sale. It is therefore an important measure of growth and indicates the effectiveness of our marketing strategies and investments in enhancing our customers' experiences within our stores.

How we performed: Group retail turnover grew by 31,6% to R43,4 billion, supported by robust recovery in trading performance, continued market share gains, expansion of our footprint and brand portfolio and further growth in online retail turnover. Cash retail turnover, contributing 71,1% to TFG Africa retail turnover, grew by 35,9% and credit retail turnover grew by 24,2%. TFG Australia's retail turnover grew by 24,0% and now contributes 15,8% to Group retail turnover. Retail turnover in TFG London grew 57,3% and now contributes 14,4% to Group retail turnover.

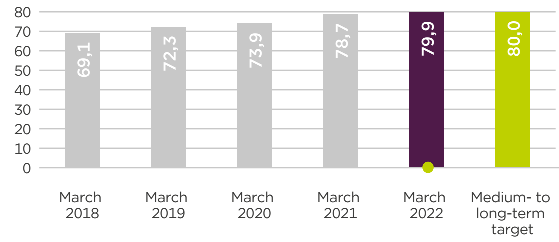
E-COMMERCE TURNOVER CONTRIBUTION TO RETAIL TURNOVER (%)



Why we measure this: For several years, TFG has been outspoken on the pace and extent to which we see omnichannel retail becoming the norm. We have invested significant financial and intellectual capital into digitally transforming all our business processes, including e-commerce offerings.

How we performed: Group online retail turnover increased by 11,7% to R4,4 billion coming off a high COVID-19 base and now contributes 10,2% to total Group retail turnover, evidencing the continuing strong online demand for all our brands. TFG Africa's online retail turnover increased by 18,0% and now contributes 3,1% to total TFG Africa retail turnover. TFG London's online retail turnover increased by 13,8% and now contributes 45,2% to total TFG London retail turnover. TFG Australia's online retail turnover increased by 26,9% and now contributes 9,3% to total TFG Australia retail turnover.

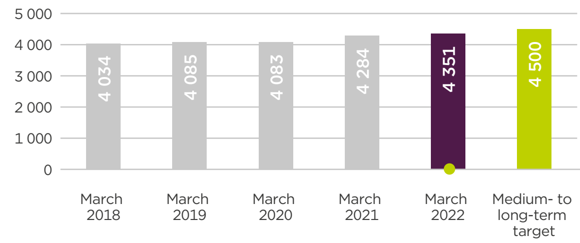
CASH TURNOVER CONTRIBUTION (%)



Why we measure this: The majority of our turnover is in the form of cash sales to customers. We therefore measure cash turnover in line with the Group's strategy to curtail riskier credit sales in the prevailing economic environment.

How we performed: Cash turnover increased by 33,6% and now contributes 79,9% to total Group turnover. Strong cash turnover growth of 35,9% for TFG Africa indicates continued customer demand for our brands and products and further market share gains.

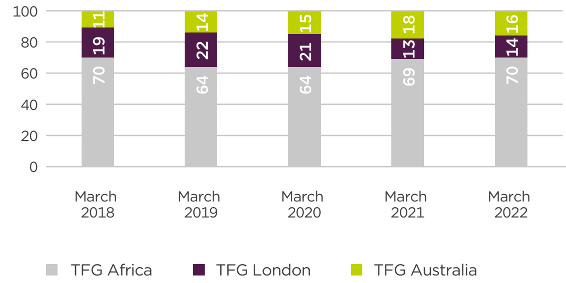
NUMBER OF OUTLETS



Why we measure this: While the shift to e-commerce is accelerating, physical stores remain critical to the seamless omnichannel retail experience. Further, they act as showrooms for our products and our customers enjoy the in-store experience. We are therefore focused on maintaining a strong physical presence in the territories where we operate, underpinned by a focus on store portfolio rationalisation.

How we performed: The Group trades out of 4 351 outlets across 24 countries. During the period, a total of 377 new outlets were opened and 310 outlets closed. We opened our 3000th store in TFG Africa. Of the 198 South African stores looted and damaged by civil unrest, we have reopened 176. In South Africa, 31 stores were damaged by floods in KwaZulu-Natal and all these stores were reopened by 31 March 2022.

GEOGRAPHIC TURNOVER CONTRIBUTION TO TOTAL GROUP TURNOVER (%)



Why we measure this: International expansion into chosen geographical areas with a product and value offering that is well aligned with TFG's multi-brand business model strengthens our diversified portfolio of brands and provides a solid platform for further growth opportunities in these markets. Expansion must be balanced with our desired level of international exposure and we therefore track geographic turnover contribution to total Group turnover.

How we performed: The current combined turnover contribution of TFG Australia and TFG London is 30,2%, which is in line with our desired level of offshore exposure.

06

VALUE CREATION THROUGH PERFORMANCE

A MESSAGE FROM OUR **CFO**

In the face of another eventful year, TFG's business model proved robust and adaptable and our teams took full advantage of the opportunities available to us despite the headwinds.

B Ntuli
Chief Financial Officer

A SNAPSHOT OF OUR FINANCIAL PERFORMANCE

RECORD GROUP REVENUE
+29,7%

Record group revenue up 29,7% to R46,2 billion

GROUP RETAIL TURNOVER
+31,6%

Strong growth in Group retail turnover to R43,4 billion (up 31,6%) with all territories performing above expectation

GROUP ONLINE RETAIL TURNOVER
+11,7%

Group online retail turnover growth of 11,7% to R4,4 billion, contributing 10,2% to total Group retail turnover

GROSS MARGIN
48,5%

Gross margin expanded strongly to 48,5% (March 2021: 45,5%) as a result of an increasing proportion of full price sales and lower inventory markdowns due to strong consumer demand for our products and an increasingly efficient, localised supply chain supporting TFG Africa

CONTINUED INVESTMENT IN GROWTH
Over 300 outlet openings

Continued investment in growth through organic investments (including over 300 outlet openings for the Group in FY 2022), an increase in omnichannel penetration and investment in all territories and the expansion of quick response local manufacturing capacity in Africa through strategic acquisitions, as previously announced

HEADLINE EARNINGS PER SHARE
+409,9%

Headline earnings per share of 1 009,0 cents, up 409,9% (March 2021: 197,9 cents per share)

CONTINUED STRONG CASH GENERATION
R8,2 billion

Continued strong cash generation from operations of R8,2 billion

BASIC EARNINGS PER SHARE
+246,9%

Basic earnings per share of 901,9 cents, up 246,9% (March 2021: loss of 614,0 cents per share)

NET DEBT
R1,0 billion

Net debt (pre-IFRS 16) of R1,0 billion* at historic low levels (March 2021 pre-IFRS 16: R1,3 billion). gross debt pre-IFRS 16 to pre-IFRS 16 adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) ratio reduced to 1,3**

OPERATING PROFIT
R4,8 billion

Operating profit before finance costs of R4,8 billion (March 2021: loss of R719,2 million)

FINAL DIVIDEND

Final dividend of 330 cents per share declared. An interim dividend of 170 cents was declared at half year while no dividend was declared in the 2021 financial year

* *Pro forma information used to calculate net debt pre-IFRS 16.*
** *Pro forma information used to calculate gross debt pre-IFRS 16 to pre-IFRS 16 adjusted EBITDA ratio.*

KEY THEMES FROM TFG'S PERFORMANCE

- Record headline earnings, with cash sales growing ahead of credit sales
- Gross profit R2,4 billion higher than pre-COVID-19 levels in 2020
- Tight expense control with trading expenses now at 41,4% of turnover compared to 44,8% in 2020
- Net Debt to EBITDA ratio of 0,2
- Strong balance sheet

When compared to FY 2021, our FY 2022 results were influenced by several significant non-comparables, such as R1,5 billion in once-off concessions from government and landlords in 2021. During FY 2022 pandemic-related restrictions continued, albeit at different levels of severity. These restrictions again disrupted trading conditions across our territories and resulted in hours of lost trade, most notably in the first half of FY 2022.

Over and above these restrictions, TFG Africa was impacted by the civil unrest experienced in the KwaZulu-Natal province and parts of the Gauteng province during July 2021, where 198 stores were looted and about 1 000 stores were closed for the week as a safety precaution. Other economic factors were continued record high unemployment – which impacts consumer confidence and spend – as well as the resumption of load shedding in South Africa at worse levels than in FY 2021.

In response to the challenging operating environment, the Group acted decisively and continued to execute on the TFG growth strategy:

1. Managing challenges and disruptions to deliver a record performance
2. Ongoing focus on business optimisation and cost reduction
3. Ongoing focus on working capital management
4. Leveraging growth opportunities to reposition the Group

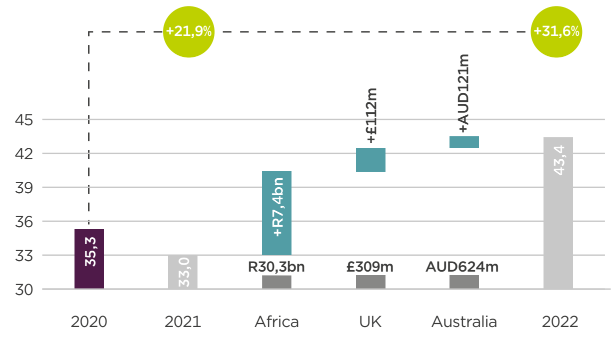
A message from our CFO continued

MANAGING CHALLENGES AND DISRUPTIONS TO DELIVER A RECORD PERFORMANCE

Market share gains was a key theme for our past financial year, and continued growth generated on the back of our previous significant investments in our business. These investments were key to ensure that TFG was well positioned to deliver a robust post-COVID-19 recovery and a strong trading performance as economic activity resumed in the wake of reduced restrictions on movement and travel.

The Group delivered like-for-like growth of 21,3%, with underlying growth for TFG Africa, TFG London and TFG Australia of 32,3%, 24,0% and 57,3% respectively. Group retail turnover increased by 31,6% to R43,4 billion, which was above expectation. We further saw growth in all merchandise categories and customer segments.

GROUP TURNOVER (R BILLION)



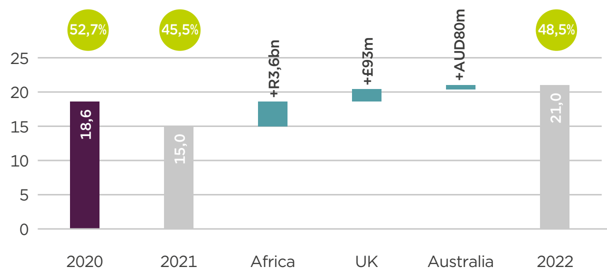
Credit retail turnover grew by 24,2% as acceptance rates were increased cautiously to an average of c.25% for the year (FY 2021: c.15%). The debtors book grew only 5,7% or R375 million on the back of better than expected payments from our credit customers and continued improvements in the quality of the book. Credit sales now contribute 20,1% (March 2021: 30,7%) to total TFG Africa retail turnover. Cash retail turnover, contributing 79,9% to TFG Africa retail turnover, grew by 33,6%.

Group online retail turnover grew by 11,7% to R4,4 billion, coming off a high COVID-19 base. Group online retail turnover now contributes 10,2% (FY 2021: 12,0%) to total Group retail turnover evidencing the continuing strong online demand for all our brands.

Gross margin for the Group increased to 48,5% as a result of a higher proportion of full price sales and lower markdowns due to the strong demand for the Group's products as well as an increasingly efficient localised, quick response supply chain supporting TFG Africa. Locally and regionally sourced products now contribute 73% of total apparel purchases in TFG Africa on an increasingly quick response basis, leading to increased stock turns and consequently improved stock newness and lower markdowns.

We anticipate that the gross margin achieved this year will be our new base going forward and we will grow this depending on economic recovery and promotional activity in the market.

GROUP GROSS PROFIT (R BILLION)

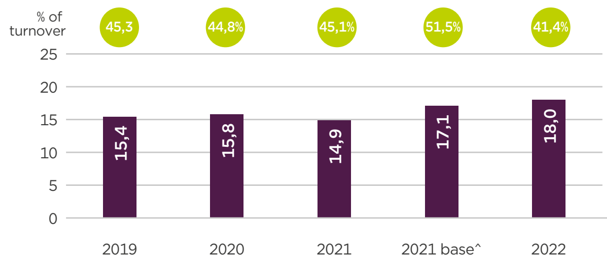


ONGOING FOCUS ON BUSINESS OPTIMISATION AND COST REDUCTION

The Group is adapting its business as effectively as possible to deal with the dynamic operating environment and expense management remains a significant focus area for management teams while driving growth and our fit-for-the-future strategy.

At year-end, trading expenses were 41,4% of retail turnover, the ratio materially down on 2020 pre-COVID-19 levels (March 2020: 44,8%) despite the continued investment in a number of strategic initiatives, which is in line with the Group's growth strategy.

GROUP TRADING EXPENSES (R BILLION)



^ *Excluding R1,5bn COVID-19 support.*

As a result of the good work being done to manage trading expenses our EBIT recovered strongly, up R128 million on 2020 (+2,7%). This recovery was achieved despite discretionary investment costs in our omnichannel transformation, the establishment of TFG Labs and further investment in building our successful, margin-rich local QR manufacturing.

ONGOING FOCUS ON WORKING CAPITAL MANAGEMENT

R1,0 billion
NET DEBT*
(2021: R1,3 BILLLION)
(2020: R4,4 BILLION)

R7,0 billion
DEBTORS BOOK
(2021: R6,6 BILLLION)
(2020: R7,8 BILLION)

NET DEBT TO EBITDA
2022: 0,20x
2021: -1,35x
2020: 1,64x

DEBTORS DAYS
2022: 255 days
2021: 299 days
2020: 268 days

14,%
ROCE
(2021: -2,0%)
(2020: 13,3%)

R5,7 billion
CASH ON HAND
(2021: R4,8 BILLLION)
(2020: R3,0 BILLION)

R9,3 billion
INVENTORY
(2021: R8,3 BILLLION)
(2020: R8,4 BILLION)

17,4%
ROIC
(2021: -4,0%)
(2020: 14,1%)

INVENTORY DAYS
2022: 153 days
2021: 169 days
2020: 184 days

* *Excluding IFRS 16.*

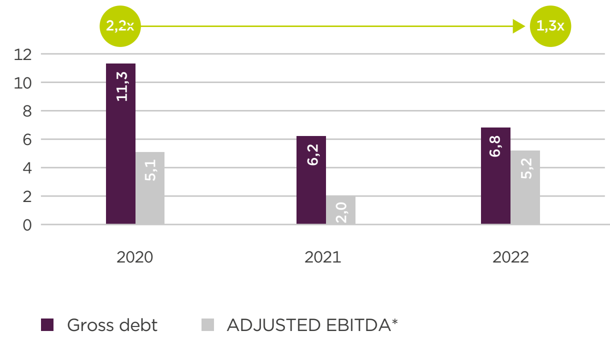
The Group generated cash from operations of R8,2 billion through the strong trading performance and careful management of working capital. This allowed the Group to maintain healthy reduced gearing with net debt (pre-IFRS 16) of R1,0 billion[1]. Focused working capital management resulted in inventory days decreasing from 169 days to 153 days while stock freshness improved.

ROCE increased by 14,0%, beating pre-COVID-19 levels. ROIC of 17,4% demonstrates that we are pursuing organic and inorganic growth with great returns.

Our debt position is strong which supports our growth and investment strategy. The Group has R12,7 billion in facilities in place and an improved debt to equity ratio of 5,2%[2].

[1] *Pro forma information used to calculate net debt pre-IFRS 16.*
[2] *Excluding IFRS 16, acquisition costs, UK impairment and bargain purchase gain.*

GROUP DEBT POSITION (R BILLION)



* *Excluding IFRS 16, acquisition costs, UK impairment and bargain purchase gain.*

A message from our CFO continued

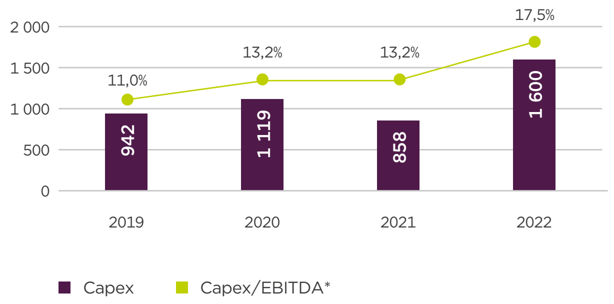
The Group continues to manage its cash resources through rental negotiations, minimising expenditure and cutting back on purchases in line with expected demand. The Group also continues to prioritise cost savings initiatives across all operations and business optimisation initiatives in TFG Africa.

LEVERAGING GROWTH OPPORTUNITIES TO REPOSITION THE GROUP

Despite the continued challenging trading environment, the Group continues to invest in growth opportunities.

The Group continued to pursue organic investments. This included over 300 outlet openings for the Group during the year, which added another R1,5 billion in annualised turnover with payback expected within 12 to 18 months. Our store opening programme maintains a strong focus on securing space at market competitive rentals and in store sizes that are fit-for-purpose and profitable. We further continued to invest in increased omnichannel penetration and the expansion of our QR local manufacturing capacity in Africa through strategic acquisitions.

GROUP CAPITAL EXPENDITURE (R MILLION)



* *Excluding UK impairment.*

NEW OUTLETS
R693 million
c. +R1,5 billion new sales

STRATEGIC UPGRADES (EXISTING STORES)
R307 million
21,3% like for like sales growth

MANUFACTURING
R213 million
+15 million local QR units
c.R250 million margin benefit

LOGISTICS
R25 million
Building capacity to sustain volume growth

IT EXPANSION
R67 million
New stores, digital platform

IT MAINTENANCE
R151 million
Hardware replacement

ACQUISITION SPEND
R240 million

As announced previously we entered into a sale and purchase agreement to acquire Tapestry, a prominent direct-to-consumer, vertically integrated designer, manufacturer and omnichannel cash retailer of home furnishings. All conditions precedent to the transaction have either been fulfilled or waived as set out in the Share Purchase Agreement (SPA), it being noted that the approval from the relevant competition authorities was obtained. Accordingly, the Transaction is now unconditional in accordance with the terms of the SPA and is envisaged to be implemented with an effective date of 1 August 2022. We look forward to bringing Tapestry on board. Together with our newly-launched Jet Home, the Tapestry acquisition will position us strongly to play a meaningful role and grow our market share in South Africa's homeware segment.

FUTURE FOCUS AREAS

We will continue to adapt and strengthen our business through continued prudent cost savings measures and the responsible management of cash resources and liquidity in response to the uncertain trading environment, while prioritising responsible and sustained investment in growing our business for the benefit of all stakeholders.

OUTLOOK

Macroeconomic conditions in all territories in which we operate are likely to remain constrained. Current shipping disruptions will most likely continue for most of the 2022 calendar year and global inflationary pressures and the rising interest rate environment are expected to persist.

Despite these risks, we will continue to invest in our key strategic initiatives to further strengthen our differentiated business model, which has proven to be resilient and has delivered superior growth in all our operating territories. The Group remains very well positioned for further organic and inorganic growth, supported by a strong Group balance sheet.

Operationally, there will be a continued focus on further improving gross profit margins, expense control, working capital management and disciplined capital allocation.

SUBSEQUENT EVENT

The Group was impacted by the recent flooding that occurred in KwaZulu-Natal during the month of April 2022. 31 stores as well as a cloth warehouse located in the province were damaged to varying degrees. These damages are not considered to be material in the context of the Group's South African operations and all affected stores have since resumed trading. The Group has appropriate insurance cover and has notified its insurers accordingly.

APPRECIATION

The past year once again demonstrated TFG's ability to remain resilient under extremely difficult and unprecedented circumstances. I am truly grateful for the commitment and support received from the finance teams, local and international, in preparing and delivering our FY 2022 results accurately and timely. I also want to thank our management teams and every employee in each of our business units for leading the Group through the pandemic and the challenging economic environments within which TFG operates.

While the year ahead will undoubtedly be challenging, the actions taken by the Group in recent years have positioned us excellently to take TFG forward and deliver sustainable shareholder value. I would also like to thank our Audit Committee chairperson, Eddy Oblowitz and Finance Committee chairperson, Graham Davin for all their guidance throughout the year.

B Ntuli
Chief Financial Officer

29 July 2022

A message from our CFO continued

SUMMARY OF ANNUAL FINANCIAL STATEMENTS

The following summary consolidated financial statements have been extracted from the audited consolidated annual financial statements of the Group for the year ended 31 March 2022. A copy of the full audited consolidated annual financial statements and the unmodified auditor's report thereon is available on www.tfglimited.co.za.

The preparation of the summary consolidated financial statements was supervised by Bongiwe Ntuli CA(SA).

Summary consolidated statement of financial position

	As at 31 March 2022 Reviewed Rm	As at 31 March 2021 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**3 209,6**	2 525,0
Goodwill and intangible assets	**6 923,7**	7 301,8
Right-of-use assets	**7 643,8**	6 967,8
Investment	**136,8**	123,8
Deferred taxation assets	**1 329,0**	1 169,5
	19 242,9	18 087,9
Current assets		
Inventory (note 6)	**9 349,2**	8 331,5
Trade receivables – retail	**7 012,4**	6 636,9
Other receivables and prepayments	**1 767,4**	1 331,3
Concession receivables	**195,0**	39,3
Cash and cash equivalents	**5 745,8**	4 843,2
Taxation receivable	**–**	3,4
	24 069,8	21 185,6
Total assets	**43 312,7**	39 273,5
EQUITY AND LIABILITIES		
Equity attributable to equity holders of The Foschini Group Limited	**19 137,9**	17 211,0
LIABILITIES		
Non-current liabilities		
Interest-bearing debt	**4 883,7**	3 894,6
Put option liability	**32,6**	45,5
Lease liabilities	**5 449,5**	5 064,6
Deferred taxation liabilities	**839,9**	816,5
Post-retirement defined benefit plan	**221,1**	246,7
	11 426,8	10 067,9
Current liabilities		
Interest-bearing debt	**1 899,4**	2 263,1
Trade and other payables	**7 206,5**	6 382,3
Lease liabilities	**3 366,5**	3 122,3
Taxation payable	**275,6**	226,9
	12 748,0	11 994,6
Total liabilities	**24 174,8**	22 062,5
Total equity and liabilities	**43 312,7**	39 273,5

Condensed consolidated income statement

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm	% change
Revenue (note 24)	**46 167,4**	35 585,8	
Retail turnover	**43 370,3**	32 950,3	31,6
Cost of turnover	**(22 343,5)**	(17 960,0)	
Gross profit	**21 026,8**	14 990,3	
Interest income (note 25)	**1 227,0**	1 358,4	
Other income (note 26)	**1 570,1**	1 277,1	
Net bad debt	**(983,8)**	(1 222,4)	
Trading expenses (note 27)	**(17 968,6)**	(14 856,7)	
Operating profit before acquisition costs, gain on bargain purchase and impairment of goodwill and brands	**4 871,5**	1 546,7	215,0
Acquisition costs (note 38)	**(58,8)**	(16,8)	
Gain on bargain purchase	**–**	709,0	
Impairment of goodwill and brands	**–**	(2 958,1)	
Operating profit (loss) before finance costs	**4 812,7**	(719,2)	769,2
Finance costs (note 28)	**(783,8)**	(993,5)	
Profit (loss) before tax	**4 028,9**	(1 712,7)	
Income tax expense	**(1 119,4)**	(149,1)	
Profit (loss) for the year	**2 909,5**	(1 861,8)	
Attributable to:			
Equity holders of The Foschini Group Limited	**2 909,5**	(1 861,8)	

	Year ended 31 March 2022 Reviewed	Year ended 31 March 2021 Audited	% change
Earnings per ordinary share (cents) – (note 30)			
Basic	**901,9**	(614,0)	246,9
Diluted (basic)	**894,6**	(611,8)	246,2

A message from our CFO continued

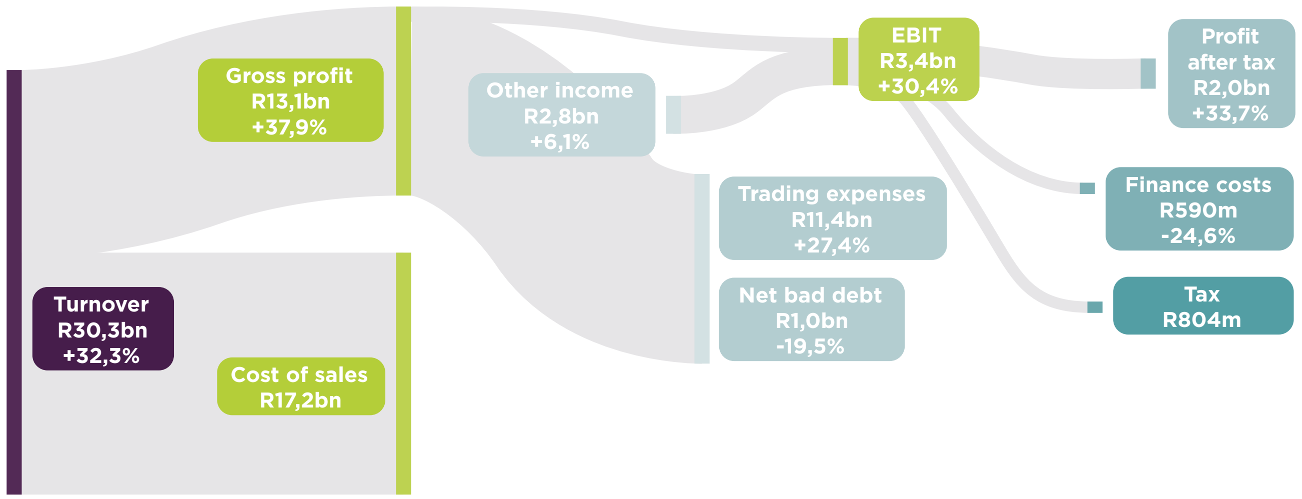
Condensed consolidated cash flow statement

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm
Cash flows from operating activities		
Operating profit before working capital changes (note 34)	**9 490,6**	6 523,7
(Increase) decrease in working capital	**(1 294,6)**	2 910,5
Cash generated from operations	**8 196,0**	9 434,2
Interest income	**65,1**	105,2
Finance costs (note 28)	**(783,8)**	(993,5)
Taxation paid	**(1 192,1)**	(396,6)
Dividends received	**82,4**	34,8
Dividends paid	**(556,0)**	–
Net cash inflows from operating activities	**5 811,6**	8 184,1
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	**(1 574,0)**	(628,7)
Proceeds from sale of property, plant and equipment and intangible assets	**90,4**	10,8
Acquisitions during the year, net of cash acquired (note 38)	**(220,3)**	(374,1)
Investment in insurance arrangement	**–**	(127,0)
Net cash outflows from investing activities	**(1 703,9)**	(1 119,0)
Cash flows from financing activities		
Shares purchased in terms of share incentive schemes	**(244,4)**	(337,0)
Proceeds from sale of shares in terms of share incentive schemes	**11,8**	2,9
Increase (decrease) in interest-bearing debt	**688,9**	(5 076,4)
Lease liability payments	**(3 536,9)**	(3 491,7)
Net proceeds from rights issue	**–**	3 808,3
Net cash outflows from financing activities	**(3 080,6)**	(5 093,9)
Net increase in cash and cash equivalents during the year	**1 027,1**	1 971,2
Cash and cash equivalents at the beginning of the year	**4 843,2**	2 969,1
Effect of exchange rate fluctuations on cash held	**(124,5)**	(97,1)
Cash and cash equivalents at the end of the year	**5 745,8**	4 843,2

SEGMENTAL PERFORMANCE REVIEW

TFG AFRICA

Performance highlights



TURNOVER	GROSS PROFIT	NORMALISED EXPENSES*
+R7,4bn	**+R3,6bn**	**+21,7%**
Like for like +17,8%	43,2% margin	LY included R412m COVID support

* *Includes R120m SaaS expense, IFRIC decision.*

PERFORMANCE OVERVIEW

TFG Africa's retail turnover increased by 32,3%, cash retail turnover grew by 35,9%, credit retail turnover grew by 24,2% and online retail turnover increased by 18,0%.

TFG Africa delivered record turnover of R30,3 billion and a 1,8% increase in gross profit margin, which showed a strong recovery. Trading expense were well below turnover growth at 27,3%. TFG Africa remained focused on driving volume growth, with units sold increasing 41,4%. Trading cost optimisation remained a key focus area, with trading expenses at 37,7% of turnover.

We constantly evaluate space and optimise where possible across our brands, which are in different lifecycles phases. TFG Africa therefore continued to work closely with landlords to ensure we matched growth with affordable and sustainable rentals. Of 662 store lease renewals, we secured an average 14% rental reversion. This translated to a cost savings of R85 million.

The retail net debtors' book of R7,0 billion increased by 6,1% year-on-year. Provisioning levels have been retained given the ongoing pressure on the South African consumer with the total allowance for impairment as a percentage of the debtors' book declining slightly to 19,0% (March 2021: 20,7%).

TFG Africa's retail turnover growth/(decline) (ZAR) when compared to the same period in the previous financial year in the respective merchandise categories was as follows:

Merchandise category	H1 April to Sept 2021	H2 Oct 2021 to March 2022	FY 2022	FY 2022 Contribution to TFG Africa retail turnover
Clothing	72,2%	20,4%	38,4%	75,1%
Homeware	38,5%	22,6%	29,0%	7,4%
Cosmetics	23,5%	(1,3%)	8,2%	3,2%
Jewellery	49,0%	7,0%	21,3%	4,8%
Cellphones	22,5%	(0,2%)	9,4%	9,5%
Total TFG Africa	**59,5%**	**16,9%**	**32,3%**	**100,0%**

As previously announced on SENS, 198 South African stores were looted and damaged to varying degrees by the civil unrest experienced in the KwaZulu-Natal province and parts of the Gauteng province during July 2021. The Group reopened 176 of these stores by the end of May 2022. The remainder of the stores will only reopen from June 2022 onwards and two stores will not be reopened. SASRIA payments of R541 million were received by 31 March 2022.

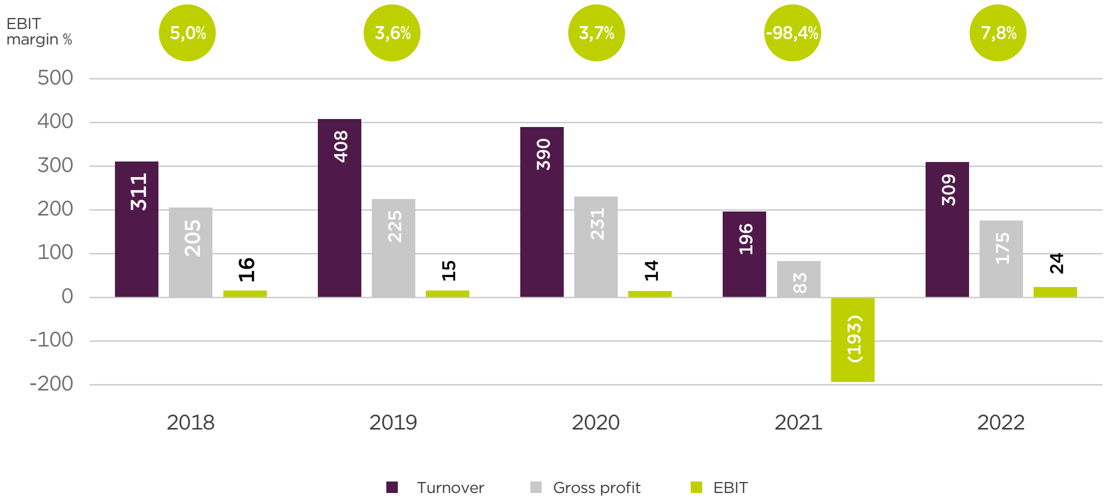
Outlook

We anticipate a challenging year ahead – including anticipated inflationary, freight rate and exchange rate pressures as well as ongoing periods of loadshedding. Despite these headwinds, we remain cautiously optimistic that we have the right strategies in place to continue building a future-fit business. Expense optimisation will continue to partially fund new investment costs, with a particular focus on our logistics and transport centres as we look to optimise our distribution centres and road transport network. We will continue to drive margin expansion as we optimise the operating mode, underpinned by stringent capital allocation. ESG remains a key focus, with investment in job preservation and creation a top priority for TFG Africa.

Segmental performance review continued

TFG LONDON

Performance highlights (GBP)



Performance overview

TFG London delivered a strong result in a period of significant change – driving its EBIT margin well ahead of pre-COVID-19 levels. Retail turnover in TFG London grew 57,3% (GBP) and now contributes 14,4% to Group retail turnover.

The remaining lockdown restrictions in England were relaxed from 19 July 2021 and demand for TFG London's products has continued to exceed expectation, an indication that consumer confidence and footfall in the UK retail market is recovering.

This recovery enabled TFG London to refocus its efforts on providing a high-quality, solution-orientated service to returning and new customers. TFG London was further repositioned to focus on margin outcomes and sales growth. The business reduced overall days on sale and was able to allocate stock on a contribution basis. TFG London also successfully drove gross profit percentage gains, maintained margin in stock and lowered the overall mix of marked down generated sales.

Due to the work done with landlords and the significant efforts of the property team, TFG London increased the flexibility of its fixed cost base and reduced the length of its overall lease to just 1,2 years on average.

TFG London moved its online proposition forward significantly and invested in technology and teams to support this. Accordingly, online retail turnover increased by 13,8% (GBP) and now contributes 45,2% (GBP) to total TFG London retail turnover.

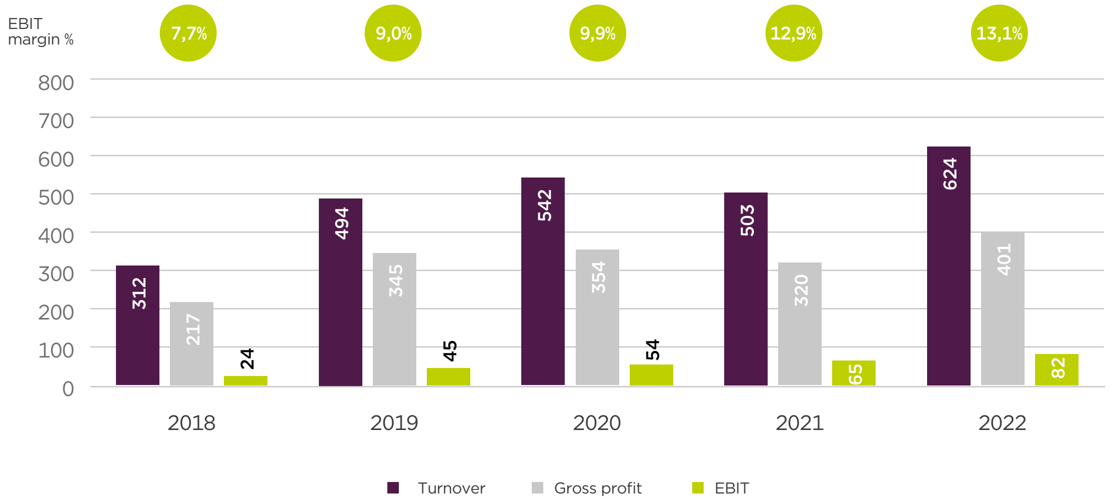
Outlook

While supply chain challenges remain significant, TFG London has a more sustainable business model than ever before. This has positioned the business well to navigate headwinds such as cost price increases and rising interest rates, which impact consumer confidence.

Considering the personal and work-life impact of COVID-19, compounded by the restructuring of its operating model, TFG London's people remain top of mind. The business is therefore working hard to build a culture that emphasises diversity and inclusion, collaboration, determination and resilience as these attributes are essential to keep the business moving forward.

TFG AUSTRALIA

Performance highlights (AUD)



Performance overview

TFG Australia continued to build on its impressive track record of growth, with retail turnover increasing by 24,0% (AUD) and now contributing 15,8% to Group retail turnover.

In TFG Australia, further lockdowns and restrictions impacted the business during the current year. The remaining lockdown restrictions were specific to two significant Australian states, New South Wales and Victoria, and New Zealand. Despite these restrictions, TFG Australia delivered sales growth of 24,0% as the business was well-positioned to capitalise on buoyant trade once restrictions were lifted. Online retail turnover increased by 26,9% (AUD) and now contributes 9,3% (AUD) to total TFG Australia retail turnover.

Outlook

Similar to TFG's other operating territories, Australia is facing challenges around supply chains and logistics as well as rising interest rates and inflationary pressures. However, these challenges are partially offset by the strength of the Australian economy and record low unemployment, which support consumer spend and product demand.

TFG Australia further has clear and consistent strategies in place to drive the business forward. In the year ahead, the business will continue to open new stores, relocate and expand existing stores and drive like-for-like sales performance. TFG Australia remains focused on growing Johnny Bigg in the US market, with current online-only sales exceeding expectation. Finally, the business will continue to invest for the future – including investing in its digital hub, world-class IT systems and website platforms.

07

GOVERNANCE APPENDICES

CORPORATE GOVERNANCE REPORT

INTRODUCING OUR DIRECTORS

The Supervisory Board is ultimately accountable for the strategy, direction, leadership, governance and performance of TFG. It has oversight of the development, approval and updating of TFG's vision, mission and value statements, and significant policies and goals related to economic, environmental and social impacts.

The Supervisory Board mainly comprises non-executive directors, with the majority being independent. All directors exercise unfettered discretion in fulfilling their duties and there exists a balance of power and authority among the members of the Supervisory Board.

Executive directors

A E Thunström (52)

CEO

BCom (Hons Acc), CA(SA)

Member of: Risk and Social and Ethics Committees
Meetings attended by invitation: Audit, Remuneration and Nomination Committees

Anthony, our CEO, joined the Group in 2015 as CFO and assumed the position of CEO in September 2018. Prior to this, he had 21 years' professional services experience, during which he held various local and international leadership positions.

Appointed to the Supervisory Board: 2015

B Ntuli (45)

CFO

BCom (Hons Acc), CA(SA), AMP (Harvard)

Member of: Risk Committee
Meetings attended by invitation: Audit and Social and Ethics Committees

Bongiwe joined TFG in January 2019 as CFO. Prior to this, she was the CEO of Freight Services at Grindrod Limited, a JSE-listed shipping, freight and logistics company with operations locally, in Africa and internationally and was a Grindrod group executive board member. Before Grindrod, she held various finance and treasury positions for Anglo American plc locally and internationally. Bongiwe has over 20 years' local and international finance, commercial, operational and executive management experience. She has worked in South Africa, the UK and Canada, and has completed an Advanced Management Programme at Harvard Business School.

Appointed to the Supervisory Board: 2019

Independent non-executive directors

M Lewis (63)

Chairman

BA (Econ) (Hons)

Member of: Nomination and Remuneration Committees
Chairman of: Nomination Committee
Meetings attended by invitation: Risk, Audit and Social and Ethics Committees

Michael has more than 35 years' experience in the investment management and retail sectors. He is the chairman of Strandbags Holdings Proprietary Limited (Australia) and Oceana Investment Corporation Limited (UK). He is also a director of UTB Partners Limited (UK). Michael served on the supervisory board of Axel Springer AG (Germany) and on the board of Cheyne Capital Management LLP (UK). He previously worked at fund managers Ivory & Sime and Lombard Odier.

Appointed to the Supervisory Board: 1989

G H Davin (66)

Lead Independent Non-Executive Director

BCom, BAcc, CA(SA), MBA

Member of: Audit and Nomination Committees
Meetings attended by invitation: Audit Committee (before his appointment as a member to the Audit Committee)

Graham is a chartered accountant and a career banker with extensive international financial and broad business experience. Graham is currently the deputy chair of United Trust Bank and Chair of Optalitix, a London based SaaS business supporting the insurance, medical and finance sectors. Graham qualified with Arthur Andersen in Johannesburg and joined Investec Bank after an MBA at UCT. He was a director of Investec Bank for 16 years and of Bank Insinger de Beaufort N.V., a Dutch private bank. He was responsible for the listing of Investec on the JSE and of Insinger on the Luxembourg Stock Exchange. In 2003, after moving to London, Graham led the management buyout of United Trust Bank, a fast-growing UK specialist bank of which he was CEO for 17 years.

Appointed to the Supervisory Board: 2015

Prof. F Abrahams (59)

BEcon (Hons), MCom, DCom

Member of: Nomination, Remuneration, Risk and Social and Ethics Committees
Chairperson of: Social and Ethics Committee
Also a director of South African listed companies: Clicks Group Limited and Lewis Group Limited

Fatima is an Emeritus Professor, continues to teach on a post-graduate level and was dean of the Economic and Management Sciences Faculty at the University of the Western Cape (UWC). She is a registered industrial psychologist and has built up extensive expertise in the human capital field. She has served and continues to serve on the audit and risk committees and transformation and remuneration committees of several companies, and has built up sound business experience over the years.

Appointed to the Supervisory Board: 2003

C Coleman (59)

BA (Architecture)

Colin serves on the boards of a number of companies. In 2020, he served as a senior fellow and lecturer at Yale University's Jackson Institute for Global Affairs. He was CEO, Sub-Saharan Africa, of Goldman Sachs up until his retirement at the end of 2019 and before that head of its South African business, which he joined in 2000, and then head of its Investment Banking division for Sub-Saharan Africa. He was named a partner of Goldman Sachs in 2010. Colin was an anti-apartheid activist and deeply involved in South Africa's constitutional transition from apartheid to democracy. He was named one of the World Economic Forum's "Global Leaders for Tomorrow", is a recipient of Harvard Business School's "Business Statesman Award" and was named one of Euromoney's World Top Ten "Financing leaders for the 21st Century." He is co-chairman of the Youth Employment Service (YES).

Appointed to the Supervisory Board: 2020

D Friedland (69)

BCom, CA(SA)

Member of: Audit, Remuneration and Risk Committees
Also a director of South African listed as well as public companies: Pick n Pay Stores Limited, Investec Limited and Investec Bank Limited
Also a director of foreign listed as well as public companies: Investec plc and Investec Bank plc

David is a chartered accountant with extensive audit experience from a broad range of listed retail companies. He served as international partner at Arthur Andersen from 1990 and was a partner at KPMG from 2002. David was head of Audit and Risk at KPMG (Cape Town) and was the lead audit partner for several listed companies. In 2013, he retired and was appointed to the boards of Investec Limited and Investec plc, serving as the group audit committee chairman.

Appointed to the Supervisory Board: 2013

B L M Makgabo-Fiskerstrand (48)

BA

Member of: Audit, Risk and Social and Ethics Committees

Tumi is the founder and executive director of AfricaWorldwide Media and director of Tumi Makgabo Enterprises, focusing on enterprise development in South Africa and across the African continent. In addition, Tumi served as the vice-chairperson of the World Economic Forum's Global Agenda Council on Women's Empowerment and as a member of its Council on Africa for two years. In 2008, she was nominated to the World Economic Forum's Forum of Young Global Leaders, which is a multi-stakeholder community of exceptional leaders below the age of 40, selected from around the world.

Appointed to the Supervisory Board: 2012

E Oblowitz (65)

BCom, CA(SA), CPA(Isr)

Member of: Audit, Remuneration and Risk Committees
Chairman of: Audit and Remuneration Committees
Also a director of a South African listed as well as public companies: Trencor Limited and BNP Paribas Personal Finance South Africa Limited

Eddy has considerable audit, finance and business advisory experience, having spent 21 years in professional practice, most notably as a senior partner of the Cape Town, Durban and Port Elizabeth offices of Arthur Andersen. He also served as a member of the firm's worldwide Retail and Distribution Industry Team. In addition to serving as a non-executive director and trustee to various companies and trusts, he is the Principal at Contineo Financial Services, which provides specialist advisory and fiduciary services to high net worth South African and international families and their entities.

Appointed to the Supervisory Board: 2010

N V Simamane (63)

BSc (Chemistry & Biology) (Hons)

Member of: Audit, Risk and Social and Ethics Committees
Also a director of South African listed as well as public companies: Oceana Group, The Hollard Insurance Company Limited and Lenmed Investments Limited

Nomahlubi has extensive business, marketing and communications experience, having previously held the positions of marketing manager at Unilever, marketing director of British American Tobacco and managing director of BLGK Bates Advertising Agency. She is currently the CEO of Zanusi Brand Solutions, a branding consultancy she founded in 2001. She has worked in the United States and Kenya and has been recognised as a seasoned business woman, having won two Business Women of the Year Awards in 2009. She was also named the 2013 Enterprising Woman in Fort Lauderdale, Florida, USA.

Appointed to the Supervisory Board: 2009

Corporate governance report continued

R Stein (73)

BCom, CA(SA)

Member of: Risk and Nomination Committees
Chairman of: Risk Committee

Ronnie was previously the Group's CFO. He retired from this position at the end of June 2015 after serving 19 years with the Group. Prior to joining the Group, he was an accountant and auditor in public practice. He was a partner at Kessel Feinstein for 15 years. Following his retirement, Ronnie remains on the Supervisory Board in a non-executive capacity.

Appointed to the Supervisory Board as a non-executive director: 2015

Non-executive director

A D Murray (65)

BA, CA

Member of: Risk Committee
Meetings attended by invitation: Audit Committee
Also a director of a South African listed company: Equites Property Fund Limited

Doug was previously our CEO. He retired from this position in September 2018 after serving 33 years with the Group, 11 of those as CEO. He has a wealth of knowledge and experience in the international retail sector in general and TFG in particular, where he held a number of senior executive roles in the Group before his appointment as CEO. Doug was appointed to the Supervisory Board in a non-executive capacity on 1 October 2019 and also serves on the Group's UK and Australian subsidiaries' boards and committees.

Appointed to the Supervisory Board as a non-executive director: 2019

The Supervisory Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the 2022 financial year. Further, the directors confirm that the committees functioned in accordance with their written terms of reference as contained in their charters during the financial year.

SUPERVISORY BOARD AND COMMITTEE ATTENDANCE

The attendance of the directors at Supervisory Board and committee meetings for the financial year was as follows:

	Supervisory Board	Audit Committee	Risk Committee	Remuneration Committee	Nomination Committee	Social and Ethics Committee
Number of meetings	7	3	4	5^	2	2
Prof. F Abrahams	7		4	5^	2	2
S E Abrahams	3**	1#				
C Coleman	7					
G H Davin	7	3#			2	
D Friedland	7	2*	3*	5^		
M Lewis	7	2#	3#	5^	2	1#
B L M Makgabo-Fiskerstrand	7	3	4			2
A D Murray	6*	3#	4			
B Ntuli	7	3#	4			2#
E Oblowitz	7	3	4	5^		
N V Simamane	7	3	4			2
R Stein	7	3	4		2	
A Thunström	7	3#	4	5#^	2#	2

Invitee.
^ *5th Remuneration Committee meeting held to approve the decisions referred to on page 145 of this report.*
* *Absent with apology.*
** *S E Abrahams retired from the Supervisory Board with effect from 2 September 2021 and attended all relevant meetings before this date.*

The Supervisory Board considers the allocation of roles and responsibilities and the composition of membership across committees holistically, to achieve the following:

- Effective collaboration through cross-membership between committees, coordinated timing of meetings, and the avoidance of duplication or fragmented functioning in so far as possible
- Where more than one committee has jurisdiction to deal with a similar matter, the specific role and positioning of each committee in relation to such a matter is defined to ensure complementary rather than competing approaches
- There is a balanced distribution of power in respect of membership across committees so that no individual has the ability to dominate decision-making, and no undue reliance is placed on any individual

COMPANY SECRETARY

The Company Secretary, D van Rooyen, is accountable to the Supervisory Board, and all directors have access to his professional corporate governance advice and services. He has unfettered access to the Supervisory Board, but at the same time maintains an arm's length relationship with it and is not a director of the company. The Company Secretary is independent and functionally reports to the Supervisory Board on company secretarial matters. The Company Secretary's duties include but are not limited to those listed in section 88 of the Companies Act of South Africa.

Every two years, as part of the Supervisory Board formal evaluation process, the directors assess whether the Company Secretary has fulfilled the required obligations and duties. The assessment questionnaire also gives directors the opportunity to not only evaluate the Company Secretary, but to raise any concerns they may have.

Following this assessment in 2021, the Supervisory Board believes the Company Secretary is an objective, suitably qualified, competent and experienced individual able to provide the Supervisory Board with the requisite support for its effective and efficient functioning and discharge of its duties as prescribed by the Companies Act of South Africa, King IV and the JSE Listings Requirements. The Supervisory Board further believes that the office of the Company Secretary is empowered and that the position carries the necessary authority.

REMUNERATION AND SHAREHOLDING

The remuneration paid to directors during the current year as well as details of direct and indirect shareholdings are disclosed in the Remuneration Committee report which appears later in this report. Information regarding directors' participation in share incentive schemes (which is limited to executive directors) is also disclosed.

DEALING IN SHARES

The Supervisory Board complies with the JSE Listings Requirements in relation to restrictions on directors and employees trading with TFG shares during closed periods. Restrictions may also be placed on share dealings at other times if TFG is involved in corporate activity or sensitive negotiations. There is a process in place in terms of the JSE Listings Requirements for directors to obtain prior clearance before dealing in TFG shares. All transactions are conducted at the ruling market price on the JSE. Details of directors' share dealings are disclosed on SENS.

DIRECTORS' INTERESTS IN CONTRACTS

In addition to a formal annual disclosure process, directors are required to make ongoing disclosures of any interests in contracts. During the year under review, the directors had no interest in contracts as contemplated in the Companies Act of South Africa.

AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present its report for the financial year ended 31 March 2022 to the shareholders of TFG. This report complies with the Companies Act of South Africa, the JSE Listings Requirements, King IV and any other relevant requirements.

- Meeting attendance for the committee members is set out on page 110. All members of the committee continue to meet the independence requirements of the Companies Act of South Africa and King IV.
- Each member's qualifications and experience are set out in the profiles on pages 108 to 110.
- Details of fees paid to committee members appear in note 32 of the consolidated annual financial statements.

COMMITTEE MANDATE AND FUNCTIONING

The committee is governed by a formal Audit Committee charter that is reviewed regularly and incorporates all the requirements of the Companies Act of South Africa. This charter guides the committee in terms of its objectives, authority and responsibilities, both statutory and those assigned by the Supervisory Board.

The committee is satisfied that during the 2022 financial year it has complied with all its statutory and other regulatory duties and fulfilled its responsibilities in accordance with its charter.

The Audit Committee recognises the importance of its independent oversight role as part of the risk management and corporate governance processes and procedures of TFG.

The committee typically meets three times per year and further meetings are held as required. Furthermore, the Chairman meets with the external auditors and representatives of management separately and/or together, at pre-determined dates, usually before the holding of the various committee meetings, as well as on an *ad hoc* basis throughout the year. Salient aspects of internal audit reviews are discussed at each meeting.

In addition, the following is addressed at each respective meeting:

- Review of ERM and combined assurance methodology and consideration of outcomes of financial risk assessment (typically in March each year)
- Approval of annual audited results (typically in June each year)
- Approval of interim results (typically in November each year)

The committee considered the draft interim and annual financial reports prepared by executive and senior management and recommended the adoption of these reports to the Supervisory Board, subject to certain amendments. The Chairman provided verbal and written reports to the Supervisory Board that summarise the committee's discussions, findings and recommendations.

The committee held three formal meetings during the 2022 financial year. As part of the Group's governance structures, there are also joint Audit and Risk Committees for TFG London and TFG Australia. The individual committees for TFG London and TFG Australia met formally twice during the financial year.

Independently of executive management, members of the committee meet separately with the Head of Internal Audit and the external auditors, respectively. The Head of Internal Audit reports directly to the Audit Committee on all internal audit matters.

Meeting dates and topics are agreed well in advance each year. Each meeting is preceded by the timely distribution of an Audit Committee pack to each attendee, comprising *inter alia*:

- a detailed agenda;
- minutes of the previous meeting;
- a report by the external auditors; and
- written reports by executive and senior management including:
  - International Financial Reporting Standards (IFRS) and accounting matters;
  - taxation;
  - combined assurance (including ERM, legal compliance and internal audit); and
  - insurance and loss statistics.

AUDIT COMMITTEE MEMBERSHIP AS AT 31 MARCH 2022

Members and appointment dates

E Oblowitz (Chairman)	1 October 2010
D Friedland	1 April 2016
B L M Makgabo-Fiskerstrand	1 October 2015
N V Simamane	24 February 2010
R Stein	1 August 2020

The CEO, the CFO, the Head of Group Assurance, the Head of Internal Audit, the Company Secretary and the partner and senior members of the external auditors team attended meetings of the committee by way of standing invitations. Additional attendees during the 2022 financial year included non-executive directors Mr S E Abrahams (who retired from the Supervisory Board with effect from 2 September 2021), Mr A D Murray and Mr G H Davin, as well as relevant members of executive management, who are invited to attend all meetings on an *ad hoc* basis. The Chairman of the Group has an open invitation to attend all meetings of the Audit Committee.

ROLES AND RESPONSIBILITIES

Statutory duties as prescribed in the Companies Act of South Africa

General

- to receive and deal appropriately with any concerns or complaints (whether internal, external or on its own initiative) relating to the accounting practices and internal audit of TFG, the content or auditing of TFG's financial statements, the internal financial controls of TFG or any related matter.

External auditors

- to evaluate the independence, effectiveness and performance of the external auditors;
- to obtain assurance from the auditors that adequate accounting records are being maintained and that appropriate accounting policies are in place, which have been consistently applied;
- to evaluate the appointment of the external auditors on an annual basis and to ensure that such appointment is in terms of the provisions of the Companies Act of South Africa, section 3.84(g)(iii) of the Listings Requirements and any other legislation and/or regulations;
- to discuss and interrogate the annual audit plan of the external auditors as well as the related scope of work and the overall appropriateness of the key audit risks identified;
- to approve the audit fee and fees in respect of any non-audit services;
- to determine the nature and extent of any non-audit services the auditors may provide to the Group and to pre-approve all proposed agreements for non-audit services; and
- to review the findings and recommendations of the external auditors and to establish that there are no significant unresolved matters as at the date of the approval of the annual financial statements.

Financial results

- to make submissions to the Supervisory Board on any matter concerning the Group's accounting policies, financial controls, records and reporting; and
- to provide, as part of the integrated annual report and consolidated annual financial statements, a report by the Audit Committee.

Duties assigned and delegated by the Supervisory Board

General

- to ensure that the respective roles and functions of external audit and internal audit are sufficiently clarified and, where relevant, coordinated;
- to assess the effectiveness of the arrangements in place for combined assurance; and
- to assist the Supervisory Board in carrying out its risk management, technology and information management responsibilities.

External auditors

- to consider and respond to any questions from the Supervisory Board and shareholders regarding the resignation or dismissal of the external auditors, if necessary;
- to review and approve the annual external audit plan; and
- to ensure that the scope of the external audit has no limitations imposed by executive management and that there is no impairment of its independence.

Internal control and internal audit function

- to review the effectiveness of the Group's systems of internal control, including internal financial controls, financial reporting procedures and risk management, and to ensure that these are operating effectively;
- to ensure that written representations on internal controls are submitted to the Supervisory Board annually by all divisional heads of business (these being representations that provide assurance on the adequacy and effectiveness of the Group's systems of internal control);
- to monitor and supervise the effective functioning and performance of the internal audit function;
- to review and approve the annual internal audit plan as well as any proposed amendments thereto, prior to their implementation, and the internal audit charter;
- to ensure that the scope of the internal audit function has no limitations imposed by executive management and that there is no impairment of its independence; and
- to review that appropriate internal controls and internal audit plans are prepared to cover the TFG International operations.

Finance function

- to consider the appropriateness of the expertise and experience of the CFO; and
- to satisfy itself with the expertise, resources and experience of the finance function and its related activities.

Financial results

- to consider any accounting treatments, significant, unusual, sensitive and complex transactions, or accounting judgements and estimates that could be contentious;
- to review executive management's assessment of going concern and to make a recommendation to the Supervisory Board that the validity of the going concern concept be adopted by the Group;
- to consider the JSE's report on the proactive monitoring of financial statements for compliance with IFRS and/or any other relevant reports issued by the JSE to audit committees and to ensure that appropriate action is taken, if required; and
- to review the integrated annual report, as well as the consolidated annual financial statements, interim reports, preliminary reports and/or any other financial information prior to submission and approval by the Supervisory Board.

Audit Committee report continued

COMMITTEE EVALUATION

A formal Supervisory Board evaluation (which includes an evaluation of all sub-committees) was followed in the 2021 financial year. Action plans are in place to address the relevant key themes emanating from that evaluation.

ELECTION OF COMMITTEE MEMBERS

The following changes to the committee have been made and will be included in the proposal to shareholders at the upcoming annual general meeting (AGM):

- Mr R Stein will step down as a member of the Audit Committee
- Mr G H Davin will be appointed as a member of the Audit Committee

The following members made themselves available for election to the committee. Such election was recommended by the Nomination Committee and will be proposed to shareholders at the upcoming AGM:

- E Oblowitz (Chairman)
- D Friedland
- B L M Makgabo-Fiskerstrand
- N V Simamane
- G H Davin

SPECIFIC RESPONSIBILITIES

The committee confirms that it has carried out its functions in terms of the Audit Committee charter and section 94(7) of the Companies Act of South Africa, by:

- confirming the nomination of Deloitte & Touche as the Group's registered auditor, and Mr J H W de Kock as the designated partner, for the year ending 31 March 2023; being satisfied that both Deloitte and Mr J H W de Kock are independent of the company;
- approving the terms of engagement and fees to be paid to Deloitte & Touche;
- ensuring that the appointment of Deloitte & Touche complies with the provisions of the Companies Act of South Africa, the JSE Listings Requirements and any other regulations;
- determining the nature and extent of any non-audit services, which the external auditors provide to the company or any related company prior to the provision of such non-audit services;
- pre-approving proposed agreements with Deloitte & Touche for the provision of any non-audit services;
- preparing this report for inclusion in the consolidated annual financial statements and the integrated annual report;
- receiving and dealing appropriately with any relevant concerns or complaints that fall within the remit of the committee's charter;
- making submissions to the Supervisory Board on any matter concerning the Group's accounting policies, financial controls, records and financial reporting; and
- performing any other oversight functions as determined by the Supervisory Board.

INTERNAL FINANCIAL CONTROL AND INTERNAL AUDIT

The CEO and CFO, through delegated authority to executive management and regular report-backs, continually evaluate the controls and control environment. This evaluation includes, *inter alia*:

- the identification of risks and the determination of their materiality;
- testing the design and implementation of controls that address significant and high-risk areas impacting the financial reporting process;
- utilising the assurance function to test the operating effectiveness of these controls; and
- reviewing of control self-assessments performed by management.

During the current financial year, partial deficiencies in the design and operational effectiveness of certain internal controls were presented to the committee together with the relevant compensating controls and additional procedures performed. A formal remediation plan was developed and all significant matters had been satisfactorily remediated by the end of the financial year.

The committee considered the deficiencies identified, the status of the remedial actions undertaken and management's reliance on compensating controls and additional review procedures performed, and noted the contents of the CEO and CFO final attestation. The committee is of the opinion that none of these deficiencies had a material impact on the financial reporting processes and that TFG's system of internal financial controls and financial reporting procedures are effective and form a basis for the preparation of reliable financial statements in respect of the year under review.

This assessment included consideration of all the entities included in the consolidated annual financial statements and TFG's ability to effectively prepare and report on the consolidated annual financial statements.

In addition, during the 2022 financial year, the committee was not made aware of any material breaches of any laws or regulations or material breaches of internal controls or procedures.

Internal audit continues to develop and refine its auditing approach and methodologies with digital enablement and associated interventions. This enablement facilitates the increased automation of processes; enhanced generation of more risk-focused assurance and related insights and reporting through the implementation of a suite of technologies to broaden assurance coverage, particularly given the expansion of new stores in TFG Africa, London and Australia; while optimising costs and providing enhanced value through more focused risk-oriented insights. These technologies include the applications of data analytics, robotic process automation, artificial intelligence as well as other enterprise technology tools.

During the financial year under review Mr R Kusel was appointed Group Head of Internal Audit with effect from 1 September 2021. Prior to this date, Ms C van der Vyver, the Head of Group Assurance, was care taking the role as part of a broader restructure of the internal audit function.

The committee believes that both Mr R Kusel and Ms C van der Vyver possess the appropriate expertise, skills and experience to meet their responsibilities in that position and that the internal audit function was functioning and performing effectively throughout the year under review.

COMBINED ASSURANCE

The Audit Committee reviewed the combined assurance process and related methodologies and the outcomes thereof and considers these processes to be effective.

Read more in our Risk Committee report on pages 119 and 121.

RISK MANAGEMENT

While the Supervisory Board is ultimately responsible for the maintenance of an effective risk management process, the committee, together with the Risk Committee, assists the Supervisory Board in the assessment of the adequacy of the risk management process. The Chairman of this committee is also a member of the Risk Committee and reciprocally, the Chairman of the Risk Committee is also an invitee to this committee. This reciprocal cross membership ensures the ongoing alignments between these two committees. The committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting, and information management and technology risks as they relate to financial reporting.

The respective strategies adopted by the Audit Committee and the Risk Committee ensure timely review of any internal control weakness identified by any of the assurance providers. In addition, there continues to be continual improvements in the development of ERM methodologies which further enhance the Group's overall risk management coverage and focus.

Read more about our risk management approach in the Risk Committee report from page 119.

TFG INTERNATIONAL OPERATIONS

The joint international Audit and Risk Committees continue to play an important role in the governance oversight of the Group as well as TFG London and TFG Australia. The TFG London joint Audit and Risk Committee is chaired by Mr R Stein whilst the TFG Australia joint Audit and Risk Committee is chaired by Mr E Oblowitz. These committees typically meet twice a year and provide feedback to the Audit and Risk Committees as well as the Supervisory Board. The Chairmen of both these committees also review the financial results of the TFG International operations and provide feedback to the Audit and Risk Committees as well as to the Supervisory Board.

Internal audit compiles assurance plans responsive to the significant risks identified and appropriate assurance reviews and audits were conducted during the year to assess those risks. No major concerns surfaced from the internal audit work undertaken.

THE FINANCIAL AND BUSINESS ENVIRONMENT

Trading environment

The financial year under review was characterised by a strong post-COVID-19 recovery as the majority of the Group's outlets traded strongly, especially in the last two quarters of the financial year. The improvement in trading was supported by the continued easing of government-enforced lockdowns and restrictions in all three of our major trading territories and by the impetus of the global vaccine drive.

The strong financial results for the year were achieved in spite of the impact of civil unrest in certain parts of South Africa during July 2021, the severe lockdown restrictions still experienced in Australia in the second quarter and the severe disruptions caused through ongoing implementation by Eskom of load shedding across all provinces in South Africa.

As previously announced on the JSE Stock Exchange News Service (SENS), 198 South African stores were looted and damaged to varying degrees by the civil unrest experienced in the KwaZulu-Natal province and parts of the Gauteng province. The Group reopened 174 of these stores by the end of March 2022. The remainder of the stores will only reopen from June 2022 onwards and two stores will not be reopened. SASRIA payments of R541 million (VAT inclusive) have been received to date.

The financial year was also characterised by the following circumstances and events:

- Prioritising the safety and wellbeing of our employees, customers and suppliers.
- The Group remaining cautiously conservative with its credit lending criteria in South Africa given the prevailing economic conditions.
- The successful completion of a number of acquisitions in the local manufacturing sector in South Africa, thereby securing increased manufacturing capacity to support the Group's strong localised, quick response supply chain and sourcing model, which provided mitigation against international supply chain disruptions.
- The acquisition of Quench, a digital, on-demand shopping platform and last mile delivery provider. The addition of Quench to TFG's existing portfolio of brands enhances TFG's strategic intent of expanding its position as a dominant omnichannel retailer in Africa.
- The Group entered into a sale and purchase agreement to acquire the entire issued share capital of Tapestry Home Brands. Tapestry is a direct-to-consumer, vertically integrated designer, manufacturer and omnichannel cash retailer of home furnishings serving consumers' living and sleeping needs, targeting the middle to upper LSM markets. The transaction seeks to provide TFG with exposure to new and diverse products and categories as well as gaining new customers to complement the current TFG customer base in existing categories. The transaction is in line with TFG's stated strategy of vertical integration in key product categories and the continued development of its quick response local manufacturing capability. All conditions precedent to the transaction have either been fulfilled or waived as set out in the Share Purchase Agreement (SPA), it being noted that the approval from the relevant competition authorities was obtained. Accordingly, the Transaction is now unconditional in accordance with the terms of the SPA and is envisaged to be implemented with an effective date of 1 August 2022.

Audit Committee report continued

ACCOUNTING MATTERS

Accounting for the impact of the civil unrest in South Africa

As indicated above, TFG Africa was impacted by the week of civil unrest which took place in the KwaZulu-Natal and Gauteng provinces in South Africa during July 2021.

The Group has raised a receivable of R150 million for the year ended 31 March 2022 to recover for the losses of profit due to the business interruption, which is included within sundry income. The total receivable outstanding as at the end of the current financial year amounts to R230 million.

As the insurance income relating to damages is linked directly to expenses incurred due to the civil unrest, the Group has included both the income and expenses relating to losses within other operating expenses. The Group performed an assessment to identify if the losses related to store assets should be capitalised or treated as repairs and maintenance based on the nature of the damages incurred at a store level. The inventory losses have been included under other operating expenses as the Group determined this to be an abnormal expense in terms of IAS 2.38, which is directly linked to the insurance income.

Insurance claims receivable: Significant judgement is required in assessing the virtual certainty of the recoverability of insurance claims receivable resulting from the civil unrest in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets. Although the Group is adequately insured for loss of assets and business interruption, this assessment was supported by the progression of the discussion with the insurer and their representatives, the payments received to date, market confidence provided regarding their commitment and financial ability of the insurer to settle outstanding claims.

Further detail is provided on page 76 of the annual financial statements.

The external auditors as well as executive management and the Audit Committee members have reviewed these calculations, assumptions and significant judgements and the Audit Committee is satisfied with the accounting treatment and related disclosures included in the annual financial statements.

Provision for doubtful debts

As is set out on page 62 of the annual financial statements, full details of the provision for doubtful debts is provided. The external auditors as well as executive management and the Audit Committee members have reviewed these calculations and believe that the level of the provision carried is appropriate responsive to the determining assumptions in South Africa, Australia and the UK, respectively.

Inventory

The inventory provisioning methodology is consistent with that of the previous financial year and given the prevailing and forecasted macroeconomic and the individual jurisdictional specific conditions, inventory provisions remain at levels which are commercially sensible. After considered debate and review of the external and internal auditors' reports, together with detailed operational inputs from senior executives and brand leaders, the Audit Committee is satisfied that the value of inventory reflected on the statement of financial position at 31 March 2022 is fairly stated.

Losses from crime-related incidents

Commensurate with other commercial enterprises, although the Group continues to suffer from crime-related incidents in South Africa, our specialist Forensics department continues making progress in proactively limiting losses and assisting the law enforcement agencies in their attempts to bring criminals to face charges for their misdemeanours.

Value-in-use of intangibles

Due to the impact of the COVID-19 pandemic, as outlined above, management, the external auditors and the Audit Committee applied stress-testing valuation scenarios to the carrying values of intangibles in TFG Africa, TFG Australia and TFG London, respectively.

As a result of the strong post-COVID-19 recovery, all three trading territories continued to trade ahead of management expectations and delivered strong levels of profitability and cash flow generation in the 2022 financial year.

Following the review of the carrying values of the intangibles, it was concluded that the relevant operations had adequate headroom to sustain the current carrying value of intangibles.

EXTERNAL AUDITORS

The Group's external auditors are Deloitte & Touche and the designated partner is Mr J H W de Kock.

Deloitte & Touche is afforded unrestricted access to the Group's records and management, and were free to present any issues arising from their conduct of the annual audit to the committee. In addition, the designated partner, where necessary, has unrestrained opportunity to raise any matters of concern directly with the Chairman of the committee.

The committee gave due consideration to the independence of the external auditors and is satisfied that Deloitte & Touche remained independent of the Group and executive and senior management throughout the conduct of their audit and therefore able to express an independent opinion on the Group's consolidated annual financial statements. The committee specifically considered Deloitte & Touche's tenure (five years) and the nature and extent of non-audit services rendered. Non-audit services totalling R3,6 million were provided during the current year (2021: R4,6 million).

The committee has nominated, for approval at the AGM, Deloitte & Touche as the external auditor and Mr J H W de Kock as designated audit partner for the 2023 financial year, having satisfied itself (by obtaining and reviewing the information specified in Paragraph 22.15(h) of the JSE Listings Requirements), *inter alia*, that:

- the audit firm is accredited by the JSE; and
- the quality of the external audit is satisfactory (after referencing the most recent inspection reports issued by the Independent Regulatory Board for Auditors (IRBA) in respect of both the audit firm and the designated audit partner).

FINANCIAL STATEMENTS

The committee reviewed the annual financial statements of the company and the Group and is satisfied that they comply with IFRS and the requirements of the Companies Act of South Africa. This review included a consideration of the JSE's reports on the proactive monitoring of financial statements. In addition, the committee reviewed executive management's assessment of going concern and recommended to the Supervisory Board that the going concern concept be adopted by TFG for the ensuing year.

As recommended by King IV, the committee has concentrated primarily on the following financial captions with the actions taken to address the risks listed:

Goodwill and intangible impairment assessment

- The Audit Committee specifically considered the recoverable amount of the Group's goodwill and intangible assets using the value-in-use technique. The assumptions and estimates used were supported by comprehensive calculations, analyses, forecasts and assumptions as prepared by management.
- The Audit Committee received timely and appropriate presentations from management. In addition, management received inputs from independent external consultants to corroborate a number of the most critical assumptions and estimates used in the value-in-use calculations.
- The Audit Committee received reports from the external auditors on their work, which was done independently of management's calculations. The external auditors were supportive that no impairments are required in respect of the Group's goodwill and intangible assets.

Recovery of trade receivables

- During the year, the committee received detailed presentations from the Group director responsible for credit on the processes and procedures undertaken in controlling the granting of credit as well as the optimisation of the collection of receivables. These reports detailed trends in the credit environment, recoveries, bad debt write-offs and other relevant patterns associated with TFG's customer accounts status.
- In addition to reports provided to the Audit Committee, similar presentations are made to the Supervisory Board at regular intervals.
- The Audit Committee received reports from the external auditors on their work. Appropriate discussions took place on their work undertaken and their findings.

Inventory

- The Audit Committee members received monthly summarised CEO reports, the commentary of which included comments made by each divisional head on:
  - their inventory holdings, inventory turn statistics and write-down information; and
  - the adequacy or otherwise of the overall quantum of their inventory holdings per business unit. The CFO also provided the Audit Committee with regular updates in terms of the level of inventory provisioning.
- Internal audit conducts ongoing cyclical inventory counts and reported on their findings to the Audit Committee. In addition, the detailed internal audit reports relating to inventory counts were reviewed during the year by the Risk Committee.
- The external auditors provided a detailed year-end report on their work undertaken in their satisfaction of this financial caption being fairly stated.

INTEGRATED ANNUAL REPORT

The committee fulfils an oversight role in respect of the contents of the integrated annual report. In this regard, the committee gave due consideration to the need for assurance on the sustainability information contained in this report and concluded that at this stage, obtaining any independent assurance would not be required.

The committee considered the sustainability information as disclosed in the integrated annual report, assessed its consistency with the consolidated annual financial statements and Inspired Living Report and is satisfied that the sustainability information is in no way contradictory to information disclosed in the consolidated annual financial statements.

EXPERTISE OF CFO AND FINANCE FUNCTION

The committee considers the appropriateness of the expertise and experience of the CFO and finance function on an annual basis.

In respect of the above requirement, the committee believes that the CFO, Ms B Ntuli, possesses the appropriate expertise and experience to meet her responsibilities in that position.

The committee further considers that the expertise, resources and experience of the current senior incumbents of the finance function are appropriate based on the nature, complexity and size of the Group's operations.

APPRECIATION

I acknowledge and thank my fellow committee members and attendees, the CEO, CFO and executives, management and the Deloitte & Touche engagement team for their continuing efforts, assistance, guidance and support rendered to me and to this committee during the year under review.

APPROVAL

The committee recommended the approval of the consolidated annual financial statements and the integrated annual report for the year ended 31 March 2022 to the Supervisory Board on 29 July 2022.

The Supervisory Board subsequently approved the consolidated annual financial statements and the integrated annual report for the year ended 31 March 2022, which will be tabled and open for discussion at the forthcoming AGM.

E Oblowitz
Chairman: Board Audit Committee

29 July 2022

RISK COMMITTEE REPORT

The Risk Committee is pleased to present its report for the financial year ended 31 March 2022.

- Meeting attendance for the committee is set out on page 110.
- Each member's qualifications and experience is set out in the profiles on pages 108 to 110.
- Details of fees paid to committee members appear in note 32 of the consolidated annual financial statements.

COMMITTEE MANDATE AND FUNCTIONING

The Supervisory Board remains accountable to ensure risks are effectively managed and has delegated risk management oversight to the:

Risk Committee

The Risk Committee reviews significant risks and their related mitigations and reports back to the Supervisory Board at each meeting.

-- the committees follow separate but aligned mandates --

Audit Committee

The Audit Committee focuses predominantly on financial risks and reviews the effectiveness of the risk process.

Read more about the functions of the Audit Committee from page 112.

The committee ensures:

- appropriate risk and control policies are in place and are communicated throughout the Group;
- the process of risk management and the system of internal control are regularly reviewed for effectiveness;
- there is an ongoing process to identify, evaluate and manage the significant risks faced by the Group;
- a formal risk assessment is undertaken annually;
- there is an ongoing process to identify and evaluate opportunities throughout the year;
- assurance providers are aligned to provide adequate assurance over the significant risks across the Group;
- there is an adequate and effective system of internal control in place to manage the more significant risks faced by the Group within an acceptable level;
- a risk register is maintained;
- there is a documented and tested process in place to enable the Group to continue its critical business processes in the event of a disaster, *inter alia*, the destruction of a distribution centre, head office or computer facility that affects its activities; and
- appropriate insurance cover is in place and regularly reviewed and uninsured risks are reviewed and managed.

The committee meets four times a year. The agenda includes:

- updating significant risks and opportunities;
- overseeing regulatory updates, including the latest available information pertaining to government policy decisions and new or draft legislation;
- feedback on IT governance matters;
- emerging risk matters; and
- feedback on mitigation plans for catastrophic events, including insurance.

During the November and March meetings, the committee focuses on the renewal of TFG's annual insurance and reviewing the outcomes of the annual formal risk assessment process. Cyber security and combined assurance continued to receive additional focus during the year and will continue to be focus areas in the year ahead along with business resilience.

Risk Committee report continued

The committee fulfilled its responsibilities in accordance with its charter during the 2022 financial year.

RISK COMMITTEE MEMBERSHIP

Members

- R Stein (Chairman)
- Prof. F Abrahams
- D Friedland
- B L M Makgabo-Fiskerstrand
- A D Murray
- B Ntuli
- E Oblowitz
- N V Simamane
- A E Thunström

Invitees

- M Lewis

TECHNOLOGY AND INFORMATION GOVERNANCE

The Chief Information Officer and the Group Chief Information Security Officer meets regularly with each region and reviews emerging technology and information governance-related risks, TFG's disaster recovery plans and any significant initiatives.

The Risk Committee receives feedback on matters discussed and monitors technology and information governance initiatives to ensure these do not pose a risk to the continuity of the Group's operations. The Risk Committee also receives regular feedback on the results of assurance activities undertaken by internal and external providers.

LEGISLATIVE COMPLIANCE

An update on legal compliance is presented at each Risk Committee meeting. This update includes a forecast of significant legislative developments in all of the countries where the Group has a footprint. Key areas of non-compliance, if any, are brought to the attention of this committee.

Based on key laws and regulations effective at 31 March 2022, there were no material areas of non-compliance. There were also no monitoring or legal compliance inspections by environmental regulators, no findings of non-compliance with environmental laws and no criminal sanctions or prosecutions for non-compliance with environmental legislation.

COMBINED ASSURANCE

The Group follows a combined assurance model, which aligns and optimises assurance and ensures that significant risks are adequately addressed. This enables an effective control environment and ensures the integrity of information used for decision-making and reporting.

The model recognises the five lines of assurance. Alignment and regular communication between assurance providers optimises areas of reliance and enhances value delivery to stakeholders. Technology is employed to increase the scope of assurance provided. Assurance providers collectively provide assurance to the Supervisory Board.

During the year, no significant matters of concern were highlighted.

Refer to the CEO and CFO responsibility statement in the annual financial statements for the confirmation required in respect of paragraph 3.84(k) of the JSE Listings Requirements and refer to the Audit Committee report on page 112 for further information on internal financial control.

TFG COMBINED ASSURANCE MODEL

EXAMPLES OF THE APPLICABLE GOVERNANCE FRAMEWORKS

- Companies Act of South Africa, JSE Listings Requirements, King IV
- External governance frameworks and legislation
- TFG Supervisory Board charter
- TFG Audit and Risk Committee charters
- TFG risk policy and appetite
- Internal TFG policies and procedures

Assurance providers are increasingly engaged and meet more frequently with business

1	**Business unit management with regular reporting to Operating Board**	Line management is responsible for managing and mitigating operational risk and performance. The Operating board provide oversight.
2	**Centralised governance functions such as risk, IT security, legal and compliance**	Specialised and independent functions guide management in executing its duties and provide assurance through independent monitoring. The Operating Board, Audit and Risk Committees provide oversight.
3	**Internal audit with regular reporting to the Audit and Risk Committees**	Internal audit operates independently from management, with oversight by the Audit and Risk Committees. The Head of Internal Audit reports directly to the Audit Committee.
4	**Various external, accreditation, certification and assurance providers**	In accordance with the Group's governance framework, independent external assurance providers are appointed as required on an *ad hoc* basis. The external auditors are appointed by shareholders on recommendation of the Audit Committee.
5	**Supervisory Board**	The Supervisory Board has an overall oversight role and mandates the various committees that act on its behalf. Refer to page 59 for a description of TFG's governance structure.

Assurance providers are increasingly independent

Both the Audit and Risk Committees oversee the combined assurance model as well as related methodology and assurance outcomes.

Objective

Optimise assurance activities across the Group to provide

- assurance that the financial control environment is effective; and
- assurance that the mitigation steps developed by management are adequate, have been implemented and are effective to reduce risk to an acceptable level.

THE GROUP'S ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group seeks to mitigate and minimise risk through mechanisms such as standardised processes, regular reporting, risk transfer and diversification. Decisions are underpinned by the Group's values and purpose, maintaining good legal standing, protecting reputation and an appropriate balance of risk versus reward.

TFG's ERM framework provides a structured, dynamic and consistent approach to risk management. It is an integrated approach and recognises that effective risk management is critical to the achievement of strategic objectives and the long-term sustainable growth of the business. Risks are reviewed throughout the year and this continuous process informs any updates to the Group's risk registers and combined assurance plan. The framework draws on internationally accepted best practices and is in line with relevant standards. This includes ISO 31000, the COSO framework and King IV.

The Group continuously seeks to improve and enhance the risk management process, while maintaining a practical and business-minded approach. Updates on current and emerging risks and related mitigations are provided quarterly to the Executive Risk Forum for discussion. The Executive Risk Forum consists of senior executives representing various business divisions across the Group. The outcome of discussions at the Forum along with the required levels of assurance are discussed at the Risk Governance Committee. This committee includes the Group CEO and CFO. Significant matters and any revisions to risks are reported to the Risk Committee.

1 Risks highlighted through workshops, assurance reviews, management, third parties and other resources are documented in a centralised risk database.

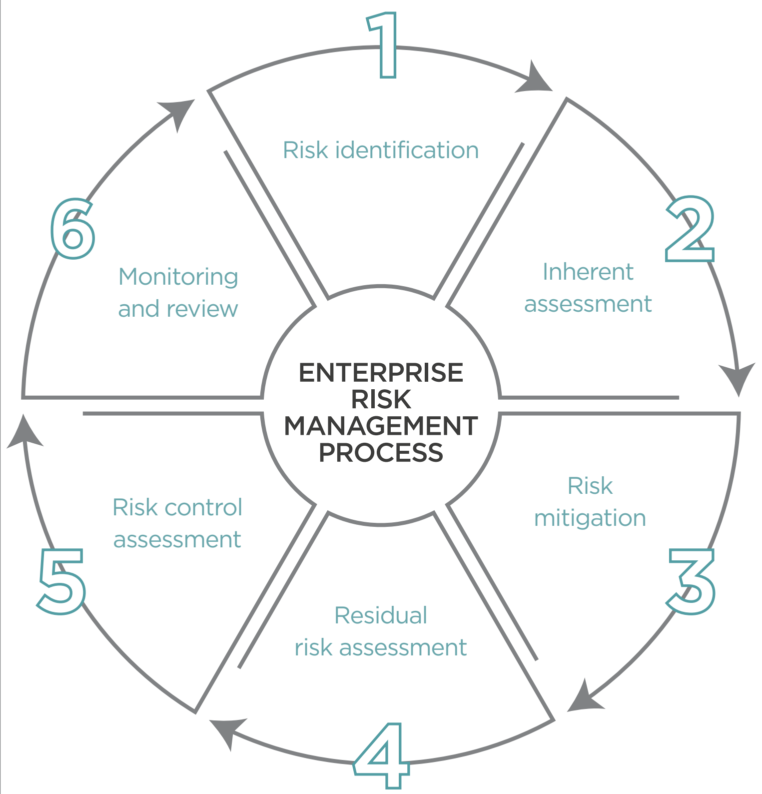
2 Risks are assessed in terms of likelihood of occurrence and potential impact on the Group.

3 Mitigating actions are agreed and responsibilities assigned.

4 The effectiveness of the mitigating actions is evaluated and the residual risk determined.

5 An assurance plan is formulated to provide assurance that controls for our significant risks are both adequate and effective.

6 Risks are reviewed by the Risk Committee, discussing emerging risks and changes in the risk assessment.



KEY RISKS AND SIGNIFICANT UNCERTAINTIES

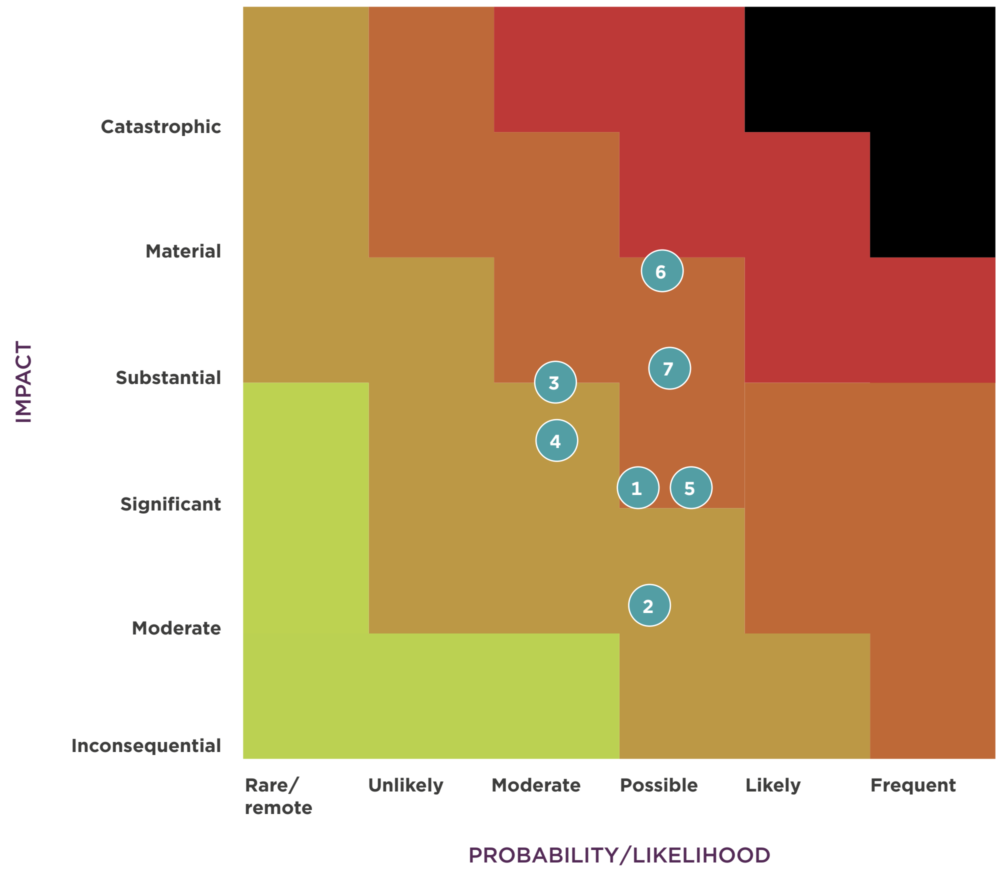
The Group annually reviews the level of risk it is willing to accept to achieve its strategic objectives, and in pursuit of creating and maintaining value for all stakeholders.

The Supervisory Board adopts a balanced approach to risk, without inhibiting or unduly restricting the Group's ability to utilise and capitalise on risk-adjusted opportunities. The Operating Board and CEO utilise the Executive Risk Forum and senior management to manage the respective components of risk. Each business area is responsible for identifying, assessing and managing the risks in their respective area.

Risks and opportunities are identified throughout the year through regular interaction with the business and assessed on the likelihood of occurrence and the potential impact on the Group (risk exposure). Mitigations are identified against each risk and the remaining residual risk is assessed according to defined criteria. This includes annual workshops held across business divisions to review critical strategic risks, scenario workshops to explore emerging matters and their potential risk to the Group, significant trends in the operating environment and relevant interests of key stakeholders. In the current year, additional workshops have been held to identify, understand and mitigate the impacts of climate change, infectious diseases, water supply and supply chain disruptions.

The risks with the highest exposure for the Group are presented to the Operating Board for review. The outcome of the review is submitted to the Risk Committee and ultimately to the Supervisory Board for approval. This process is facilitated by the Group Enterprise Risk function.

The seven most significant risks to the Group have remained consistent and are outlined below and unpacked in more detail on the following pages. TFG's material matters on page 44 further elaborate on the risks, opportunities and issues that could affect the Group's ability to create shared and sustainable value.



1. The complexity of the regulatory environment across all three of the Group's business segments
2. A fire, flood or other natural disaster, political crisis, terrorist attack or other catastrophic event could affect TFG's stores, distribution centres or head office
3. Failure of TFG's IT environment
4. Instability in both local and global economics influences available capital, results in fluctuating exchange rates and affects consumer discretionary spend.
5. Weakening economies and/or a financial and/or catastrophic disaster leads to the collapse of key suppliers and service providers.
6. Threat of cyber-attacks.
7. A stagnant economic climate negatively affects TFG's customers' purchasing power and influences their ability to settle accounts.

The Group's Enterprise Risk Management Framework continued

The complexity of the regulatory environment across all three of the Group's business segments

What happened in 2022	Risk mitigation
• There continues to be proposed amendments to South Africa's credit legislation. This includes, for example, debt intervention. • The implementation of the of the Protection of Personal Information Act, No. 4 of 2013 (POPIA) in South Africa. • Continued updates by governments in all jurisdictions to regulations and guidelines to combat the spread of COVID-19. • Increased focus on sustainability reporting including guidance published by the JSE.	• The Group Legal Compliance department monitors significant risks and provides the business with updates and training as and when required. • Regular reports, which address significant aspects across the jurisdictions the Group operates in, are provided to senior management and the Audit and Risk Committees. • TFG submits comments and lobbies on proposed changes to regulations. • ESG risks and opportunities are included in the ERM processes.

Possible impact on TFG

- Changes to the National Credit Act, No. 34 of 2005 could adversely affect TFG's credit business.
- Data and personal information-related legislation carries significant penalties, with reputational damage to the business also posing a significant risk.
- Increased reporting and assurance requirements in respect of non-financial information.

A fire, flood or other natural disaster, political crisis, terrorist attack or other catastrophic event could affect TFG's stores, distribution centres, manufacturing facilities or head office

What happened in 2022	Risk mitigation
• The Group annually concludes surveys across key facilities to ensure adequate and appropriate insurance cover. This includes new acquisitions. • Table top business continuity exercises was performed in respect of key manufacturing facilities. • 282 armed robberies and 228 burglaries across our stores. 198 stores damaged by civil unrest in KZN • Storm and flood damage in Australia damaged both the warehouse and two stores.	• Business continuity across the Group continues to be reviewed and enhanced. • A Group-wide insurance programme is in place to mitigate losses. • Group Forensics continue to enhance their capabilities to both prevent criminal activities as well as bring the perpetrators to justices.

Possible impact on TFG

- Business continuity plans were successfully invoked across the Group to deal with the July civil unrest and recent floods in KwaZulu-Natal.
- The Group's insurance programme responded as intended, mitigating profit and asset loss to incidence of water damage and inventory loss.

Failure of TFG's IT environment

What happened in 2022	Risk mitigation
• Our continued increasing reliance on IT systems, in line with the Group's focus on digital transformation, has raised the significance of this risk across the Group.	• Disaster recovery plans across the Group continue to be reviewed and refined.

Possible impact on TFG

- IT systems remain stable with availability meeting business expectation.

The Group's risks continue to evolve as new risks emerge and appropriate mitigating activities are introduced to reduce the overall residual risk. The following risks increased in significance during the year:

Instability in both local and global economies influences available capital, results in fluctuating exchange rates and affects consumer discretionary spend

What happened in 2022	Risk mitigation
• Most of the currencies transacted in by the Group continued to be subject to volatility during the 2022 financial year. • Increased fuel prices in South Africa. • South African Reserve Bank continues to increase interest rates. • Dynamic cash flow models continue to be improved to monitor liquidity.	• TFG's funding strategy is presented to and reviewed by the Supervisory Board annually and the Finance committee meets regularly to consider funding matters. • The strategy for purchasing forward cover is reviewed regularly.

Possible impact on TFG

- A downgrade limits access to and increases the cost of funding.
- The hedging policy continued to protect our margins from significant losses over this period.
- Increase in fuel prices and interest rates reduces the disposable income of the TFG customer.

Weakening economies and/or a financial and/or catastrophic disaster leads to the collapse of key suppliers and service providers

What happened in 2022	Risk mitigation
• The financial stability and continuity of key suppliers continues to receive focus with enhancements to our third-party risk management framework. • KZN civil unrest affected the continuity of manufacturing operations for key service providers.	• The Group's supply chain strategy includes sourcing alternate suppliers and 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. • Key supplier risk processes continue to be enhanced with more regular and detailed reporting including a review of IT security.

Possible impact on TFG

- Loss of key suppliers or manufacturing capacity.

Threat of cyber attacks

What happened in 2022	Risk mitigation
• The threat of cyber attacks continues to increase globally and there is a worldwide focus on privacy legislation. Refer to TFG's material matters from page 44.	• A cyber security operations centre with dedicated specialists was established in 2017. • TFG has adopted best practice, including various security measures and continues to refine and enhance the control environment. IT security audits are performed on key suppliers. • A Group-wide insurance programme is in place to mitigate losses.

Possible impact on TFG

- Cyber attacks at our suppliers during the year threatened our customer data.

The Group's Enterprise Risk Management Framework continued

A stagnant economic climate negatively affects TFG's customers' purchasing power and influences their ability to settle accounts

What happened in 2022	Risk mitigation	Possible impact on TFG
• During the year, South Africa experienced fuel hikes, increasing unemployment, food price inflation, concerns of corruption and a credit downgrade. These factors continue to increase the significance of this risk.	• The Group continues to refine credit score models for collections and follow-ups to assist customers in maintaining an open-to-buy position. • Credit applications are reviewed for fraud indicators and assessed against NCA-compliant internal scorecards, credit bureau scores and employment verification where necessary. • Collection strategies are regularly reviewed with assistance of internal behavioural and credit bureau scorecards.	• Slow-down in credit application and acceptance rates. • Lower credit sales growth. • Increase in bad debt write off and debtors impairment provision. • Increased cost of operation.

Supply chain disruptions continue

What happened in 2022	Risk mitigation	Possible impact on TFG
• The cost of logistics has increased and ship bypassing ports has resulted in delays in receiving products. • Continued COVID-19-related shutdowns in China and the Ukraine and Russia war have further exacerbated supply chain issues.	• TFG Africa's local supply chain strategy reduces reliance on international suppliers, limiting costs and reducing lead times.	• Stock and raw material shortages which impact sales growth. • Increased cost of stock impacting gross profit margins.

Over the past year the COVID-19 pandemic continued to influence the lives of our customers and our employees. The impact of the July 2021 civil unrest was felt mainly across KwaZulu-Natal and the recent floods in the same province have left much devastation. Risks are reviewed regularly to update risk significance, further improve mitigation measures and understand further possible impacts of the pandemic on our operations globally.

Key areas of focus for the ensuing year include:

- Further enablement of technology to provide improved risk and assurance practices and to facilitate enhanced governance processes across all geographical locations;
- Continue to enhance and simplify the Group business continuity plans promoting agility and resilience; and
- Continue to review and enhance our IT governance approach in response to the increasing significance of resilience, cyber and data privacy risks.

R Stein
Chairman: Risk Committee

29 July 2022

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee is pleased to present its report for the financial year ended 31 March 2022 to the shareholders of TFG.

- Meeting attendance for the committee is set out on page 110.
- Each member's qualifications and experience are set out in the profiles on pages 108 to 110.
- Details of fees paid to committee members appear in note 32 of the consolidated annual financial statements.

COMMITTEE MANDATE AND FUNCTIONING

The committee is responsible for assisting the Supervisory Board with the monitoring and reporting of social, ethical, transformational and sustainability practices that are consistent with good corporate citizenship and assisting the Group in discharging its business responsibilities in relation thereto.

The committee is governed by a formal charter, which guides the committee in terms of its objectives, authority and responsibilities. The charter incorporates the requirements of the Companies Act of South Africa, specifically regulation 43(5) of the Companies Act of South Africa's regulations, as well as those of King IV.

The committee fulfilled its responsibilities in accordance with its charter during the 2022 financial year. The committee held two meetings during the 2022 financial year. At each of these meetings the committee received reports detailing matters relevant to each of the areas within its mandate.

The focus areas of the committee are:

- social and economic development, including transformation;
- good corporate citizenship;
- climate change, the environment, health and public safety;
- labour and employment;
- consumer relationships;
- ethics; and
- sustainability progress and initiatives.

In discharging its duties, the committee takes into consideration any relevant legislation, other legal requirements or prevailing codes of best practice.

Our Inspired Living Report provides more detail in respect of some of the aspects falling within the mandate of the committee. This report is available on our website.

SOCIAL AND ETHICS COMMITTEE MEMBERSHIP

The committee comprises three independent non-executive directors and one executive director, being the CEO. In addition, the Chairman of the Supervisory Board, the CFO and other TFG executives attend meetings of this committee by invitation.

Members

- Prof. F Abrahams (Chairperson)
- B L M Makgabo-Fiskerstrand
- N V Simamane
- A E Thunström

Invitees

- M Lewis
- B Ntuli

KEY AREAS OF FOCUS FOR THE REPORTING PERIOD

- Localisation and job creation;
- People and communities;
- Environmental efficiency;
- Product Stewardship and supply chain;
- Transformation and B-BBEE initiatives;
- Wage negotiations and labour law developments;
- Accountability, ethics and governance;
- Implementation of action items arising from the United Nations Global Compact and SDG principles;
- Compliance with consumer laws; and
- A review of TFG's sustainability strategy and its implementation, including approval of TFG's Inspired Living Report.

The committee fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act of South Africa during the 2022 financial year. There are no instances of material non-compliance to disclose.

HEALTH AND SAFETY

The health and safety of all our stakeholders, both in our outlets and our other business premises, is a key focus area. The impact of COVID-19 resulted in the implementation of additional health and safety measures in the previous financial year (such as the provision and wearing of face masks, social distancing protocols, the mandatory use of hand sanitisers and enhanced cleaning procedures) to safeguard all our stakeholders in all our locations of operation. The Group's operational and compliance teams ensured that these health and safety measures continued to be enforced during the current financial year. Further, these teams actively monitor and report on compliance with the relevant legislation; and the committee provides oversight in this regard.

INSPIRED LIVING REPORT

TFG's new purpose and vision were defined over the course of the year by intensive engagement sessions with internal stakeholders.

They are ultimately brought about and enabled through the Group's Strategy acronym "BOLTS". The incorporation of the letter "S" for Sustainability references the integrated nature of ESG in the corporate strategy, and indeed how it is fundamental to the realisation of those other strategy components.

Three sustainability objectives were defined to explain what the business seeks to achieve for its stakeholders through a more sustainable business model. These objectives are shared across TFG's three territories and align with the various working groups and initiatives in each region:

- Fashion that connects people and their passion – aligned with UN Sustainable Development Goal (SDG) 8
- Fashion that shares the benefit of enterprise – aligned with UN SDG 8 and SDG 9; and
- Fashion that restores our relationship with nature – aligned with UN SDG 12.

> *We continue reporting on our contribution to the Sustainable Development Goals (SDGs) 8, 9 and 12*

Localisation and job creation

The Group has continued to invest in creating local capacity particularly through skills development and expanding facilities to create jobs and achieve shortened lead times. Additionally, a number of local factories were acquired, some in financial distress, and were successfully integrated into the TFG supply chain ensuring that employment was preserved. Significant enterprise and supplier development support was provided to empowered suppliers, typically in the form of working capital and equipment and machinery. The company also continues to play a significant role as a partner to Government's R-CTFL masterplan.

People and communities

The company continues to transform to reflect the diversity of its customer base and the communities in which it operates. This includes investment and partnerships with government, commitment and progress towards B-BBEE and continued social investment through the TFG Foundation. We create inclusive workplaces to attract, develop and retain talent. Specific diversity and inclusion engagements and training were held for our Executive teams and customer facing employees in the 2022 financial year.

Environmental efficiency

The Group adopted the environment as a stakeholder in the previous financial year. We are increasing our resource efficiency across our operations by using world-class automation, more energy efficient lighting and manufacturing equipment. From financial year 2023, our South African business is shifting to a 100% post-consumer recyclate being used in its plastic shopper bags.

The Group is reporting under the Task Force of Climate-Related Financial Disclosures for the first time for financial year 2022 with commitments to progressive disclosure under this reporting standard in subsequent years. In addition to the climate change disclosure made under CDP, the Group participated in and disclosed under forest and water for the first time this year.

Product stewardship and supply chain

We are committed to developing an ethical and transparent supply chain that sources commodities responsibly. This includes developing enterprises and diversifying our supplier profile in support of B-BBEE. We want to practice responsible product stewardship in the way we design, manufacture, sell and dispose of products to minimise our environmental impact. This year the Group made a further shift towards more sustainable material choices. New sourcing metrics and commitments were introduced for cotton, wood fibre products and jewellery in South Africa. TFG South Africa also entered into a partnership with FSC® to show our commitment to sourcing from responsibly managed forests and intact chain-of-custody certified supply chains and became members of Better Cotton, joining TFG London and TFG Australia.

Most critically, our designers and merchants have championed sustainability through a number of high profile, and successful collections with specific sustainability characteristics.

OTHER MATTERS

There are no other matters the committee would like to bring to the attention of shareholders. The committee is satisfied with the efforts and activities undertaken by TFG in each of the areas falling within the committee's mandate. However, since TFG Africa is the most significant segment in the Group, additional details on transformation are provided as this remains a key focus area.

TRANSFORMATION REPORT

The Supervisory Board recognises the critical role it has to play in the transformation process in South Africa. The Supervisory Board's Social and Ethics Committee, through its governance and oversight role, ensures that an appropriate transformation strategy exists that is aligned with the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 and the associated codes of good practice.

The role of the committee is to achieve sustainable empowerment and it has an ongoing responsibility to govern and oversee all aspects of the Group's B-BBEE strategy and implementation. At its meetings during the 2022 financial year, the committee received feedback detailing matters relevant to each of the functional areas within its transformation mandate.

OUR B-BBEE PERFORMANCE

For the financial year ended 31 March 2022, the commitment of the Group to transformation yielded a B-BBEE verification score of 84,44 points out of 120 points. A significant increase from the previous year's score of 72,25. This score coupled with the Group's successful participation in the YES Initiative meant that the outcome achieved was a B-BBEE Level 3, a significant improvement on the prior year Level 6. The Empowering Supplier status in terms of the dti's B-BBEE scorecard was also achieved. Highlights of the various initiatives for the financial year ended March 2022 and achievements of the Group with regards to our B-BBEE performance include:

Management Control

The Black representation at both the Operating Board and executive and senior management levels is being secured through a continued focus on diversity in the succession planning and talent management processes.

Skills Development

The Group continues to support the government's strategy of job creation and skills development by investing in key skills required to sustain and grow the retail sector and its own workforce. This year, the Group undertook to make a significant investment in Skills Development to support the employment, particularly of youth, through learnerships, internships and with a critical focus on people living with disabilities. Some highlights were:

- Skills development expenditure on Black people per the matrix, realised a 51% increase in our score this year from the previous year
- The number of learners absorbed increased by 300%
- The number of learners hosted for workplace opportunities increased by 55%

The investment into persons with disabilities increased by 83%. The Group implemented the YES initiative as from April 2021. The YES initiative is a collaboration between business and government to address youth unemployment. Through this partnership, young people who had never been employed before were placed on 12-month work experience contracts. This initiative serves to enhance the existing recruitment rollout within the rural areas of South Africa where youth unemployment is rife and geographic location has been a barrier to employment in the past. 425 youth were retained during the 2022 financial year and 300 absorbed into our business.

Enterprise and Supplier Development

Preferential procurement remains a focus across both merchandise and non-merchandise categories. The centralisation of non-merchandise spend has brought about a more formalised inclusion of these criteria in the evaluation of sourcing activities. Our main contribution to enterprise development continues to be clothing, fabric and machinery donations. Supplier development initiatives included loans and advances, donation of machinery and fabric, preferential payment terms and business development support.

Socio-economic Development

The Group continues to work with our relief agency partner Gift of the Givers to make donations towards various communities as part of their disaster efforts. The Group also supported a number of smaller efforts as they were identified. The group donated R12,4 million worth of clothing as part of the flood relief efforts, and made a R1,5 million cash donation to food relief and rebuilding efforts in KwaZulu-Natal after the July civil unrest. Other initiatives included bursaries and various brand-led initiatives aligned to our customers and the communities in which we operate. Total donations for the 2022 financial year amounted to R26,1 million.

Read more about our sustainability strategy, the strategic pillars, our goals and our projects in our Inspired Living Report, available on our website.

Prof. F Abrahams
Chairperson: Social and Ethics Committee

29 July 2022

NOMINATION COMMITTEE REPORT

The Nomination Committee is pleased to provide a report of its activities for the 2022 financial year.

- Meeting attendance for the committee is set out on page 110.
- Each member's qualifications and experience are set out in the profiles on pages 108 to 110.
- Details of fees paid to committee members appear in note 32 of the consolidated annual financial statements.

COMMITTEE MANDATE AND FUNCTIONING

The committee is governed by a charter which sets out its mandate and key responsibilities and reports are provided to the Supervisory Board quarterly. The committee fulfilled its responsibilities in accordance with its charter during the 2022 financial year. The committee typically meets twice a year and further meetings are held as required. The committee held two meetings during the 2022 financial year.

NOMINATION COMMITTEE MEMBERSHIP

At year-end, the committee comprised four independent non-executive directors. In addition, the CEO attends meetings of this committee by invitation.

Members

- M Lewis (Chairman)
- R Stein
- Prof. F Abrahams
- G H Davin

Invitees

- A E Thunström

Roles and responsibilities

- Reviewing the Supervisory Board structure, size and composition;
- Reviewing the nature, size and composition of the Supervisory Board committees;
- Succession planning;
- Reviewing the balance between non-executive and executive directors;
- Ensuring the directors have the required blend of experience, skills and knowledge to support the continued success of the Group; and
- Ensuring the existence of a formal process of performance evaluation.

KEY AREAS OF FOCUS FOR THE REPORTING PERIOD

- Review of the composition of all Supervisory Board committees to ensure an appropriate mix of skills and experience;
- Consideration of the broader diversity of the Supervisory Board and its committees;
- Review of independence of non-executive directors;
- Review of the charter;
- Oversight of the Supervisory Board evaluation process; and
- Succession planning in respect of Supervisory Board members.

M Lewis
Chairman

29 July 2022

REMUNERATION COMMITTEE REPORT

The Remuneration Committee (Remco) report comprises three sections:

SECTION A	A letter from the Remco Chairman that summarises key considerations and highlights internal and external factors that influenced remuneration during the year
SECTION B	The remuneration philosophy, policy and framework
SECTION C	The application of the remuneration policy during the financial year

THE REMCO

The Remco reviews and makes recommendations on the remuneration policy to be approved by the Supervisory Board. The Remco's responsibilities are set out in the Remco Charter. The Remco considers the contributions made by key individuals on certain remuneration-related topics. These individuals are invited to attend meetings and include:

- the Chief Executive Officer (CEO);
- relevant Group directors;
- the Head of TFG Remuneration; and
- independent external advisors.

The relevant individuals do not participate in any discussions pertaining to their own remuneration and are not allowed to vote on remuneration matters tabled at meetings and are required to recuse themselves as is necessary.

REMCO MEMBERSHIP

E Oblowitz (Chairman)
Prof. F Abrahams
D Friedland
M Lewis

In line with best practice, the Remco meets four times a year. In addition, the Remco Chairman has met with various institutional shareholders as well as meeting with the Remco's external advisors on numerous occasions throughout the year.

- Meeting attendance for the committee is set out on page 110.
- Each member's qualifications and experience are set out in the profiles on pages 108 to 110.
- Details of fees paid to committee members appear in note 32 of the consolidated annual financial statements.
- The independence of the non-executive directors is noted on page 65.

Remuneration Committee report continued

SECTION A: A LETTER FROM OUR REMCO CHAIRMAN

Dear Stakeholders

I am again this year writing to you reflecting on the profound changes that we have witnessed in the corporate environment and our personal lives as a result of the COVID-19 pandemic over the past two years.

The pandemic has required us to rethink our business priorities in many ways, not least the need to embrace the concepts of stakeholder capitalism and ESG. The retention of those currently employed and the creation for more employment opportunities remains a critical ongoing challenge for South Africa and TFG, as a corporate citizen, continues to be recognised as playing a leading role in assisting in this challenge.

Remuneration is generally to be aligned with appropriate ESG metrics. My attention during the year under review as Remco Chairman, together with my fellow members of the remuneration committee, has been to focus particularly on the "S" element of ESG, given that employees are a major and critical stakeholder. We have sought to ensure that our most vulnerable employees have been adequately taken care of during the pandemic. We have done everything we could – not only to protect employment positions in our business – but also to create new employment opportunities at a time when many businesses were forced to either downsize or close down, causing severe financial distress for thousands of families.

We have carefully considered remuneration for staff irrespective of legislative determinations. Despite always being compliant with SD (sectoral determined) minimum wages and above the minimum wage in South Africa, we have decided to further raise our workforce wages beyond the minimum SD requirement.

Our Supervisory Board is confident that we have in place executive and management teams of the highest calibre, who are sufficiently creative, disruptive, bold and diversified in talent and skill sets to lead our group, now and into the future. Our leadership team has the capabilities and focused temperament to continue to deliver on our strategic imperatives for the benefit of all our stakeholders. They are the right people to optimise our profitable and expansionary retail growth trajectory, and to rise to the challenges of ever-changing, highly competitive, and dynamic contexts. This differentiating quality fundamentally guides our approach and decision-making processes, as a Remco, regarding executive remuneration.

The determination of executive remuneration will never be an exact science, but it needs to be fair. competitive and fully substantiated, and be seen to be so. Determining this will always be complex, given the level of intensity of efforts by Remcos, obtaining widely canvassed, varying inputs, and undertaking practical thoroughness in the comprehensiveness of its deliberations as part of the executive remuneration determination process. While remuneration theory in many instances seems somewhat easy to agree upon, it's the implementation that befuddles many, thereby rendering this sensitive space to be an intimidating and complex one with the resultant financial and related outcomes to be highly subjective.

The competency and dedication of our leadership team has placed TFG at the forefront of e-commerce, omni-channel and in-store retail, distribution, logistics, manufacturing and quick response capabilities. We make deliberate and informed choices in continuing to invest in these areas knowing that short-term profitability is impacted in the interests of longer term sustainability once scale is attained. Delivery on these strategic objectives has both accelerated business performance and generated significant numbers of employment opportunities in what was a declining South African clothing industry, many of them located in deprived areas where the need of continuing employment is greatest. We have made a conscious decision to continue to invest in appropriate talent in these areas to enable the Group to deliver on its strategic objectives.

Over the last three years, Remco has made a number of important changes to remuneration policies and their implementation. While not an exhaustive list, these have included the implementation of appropriate retention payments through share allocation in order to lock in key executives; the introduction of the single incentive; and rebasing the TGP of certain executives that were out of kilter relative to both the market and in certain cases, their internal direct reports, given their increased responsibilities in an organisation of growing complexity and scale. We believe that all the important changes have now been satisfactorily done.

Key decisions made by Remco

Responsive to its responsibilities in terms of its Charter and to ensure we remain competitive and retain our talent, the Remco had to make various decisions, inter alia, regarding share vesting, executive salary increases and evaluation of performance targets.

The following important decisions were made by Remco:

1. While the FY 2022 financial performance has been excellent, as a result of the COVID-related impacts on the previous years' results, the group has not met the original pre-determined targets set for the FY 2019 grants, and accordingly we have decided that no vesting of these grants will occur, and no replacement grants will be issued and or other forms of remuneration will be paid in their place.
2. During a year of record turnover, gross profit and Headline Earnings, the single incentive has achieved close to full stretch performance, based on the pre-determined targets as set at the beginning of the year, and will be paid out accordingly in line with the scheme's formulas.
3. We took the decision to adjust the CEO and CFO base pay to ensure they are positioned at the upper quartile of the retail comparator group and commensurate with their roles and significant responsibilities associated with a multi-jurisdictional group.

Executive remuneration

We adopted a focused, three-phase process in determining the remuneration of our CEO and CFO.

The first phase was *benchmarking and research.* We commissioned detailed independent benchmarking to understand where and how the remuneration of our CEO and CFO measured up within the peer group.

We then conducted an *analysis of the findings and a review of the role, attendant responsibilities, and possible cost of replacement.* The result of the independent research showed clearly that our CEO's base pay was significantly below the median, despite TFG's leading position within this peer group. In addition, we established that our CEO's total guaranteed package (TGP) prior to the increase was lower than that of the previous CEO upon his retirement three years ago (when adjusted for inflation). The benchmarking also showed that our CFO's base pay and variable pay multiple was lower than the upper quartile.

More detail on this benchmarking process can be found on page 138.

Their roles and responsibilities were then analysed within the context of a company growing in both complexity and scale, across multiple jurisdictions. We also looked at the progress the Group has made, especially on strategic imperatives relating to its international expansion, strategic M&A activity, organic store growth and the growth of its manufacturing base. We also took into account the possible cost of replacement of both executives, should their remuneration not be in line with market peers.

After robust debate and a specially convened meeting, we moved to *decision-making* in the third and final phase. Given the findings of the research, and a comprehensive assessment, the CEO and CFO's remuneration clearly required correction and adjustment. The Remco accordingly decided to make a base adjustment to the TGP of both executives and to increase the variable pay multiple for our CFO.

In closing

Prior to making decisions, we engaged extensively with our major shareholders to inform them of the background to the relevant issues, our rationale for their proposed implementation, as well as gaining an understanding of their perspectives and opinions. We are committed to our policy of ongoing and regular engagement with our shareholders regarding significant remuneration and related Remco matters.

We are mindful that we have received two successive votes on our remuneration policy and implementation report that were below 75%. However, Remco is confident that its decisions accord with the principles of fairness and appropriateness, underpinned by what is in the best interests of TFG and its stakeholders. These principles are applied to ensure that we attract and retain the best talent, able to deliver on the Group's strategic objectives.

I trust the details set out in this report clearly substantiate our rationale for the decisions made, and look forward to your support by voting in favour of our remuneration policy and implementation report at the upcoming AGM.

The year in review – outcomes and financial performance

Recovering from the impact of COVID-19 pandemic and our performance

The 2022 financial year began with the expectation of social and economic recovery, which for the most part materialised. We were, however, reminded of the political and social vulnerability in South Africa with the July 2021 civil unrest, which resulted in multiple stores being closed for a number of weeks. Despite this and other non-controllable events which restricted trading, the Group delivered a very solid set of results as presented in the audited Annual Financial Statements.

More information on TFG's performance is set out in the CEO's report on page 74.

Impacts on remuneration

In the FY 2021 Remuneration Report, it was indicated that the *"Remco had carefully considered both the short and long-term impacts of COVID-19 on employee wellbeing and the ability of TFG to implement remuneration policies, formulated prior to the dramatically changed social and economic environment in which we continue to operate."*

The impact on the well-being of our employees has continued to be a key focus area of the Group, and we have taken more effective steps to protect our most vulnerable employees, including:

- Protection and creation of additional employment opportunities with a specific emphasis on our most vulnerable employees.
- A Fair Pay policy which introduced a new minimum earning level for all our customer-facing TFG employees, which levels are higher than current legislated minimums.
- An evaluation of all benefits provided to our most vulnerable employees resulting in an enhanced staff discount policy.
- Changes to the minimum retirement fund contributions to improve take-home pay.
- Creating more accessibility to staff loans specifically for instances of financial hardship.
- Easier access to advances on earned wages via an advance on pay platform with Paymenow.

As per the Implementation section of this report, the Remco approved the FY 2022 Single Incentive outcomes based on the achievement of targets. As previously reported, a portion of the Single Incentive was payable as an annual incentive (bonus) whilst the remaining portion was converted into shares to vest equally in June 2024 and 2025, contingent on the employee still being in continuous employment with the Group on those dates. The Single Incentive better aligns the interests of executives with those of shareholders as executives have more 'skin in the game', and it promotes the retention of key talent.

The impacts of the non-controllable factors, such as significant interest rate reductions since 2019 which negatively affect TFG's interest income and resulting profits, as well as the impact of the civil unrest resulting in a material loss of revenue which is not fully offset by the Business Interruption (BI) insurance claim accrual, resulted in the 2019 long-term incentive ('LTI') awards not vesting in the 2022 financial year.

The Remco commissioned independent executive benchmarking which confirmed that our CEO's TGP was significantly below the median and accordingly decided to make a base adjustment of 50% to the TGP of the CEO. This increase also recognises the continuing growth in significance and complexity of our international operations and the additional time, effort and responsibilities that our CEO is required to devote to our international operations, commensurate with his role. Ensuring that our CEO remains fairly remunerated in context of the benchmarks, his expanded portfolio and in relation to the value delivered to stakeholders remains vitally important. More detail is provided below.

The benchmarking also confirmed that our CFO's base pay and variable pay multiple was lower than the upper quartile and the Remco accordingly decided to make a base adjustment of 17% to the TGP of the CFO as well as increasing the variable pay multiple from 130% to 150% for the reasons above relating to the complexity of international operations as well as ensuring that the CFO is fairly remunerated.

FY 2021 voting outcomes

Our Remco's approach is that proactive shareholder engagement is an imperative. The Remco encourages and appreciates feedback from all shareholders on remuneration matters. Where any issues are raised, these are tabled at Remco meetings, considered and rigorously debated when reviewing policy, implementation of policy and remuneration disclosure.

At the AGM held on 3 September 2021, regrettably only 63,9% and 55,8% of our shareholders endorsed our remuneration policy and implementation report, respectively (2020: 52,0% and 63,9%). At this stage, the lack of support for our remuneration policy and its implementation was noted to be primarily due to the factors listed in the table below.

Shareholder advisor and investor comments	Response from the Remco and actions taken
The performance period applicable to our Single Incentive structure is of an inappropriate (short) duration and as a result, the Group's remuneration is too short-term focused. It was also suggested that the structure does not sufficiently align pay with performance.	We have designed the Single Incentive to align the interests of our executives with that of our shareholders. The one-year performance period is not an indication of short term performance but rather incentivising the delivery on the long term strategic goals. The targets, even though they have a shorter performance measurement period, are based on attaining TFG's long term strategic objectives and therefore we believe that these targets best suit the achievement of long term performance and delivery of the strategy. Ensuring that the variable pay scheme results in appropriate outcomes is imperative in aligning interests of all stakeholders and the Single Incentive scheme achieves this.
The level of disclosure in respect of prospective performance conditions does not allow shareholders to make a fully informed assessment of remuneration.	We have added additional disclosures regarding prospective performance conditions to the extent that it does not compromise the disclosure of any sensitive information. Retrospective disclosure of the achievement of performance conditions has also been enhanced in the report.
CEO and CFO performance targets should be linked to Group results and not TFG Africa.	The targets for the CEO and CFO have now been amended and are now based on the Group performance and not only on the performance of TFG Africa.
The allocation of shares to Executive Directors without any performance conditions being attached to them.	The allocation of a retention award to the CEO was in lieu of a Restraint agreement where allocating shares was preferred to cash so as to ensure longer term shareholder alignment. In the reporting period, no shares were allocated to executive directors without performance conditions being applied to them.

Shareholder engagement

We have continued engaging shareholders during FY 2022, obtaining valuable input and suggestions into key proposals to address the retention challenges of our senior executives, as well as how we can align our remuneration policies and additional benefits to support our most vulnerable employees.

These open and transparent engagements with our major shareholders have been extremely encouraging and mutually beneficial, with the varying insights provided being of immense practical value to the Remco. These learnings are now reflected in our policy, as well as the implementation and design of the elements detailed in this report.

Activities during the financial year ended March 2022

Company-wide remuneration:

- Monitored the impact of COVID-19 on the business and the resulting impact on remuneration outcomes.
- Approved overall remuneration increase in line with available market information.
- Implemented a new fair pay approach to remuneration of our most vulnerable customer facing employees.
- Undertook extensive work to ensure that TFG will pay a minimum wage to all store and Distribution Centre employees which is higher than the legislated Sectoral Determined (SD) wage rate.
- Assisted where relevant with the Group's key mission to protect and grow employment through our rapidly expanding localised approach to manufacturing. Significant numbers of new jobs are being created directly and indirectly and skillsets are being developed to enable employees to have enhanced skills to become more employable in the future.
- For the financial year ending 31 March 2023, an average increase of 5% was approved for all eligible employees from 1 April 2022. Store and Distribution Centre employees' salaries will be adjusted again in October 2022.

Executive remuneration:

- Commissioned an independent benchmarking of TGP and Variable Pay for executive directors resulting in key changes to align our executive pay closer to our peer group.
- Determined specific remuneration packages for executive directors of the company, including basic salary, benefits, pension and Single Incentive Scheme.
- Undertook extensive reviews of retention mechanisms currently in place.

Non-executive directors:

- Ensured the company's recommendations for remuneration of non-executive directors are equitable and based on the independent benchmarking exercise conducted in May 2021 and aligned with the average increase approved for TFG employees.

Governance and Compliance:

- Ensured that the remuneration policy and implementation report are put to a non-binding advisory vote at the AGM of shareholders;
- Consulted with relevant shareholders in response to the AGM remuneration-related voting outcomes;
- Oversaw the preparation of, and recommendation to the Supervisory Board, the annual Remuneration Report and the summary for inclusion in the company's integrated annual report; and
- Considered current and projected remuneration trends in local and international markets.

Performance relating to the reporting period performance cycle:

- Undertook assessment of Single Incentive outcomes for FY 2022;
- Undertook assessment of the achievements of performance targets for LTI awards vesting in 2022.

Performance relating to the forthcoming performance cycle:

- Set performance conditions for the Single Incentive awards to be made at the beginning of FY 2023.

Focus areas for Remco for FY 2023

- Further refinement of the Store Incentive Scheme
- Implementation of the fair pay policy for customer-facing employees

External advisors

During the year under review, DG Capital and PwC continued to serve as our external expert remuneration advisors and PwC served as specialist advisor with regards to our disclosure practices in this report. The Remco is satisfied that DG Capital and PwC at all times provided objective and independent advice and services to TFG.

Closing remarks

I thank my fellow Remco members, our various advisers and the TFG remuneration and benefits team for their ongoing support, guidance and enormous efforts rendered during the year.

I reiterate my appreciation to our key institutional shareholder representatives for their time in attending and guidance at our beneficial engagements conducted over the past year.

The Remco has duly executed its responsibilities during the financial year under review in accordance with its terms of reference. The Remco is also satisfied that the remuneration policy has achieved its stated objectives during this period.

Sections B and C of this report (containing the FY 2023 remuneration policy and FY 2023 implementation report, respectively) will be put to two separate, non-binding votes at the 2023 AGM.

We anticipate your affirmation and support of our evolving remuneration policy and the implementation thereof through your positive voting in favour of these resolutions.

E Oblowitz
Chairman: Remuneration Committee

29 July 2022

Remuneration Committee report continued

SECTION B: AN OVERVIEW OF OUR REMUNERATION POLICY

The principles and philosophy that define our policy

TFG's remuneration policy aims to attract, engage and retain the best talent, which is essential for executing our business strategy and achieving performance objectives. The remuneration policy aligns with TFG's approved risk and governance framework, optimising sustainable and long-term returns for shareholders and considers the implications on all stakeholders in determining our policy and final outcomes.

The policy seeks to achieve the following principal objectives:

External equity: employees are rewarded in line with national and retail market benchmarks, taking all relevant and appropriate factors into account	Read more on page 138.
Internal equity: employees are remunerated fairly in relation to one another and in recognition of their individual contribution and accountability	Read more on page 138.
Performance alignment: employees are aware of the requirements for sustained performance in terms of rewards	Read more on page 137.
An appropriate remuneration mix: employees are aware of the need to establish a balance between cash salary, benefits, annual incentives and deferred long-term incentives to drive the performance and values-based behaviours	Read more on page 137.

Remuneration must be balanced with:

The remuneration policy is applicable to all employees and aims to fairly reward individual performance, behaviour and accountability. The policy is designed to achieve a fair and sustainable balance between guaranteed pay and variable pay as appropriate across varying levels within the organisation

Annual performance reviews are conducted for all employees and individual career plans are developed for high-performance employees who demonstrate potential. These high-performance employees are offered specific training and development support to advance their careers and pay progression is aligned with their actual performance and experience.

Principles of fair and responsible remuneration

TFG is committed to fair and responsible remuneration and this year has given particular focus to developing principles, consistent methodologies and measures to ensure this is implemented.

This year TFG have focused particular attention on the plight of the most vulnerable employees and its responsibility to improve their pay offering.

Job preservation and creation remains TFG's primary social imperative, but at the same time is committed to ensuring that our employees are paid an equitable and just wage. As a result, the Company has decided to increase the basic salaries of its customer-facing employees to be higher than the SD Minimum (which is already significantly higher than the legislated minimum wage in South Africa). This improvement will make a difference to the disposable income of a significant number of our most vulnerable employees.

The Company is also further refining its incentive program at stores which will provide further opportunity for increased earnings for more employees.

The management of remuneration, including appointment and pay progression, is governed by clearly defined policies. TFG is committed to fairly differentiating pay based on work of equal value, competitive market rates and individual performance and contribution. Processes are in place to regularly measure pay differentials and identify and correct, where necessary, any pay disparity based on race or gender.

TFG provides all employees with the chance to grow their earnings through continuous training and skills development, and by leveraging opportunities for career progression by applying for internal positions. For example, an employee starting out as a sales associate could, through the assistance of various TFG programmes over a period of three to five years, move into a store management role.

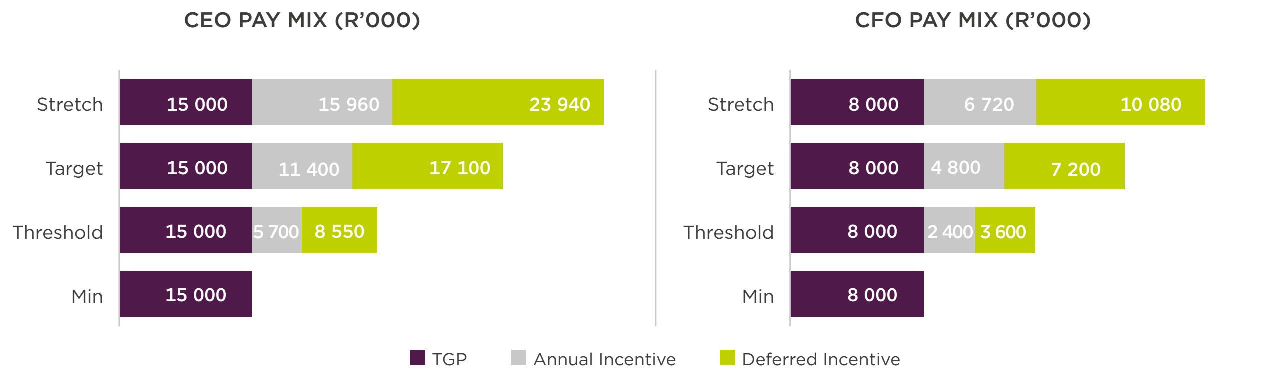
Details about our remuneration mix

The remuneration mix comprises guaranteed and variable elements.

The remuneration mix includes:

The remuneration mix varies by the employee level within the organisation as approved by the Remco. The principle followed is that a greater proportion of total remuneration, particularly at the senior level, is at risk should satisfactory performance levels not be achieved, the higher the level of the employee.

We set out below the pay mix and possible pay outcomes for FY 2023 at different performance scenarios for the CEO and CFO.



In terms of the Single Incentive, 40% is payable in cash after one year (Annual Incentive portion) while the remainder is payable in shares that vest equally in two annual tranches, three years after the award (Deferred Incentive portion). In addition, the executive has the right to elect to apply the cash award into deferred shares, which if so elected, these shares will be matched by the company on a 0,4 to 1 basis. The graphs above do not take into account the 0,4 election possibility that each participant can make prior to the payment of the single incentive each year.

Further details of the Single Incentive Plan are set out in the variable pay section on page 139.

Remuneration Committee report continued

Total guaranteed pay (TGP)

Total guaranteed pay (TGP)

Cash Salary

Cash salary is intended to attract and retain key talent, with a focus on external market equity, internal equity and equal pay for work of equal value.

- Pensionable and non-pensionable cash salary
- A tenure-based 13th cheque for permanent employees Peromnes Grade 10 and below

Applicable to all permanent employees

Benefits

Benefits influence the attraction and retention of key talent.

TFG Retirement Fund
The company contribution is 12% of pensionable salary.

A flexible member contribution of between 3% and 18% of pensionable salary applies.

Group life and disability benefits
All permanent employees participate in Group life and disability benefits, subsidised in full by TFG.

Applicable to all permanent employees

TFG medical aid scheme (where applicable)
TFG provides a 50% subsidy for all approved dependants on the in-house medical aid for permanent employees Peromnes Grade 10 and below. This eases the cost of living for employees.

External and Internal equity

TFG is committed to fairness from an external market competitiveness and an internal equity perspective. TGP is determined giving consideration to trading conditions and affordability, and forms part of the 'S' in our ESG framework, particularly when considering our most vulnerable employees.

External equity:

The Remco is particularly mindful about the retention of key executives, and this year a further focus has been on ensuring the external competitiveness our remuneration.

- Best practice remuneration processes position TFG's remuneration ranges at the most appropriate levels to ensure we remain competitive to the market for each role.
- To achieve external equity, TFG relies on market information (e.g. REMchannel®, DG Capital Executive Remuneration Survey and benchmarking based on TFG's selected comparator groups) and TFG's pay positioning strategy.

Base increase to CEO and CFO

The executive comparator group falling within our benchmark study included the following companies:

Retail (primary comparator group)	Non-retail (secondary comparator group)
Shoprite	BidCorp
Pepkor	Bidvest
Woolworths	Multi choice
Clicks	Tiger Brands
Mr Price	Aspen
Spar	Telkom
Pick n Pay	Life healthcare
Truworths	Distell
Dis-Chem	AVI
Massmart	Motus
	RCL foods

TFG aims to pay Executive Directors at the upper quartile in consideration of the following:

- The relative complexity of the business
- The diverse nature of the business (retail, logistics, omni-channel, manufacturing)
- The fact that it is multi-jurisdictional (Africa, Australia, UK)

Internal equity:

- Among other factors, an employee's position in the remuneration range depends on individual performance and contribution in their role.
- Best practice talent processes are in place to ensure that employees are equitably placed within the most appropriate remuneration range relative to one another.

TFG considers external and internal equity when new employees enter the business or existing employees are promoted, as well as when conducting annual reviews and/or merit increases.

Remuneration increases are guided by and based on comparison with industry peers, independent market surveys such as the REMchannel® and national economic indicators. The Remco also considers TFG's trading performance when determining annual increase guidelines. Remuneration increases are awarded taking into consideration various factors such as guidelines, budget constraints, placement in range and individual performance.

Variable pay

Single Incentive Plan

Performance targets approved by Remco	Performance measurement period		Vesting period		
June Yr0	June Yr1	June Yr2	June Yr3	June Yr4
	• Single incentive calculated based performance against targets • Annual incentive paid (40%) • Deferred incentive awarded (60%)		• 50% deferred incentive vest	• 50% deferred incentive vest

Remuneration Committee report continued

Overview	The Single Incentive is a simplified incentive plan which serves to motivate employees in line with TFG's values, as well as driving the key performance metrics to create increasing value for all stakeholders. In addition to simplification, the objective of the plan is to ensure transparency of outcomes, increase retention, and encourage a share ownership culture through providing enhanced mechanisms to increase shareholding levels of employees, which results in increased alignment with shareholder interests. The plan is designed to encourage executives to meet the strategic short-, medium- and long- term objectives. A single scorecard of performance objectives including both financial and strategic indicators is used and reviewed and adjusted annually, based on the priorities for the upcoming year.
Eligibility	Permanent employees from Peromnes Grade 7 (middle management) and above are eligible to participate. Participation in the long-term deferred portion of a Single Incentive award only includes executives, senior executives and executive directors, unless the Remco determines otherwise.
Operation	The Single Incentive award consists of: a. A single combined short-term incentive ('STI') and LTI (where relevant), determined on the basis of performance conditions (a combination of annually defined company performance measures (Business Modifier) and individual performance measures (Personal Modifier) which are measured over a one-year period; b. A portion of the Single Incentive will be payable in cash (an Annual Incentive) – all eligible employees will be eligible for this portion; and for employee who are eligible for both STI and LTI portions of a Single Incentive award, the Annual Incentive is 40% of the combined incentive as calculated; and c. The balance of the Single Incentive (for executives, senior executives and executive directors, being 60% of the combined incentive as calculated) will be deferred into forfeitable shares (Deferred Incentive) in terms of the existing Forfeitable Share Plan 2020 which will vest in equal tranches two and three years after the award date respectively. Forfeitable shares entitle a participant to dividend and voting rights from the date of the award. Executive directors also have the option to further invest in the company on an individual basis by electing to defer their Annual Incentive into shares subject to a defined holding period ('Deferred Shares'). To encourage and further incentivise executive directors to voluntarily defer their Annual Incentive into shares and promote ownership in the company and its performance, the company will award a 40% match in forfeitable shares ('Matching Incentive') which will vest in equal tranches after two and three years, respectively (vesting profile matches that of the Deferred Incentive portion of a Single Incentive). In future years, consideration will be given to assessing a trailing period in the setting and assessment of performance. Each performance condition metric is weighted and has threshold, on-target and stretch assessment attributions. At the end of each financial year, in the case of executive directors, performance is assessed by the Remco and the board, to determine the quanta of the Annual Incentive and Deferred Incentive portions. The formula for calculating the Single Incentive is as follows: **Single Incentive = [TGP x On-target Percentage] x Business Modifier x Personal Modifier** Annual Incentive: Single Incentive x [40%] Deferred Incentive: Number of shares to be settled = [Single Incentive x [60%]]/Volume Weighted Average Price (VWAP)
On-target percentage	The on-target percentages for Single Incentive which refer to the combined STI and LTI components: CEO: 190% of TGP (FY 2022 – 190%) CFO: 150% of TGP (FY 2022 – 130%) Stretch = 140% of On-target Threshold = 50% of On-target
Performance measures	A balanced scorecard is used to determine the Single Incentive. Company performance metrics for executives are: (see table below)

Metric	Weighting	Targets
HEPS*/**/***	45%	1 080c
Group ROCE**/***	25%	WACC + 3%
Strategic Objectives:		
ESG: People and Transformation	7,5%	• Increase in net Headcount • Absorption of Youth initiatives • Increase indirect employment • Maintain a B-BBEE level equal to FY 2022
ESG: Procurement	7,5%	• Increase in Local sourcing and supplier development • Sustainable sourcing of cotton
Customer	7,5%	• To be reported retrospectively
International	7,5%	• To be reported retrospectively

* *The HEPS target in the table above is used for remuneration purposes only and does not constitute an earnings forecast.*

** *FY23 HEPS and ROCE Actuals to be normalised for any corporate actions, not able to be factored in at time of the publication of this report.*

*** *FY23 HEPS & ROCE Actuals are to be normalised for specific Investment Costs (as pre-approved by Remco) related to the implementation of the e-commerce and local manufacturing strategy as per pages 53, 71 and 77 of this report and will be disclosed in the FY23 Integrated Annual Report.*

Personal modifier	Single Incentive can be modified between 75% and 125% of the calculated award based on criticality and individual performance criteria.
Holding period and MSR	Prior to vesting, any forfeitable shares acquired by virtue of the Deferred Incentive, Deferred shares and/or Matching Incentive could at the election of the employee be automatically subjected to further holding periods, the purpose of which is to facilitate enhanced share ownership (also referred to as a minimum shareholding requirement) amongst employees to whom the MSR policy applies.
Termination of employment	Annual Incentives are forfeited in full and no Deferred Incentive is awarded if employment is terminated before the date on which the Annual Incentive is paid or the forfeitable shares (Deferred Incentive) are awarded. Termination after the award date of the forfeitable shares (Deferred Incentive) will be treated in accordance with the 2020 FSP: • Resignation or dismissal: unvested forfeitable shares will be forfeited. • Death, retirement, voluntary retirement, retrenchment, disability or s197 transfer: awards will vest early and pro-rated to take into account the number of completed months served during the vesting period.

Remuneration Committee report continued

Historic LTI structure

Although no new annual LTI awards will be made in terms of the historic LTI structure, a number of tranches of unvested awards still remain "in-flight". A summarised overview of this structures is detailed below. The vesting outcomes pertaining to these LTIs will be reported in the applicable annual implementation reports as they vest:

Overview	The 2020 allocation for the Chief Executive Officer, Chief Financial Officer and Operating Board members comprised 100% of forfeitable shares, subject to performance conditions in terms of the 2020 Forfeitable Share Plan. The awards made to the Chief Executive Officer, Chief Financial Officer and Operating Board members were subject to prospective performance conditions and set to vest after three years.
Termination of employment	• Resignation or dismissal: all unvested forfeitable shares will be forfeited. • Death, retirement, voluntary retirement, retrenchment, disability or the employee's employment with the company being transferred to any third party pursuant to section 197 of the Labour Relations Act: awards will early vest and will be pro-rated to take into account the number of complete months served during the vesting period as well as an assessment of performance conditions.

Share scheme limits and manner of settlement

The Remco does not permit the total number of allocated shares issued across all schemes to exceed the following limits:

- 1% individual limit
- 5% Group limit

These limits have been incorporated into the 2020 FSP Rules and 2020 Share Appreciation Rights Rules which were approved by shareholders at the 2020 AGM. The Deferred Incentive shares are settled under the FSP.

The FSP shares are settled through on-market purchases and therefore do not result in any dilution to shareholders. The usage of the dilution limits in financial year ended March 2022 is well below these limits and is set out in section C below.

Malus and clawback

TFG applies the principles of malus and clawback for all past and present variable remuneration awards.

Malus

Any variable pay may be reduced in whole or in part prior to payment or vesting thereof, after an actual risk event (trigger event) occurs which, in the judgment of the Remco, had arisen during the relevant vesting, pay-out or financial period.

In the event of termination of employment during the vesting period of an award, the Remco will consider whether a trigger event arose between the award date and the date of termination of employment.

Clawback

The Remco may apply claw-back and take steps to recover the value of awards that have vested or incentives that have been paid out (on a pre-tax basis) as a consequence of a trigger event, which, in the judgment of the Remco, arose during the claw-back period. The claw-back period will run for three years from the vesting date of the awards or the incentive pay-out. In the event of a breach of director's duties and/or TFG policies by a participant, TFG reserves the right to pursue any remedies available to it in terms of the claw-back policy, as well as common and statutory law.

The summarised trigger events for the application of malus and claw-back include:

- Employee dishonesty, fraud or gross misconduct;
- A material misstatement of the financial results for the performance or employment period of the award, resulting in an adjustment in the audited consolidated annual financial statements of TFG (or any employer company);
- The assessment of any performance metric or condition (where applicable) in respect of an award which was based on error, or inaccurate or misleading information;
- Any information used to determine the quantum of a cash STI or LTI scheme payment or Single Incentive, or the number of shares subject to an LTI award was based on error, or inaccurate or misleading information; and/or
- Events or behaviour of the employee that had a significant detrimental impact on the reputation of TFG.

Decisions made by the Remco regarding the application of malus and/or claw-back are final and binding.

Minimum shareholding requirement

In line with our philosophy of complying with best practice corporate governance, the Remco decided to introduce an MSR for executives from the 2022 financial year onwards. The rationale for this is to ensure that the interests of executives are further aligned to that of our shareholders. This also further entrenches our executives' commitment to driving long-term sustainability for all stakeholders.

The salient terms of the MSR policy are as follows:

- A target minimum shareholding must be accumulated over a period of five years from the introduction of the MSR policy (1 June 2021) or the appointment of the executive, whichever is the later.
- At the target date (1 June 2026), the Remco will assess whether eligible employees have met the relevant MSR target minimum shareholding.
- All shares which are vested (regardless of method of acquisition, and including shares bought in a personal capacity and shares bought with proceeds of variable incentives or acquired through variable incentives) will be taken into account when assessing whether the target minimum shareholding has been met.

The table below sets out the target MSR for executives to achieve over the 5 year period.

Participant	Target MSR as a percentage of Annual TGP
CEO	**200%**
CFO	**100%**
Executive committee members and prescribed officers	**75%**

The Remco reserves the right per the MSR policy to apply a penalty should the target minimum shareholding not be met at the target date if circumstances were reasonable that the employee could have met their target. Some actions available to the Remco include and are not limited to the mandatory deferral of forthcoming Annual Incentives into shares and subjecting the resultant shares to a holding period as well as subjecting any vested Deferred Incentives to a holding period until the target minimum shareholding has been met.

Restraints and minimum service agreements

TFG has restraint of trade and minimum service agreements in place for the Chief Executive Officer, Chief Financial Officer and Operating Board members. These agreements exist for the duration of employment and contain notice periods of between six and twelve months. In the event of summary dismissal on the grounds of misconduct (for example, dishonest or fraudulent conduct), notice periods do not apply.

Ex gratia or other lump sum payments on severance or retirement

There are currently no agreements in place that provide for *ex gratia* or other lump sum payments to executives on severance or retirement. Executives who depart are not awarded "golden handshakes". There are no *ex gratia* payments made in the event of a merger or takeover or for any special projects undertaken.

Non-executive directors (NEDs)

NED fees are based on market benchmarks and the level of increased responsibility of regulatory oversight placed on NEDs due to TFG's international expansion. The arrangements pertaining to NEDs (South African resident and foreign) are set out below:

- NEDs are appointed for a three-year term on recommendation by the Nomination Committee.
- NEDs may be eligible for re-election depending on their annual performance evaluation.
- NEDs are paid a base fee as well as a committee fee based on the number of committees on which they serve.
- NEDs are reimbursed by TFG for all travel expenses incurred during the course and scope of their duties in accordance with TFG's approved travel policy.
- NEDs do not receive any form of variable pay.
- No NEDs has service contracts with the Group.

Remuneration Committee report continued

The proposed NED fees for the period 1 October 2022 to 30 September 2023 will be listed for approval at the 2022 AGM.

	FY 2022 NED fees	Proposed FY 2023 NED Fees	% increase
Chairman (all inclusive)	R1 500 000	R1 575 000	5%
Director (South African)	R430 000	R451 500	5%
Director (Foreign)	R648 900	R681 345	5%
Audit Committee chairperson	R352 800	R370 440	5%
Risk Committee chairperson	R260 000	R273 000	5%
Remco chairperson	R320 000	R336 000	5%
Social and Ethics Committee chairperson	R137 025	R143 876	5%
Member/Invitee of Audit Committee	R149 100	R156 555	5%
Member/Invitee of Risk Committee	R116 550	R122 378	5%
Member of Remco	R93 450	R98 123	5%
Member of Social and Ethics Committee	R75 600	R79 380	5%
Member of Nomination Committee	R49 665	R52 148	5%
Member of *ad hoc* Finance Committee	R49 665	R52 148	5%

All NED fees are VAT exclusive.

Voting on the remuneration policy

TFG adopts a continuous shareholder engagement approach and should the voting outcome result in a lower than 75% vote in favour of the remuneration policy or the implementation report, or both, TFG commits to engage with shareholders to understand their key concerns.

SECTION C: HOW WE IMPLEMENTED OUR REMUNERATION POLICY IN 2022

As outlined in section A, the Remco has applied this implementation report as closely as possible with the prior period approved remuneration policy. These outcomes are broken down into TGP and Variable Pay mechanisms.

TGP REVIEW 2022

During FY 2022, a detailed Executive Director benchmarking was conducted by DG Capital (independent advisor) to assess the TGP, Variable Pay and Total Reward levels in relation to the comparator group as disclosed in Section B above.

The results of the benchmarking indicated that:

1. the CEO's TGP was 50% lower than the upper quartile of the retail comparator group (main comparator group) R10 million TFG vs R15 million upper quartile and whilst his incentive multiples were broadly in line with the upper quartile, the actual Rand value was 50% below given that his TGP was out of line.
2. the CFO's TGP was broadly in line with the upper quartile of the retail market but on the STI on both percentage and Rand basis was 50% lower than the upper-quartile.

The Remco debated this issue at length, including the convening of a special meeting in March 2022 as indicated on page 110 of this report.

Options considered by the Remco included:

i. increasing the TGP to the appropriate levels and in line with its pay philosophy for its executive directors;
ii. increasing the variable pay component of total reward;
iii. a combination of options i) and ii);
iv. other package structuring options e.g paying TGP partly in shares.

We also took into consideration the fact that the increasing loss of key South African executives to pursue opportunities outside of South Africa has been particularly prevalent in retail as well as other sectors. The talent drain from South Africa has resulted in an increase in incoming South African executives being recruited from abroad. The reality is that talent is increasingly global and mobile. These expatriate executives generally have remuneration packages determined on a basis commensurate with their home currencies, resulting in the overall market for relevant CEO pay in South Africa increasing to be aligned to international retail levels.

Evaluating both the quantitative factors (benchmarking) and qualitative factors (talent availability), as well as considering the options listed above, Remco decided to apply a base adjustment to the TGP and Total Reward for the CEO and CFO as follows:

	FY 2022 TGP	FY 2022 Total Reward (On-Target)	FY 2023 TGP	FY 2023 Total Reward (On-Target)	% movement in TGP	% movement in Total Reward
CEO	R10m	R29m	R15m	R43,5m	50%	50%
CFO	R6,83m	R15,7m	R8m	R20m	17%	27%

In Remco's view, it has taken the right decision and the market data supported this. The potential risk implications of not taking corrective action (including flight risk and the additional cost and disruption of that replacement) materially outweighed the cost not implementing these adjustments. We believe the adjusted TGPs now more accurately reflect the skills, performance and responsibility of the CEO and CFO, and are more in line with market competitiveness.

Remuneration Committee report continued

THE OUTCOME OF THE SINGLE INCENTIVE SCHEME FOR FY 2022

As per the Remuneration Policy, the Single Incentive is combined short and long term scheme. In FY 2022, 40% of the calculated Single Incentive was paid as an Annual Incentive and 60% is converted into forfeitable shares and eligible to vest 50% in June 2024 and 50% in June 2025.

The Single Incentive targets for FY 2022, as disclosed in the Remuneration Policy in the FY 2021 Integrated Annual Report, were set at a time when low visibility as to the future outlook and the impact of the pandemic on business continued. The expected recovery was that the Group would fully return to FY 2020 levels by FY 2023 and that the financial targets for FY 2022 would be based on 80% of FY 2020. This target was also set prior to the events surrounding the civil unrest that occurred primarily in the KwaZulu-Natal province of South Africa during 2021 and which had a significant impact on our trading levels. Despite the negative trading impact of the unrest, the Group significantly exceeded its financial targets set due to:

1. actual trading conditions being substantially better than anticipated; and
2. as a result of specific and timeous management interventions such as customer-centric policies around the management of the debtors' book, enhanced practices with e-commerce, Omni-channel retail and digital transformation, assisting critical local suppliers with cash flow and optimising inventory in line with the expected demand.

The assessment of the financial targets (70% weighting) and strategic targets (30% weighting) that were set at the start of the financial year are disclosed below.

Financial metric evaluation:

CEO & CFO:

The HEPS and EBIT targets set as well as the actual performance are set out in the table below:

		Performance targets				
Measure	**Weighting**	**Threshold**	**Target**	**Stretch**	**Actual outcome**	**Resultant score**
Group HEPS*	45%	600c	667c	750c	1 009c	Stretch 63%
Group ROCE (CEO & CFO)	25%	WACC+2%	WACC+3%	WACC+4%	WACC+4,25%	Stretch 35%

Operating Board:

		Performance targets				
Measure	**Weighting**	**Threshold**	**Target**	**Stretch**	**Actual outcome**	**Resultant score**
Africa EBIT (Operating Board)	45%	R2,49bn	R2,77bn	R3,05bn	R3,6bn	Stretch 63%
Africa ROCE (Operating Board)	25%	WACC+2%	WACC+5%	WACC+8%	WACC+6%	On-Target 29,25%

* *As disclosed in the FY 2021 remuneration report, the Group HEPS starting point was adjusted for the WANOS of the rights issue.*

The result of the stretch for the financial component was approved by the Remco due to the significant outperformance of the stretch targets which places the Group at a profitability level higher than that of FY 2020 and which is considered as particularly pleasing for the following reasons: 1 the impact of the civil unrest trading in the affected areas and 2) the decrease in interest rates over the period which significantly impacted the profitability of our financial services business which demonstrated that the core trading businesses performed extraordinarily well.

The ROCE targets were not set as an absolute percentage but rather in relation to the outperformance of the ROCE versus WACC for the Group (CEO & CFO) and Africa (Operating Board). The assessment of ROCE versus WACC is more in line with the market in terms of target setting.

Strategic metric evaluation:

Measure	Target	Weighting	Result	Comment
1. People and Transformation	Minimum of 60% absorption of youth initiatives	2,5%	On Target 2,5%	Actual absorption of all youth initiatives = 62%
	Positive net employment for the year	2,5%	Stretch 3,5%	9,5% growth achieved in headcount. In addition, 441 employees were affected by store closures and only 4% of these employees could not be placed elsewhere within TFG Africa due to affected employee preference
	Investment in skills programs and youth opportunities to enable a BBBEE level 5 by FY 2023	2,5%	Stretch 3,5%	Due to accelerated investments in skills and youth employment opportunities, the Group has already attained in FY 2022 a B-BBEE Level 3
	Assistance offered for hardship	2,5%	Stretch 3,5%	>R30 million offered in loans and advances with the introduction of a partnership with TFG and Paymenow, an advance on pay platform promoting financial well-being of the most vulnerable employees. The platform also aides in providing financial education courses prior to employees being able to access their full advance value and in addition, partners with other providers to make accessible basic Value Added services such as groceries, airtime and electricity which do not attract any service fees.
2. Procurement	33 million local manufactured units in FY 2022	10%	Stretch 14%	>45 million units and >R40 million in Supplier funding
3. Customer	Growth in online turnover by 30% yoy	3,33%	Not met 0%	Actual growth >20%. The group elected to manage its online profitability levels and not chase online turnover at the expense of sacrificing profit margins as well as to ensure that the required infrastructure was capable and stable in managing the increased online volumes.
	Click and collect sales of 30%	3,33%	Stretch 4,7%	The stretch level was set at 35% of all online sales to be click and collect sales; the actual was close to 40%. This is a key metric for omni-channel retailing.
	NPS score of 50	3,33	On-target 3,33%	The actual NPS score = 55
TOTAL		**30%**	**35%**	
Business modifier			**133%**	**(63% HEPS + 35% ROCE + 35% Strategic Metrics)**

Remuneration Committee report continued

Single incentive outcomes

The final outcomes of the single incentive were calculated as follows:

Director	TGP	On-target %	Business modifier	Personal modifier	Total incentive (A x B x C x D)	
	A	B	C	D	Cash (40%)	Deferred (60%)
A Thunström	R10m	190%	133%	100%	R10,1m	R15,2m
B Ntuli	R6,83m	130%	133%	100%	R4,7m	R7,1m

LTI awards eligible to vest in June 2022

Performance Shares issued in June 2019, which were eligible for vesting in June 2022 based on the pre-determined performance conditions being met are assessed below. With the introduction of the Single Incentive Scheme, the in-flight awards made in June 2019, November 2020 and the retention shares issued in June 2021 run in parallel.

LTI performance outcomes

FY 2022 was significantly impacted by COVID related factors impacting the recovery of the economy and other significant non-controllable factors such as:

- the significant decline in interest rates by 275 basis points during the past 3 years in order to boost and stabilise the economy has had a negative impact on our trading results due to the substantially lower profit earned on our credit book
- lower acceptance rates in our Value Added Services (VAS) business which had the effect of limiting the bad debt impact, also has had a significant impact on our credit book profit levels
- the introduction of a change in accounting policy on accounting for software
- funding the strategic imperative of ramped up investments in e-commerce
- various investments in increased local manufacturing facilities to support the strategy of a shift towards local manufacturing
- and creation of additional jobs

The above factors and circumstances materially impacted the FY 2022 trading results, creating incomparability to the base EBIT used in FY19 to set the measurable growth target.

Notwithstanding the factors enumerated above, the Remco has decided not to vest the awards eligible to vest in June 2022, nor to make any other discretionary compensatory awards on the basis that the pre-determined performance targets were not met.

Further details regarding the SARs and FSP performance are set out below.

The SARs and FSP awards granted in 2019 had performance conditions that ended on 31 March 2022. The table below details the company performance and resulting vesting outcome.

2019 SARs

Required: HEPS three-year cumulative annual growth of weighted CPI*			
Target HEPS	Actual Headline earnings Rm	Vesting at target and beyond	Actual SAR vesting
1 365c	1 009c	100%	0%

* *Actual CPI at 31 March 2022 for South Africa, United Kingdom and Australia weighted by the relevant geographical turnover.*

2019 FSP (CEO & CFO)

	Weighting	Target performance (100% vesting)	Actual performance	Vesting %
HEPS	80%	1 365c	1 009c	0%
Africa ROCE	20%	22% – 25%	17,3%	0%
Overall	100%			0%

FSP (Operating Board & Other Executives)

	Weighting	Target performance (100% vesting)	Actual performance	Vesting %
Africa EBIT	80%	R4,6bn	R3,1bn	0%
Africa ROCE*	20%	22% – 25%	17,3%	0%
Overall	100%			0%

Actual CPI at 31 March 2022 for South Africa
* *Operating Board only*

SARs (Operating Board)

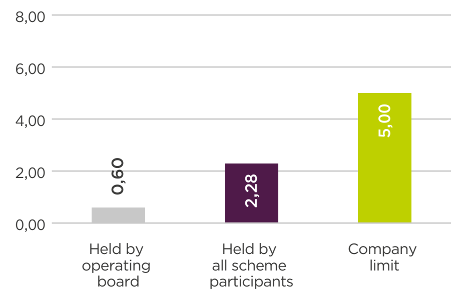
	Weighting	Target performance (100% vesting)	Actual performance	Vesting %
Africa EBIT	100%	R4,6bn	R3,1bn	0%
Africa ROCE	20%	22% – 25%	17,3%	0%
Overall	100%			0%

Actual CPI at 31 March 2022 for South Africa

Current allocation versus policy limits

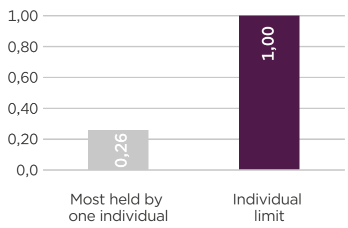
As at 31 March 2022, issued share capital comprised 322 587 000 shares. In terms of the FSP policy, the maximum aggregate number of shares that may be awarded to participants collectively in terms of the LTIs may not exceed 16 129 350 shares (5% of issued share capital) and the maximum number of shares that may be awarded to any one participant is 3 225 870 shares (1% of issued share capital). As all share awards have historically been settled via the market purchase of shares, there is no impact on dilution.

% ISSUED SHARES



In terms of inflight awards that are still to be settled, on both an overall (7 359 096 shares) and individual (850 949 shares) basis, potential share awards held by scheme participants are well within the defined limits. The Chief Executive Officer is the highest individual holder of share awards and is therefore compared against the individual limit.

% ISSUED SHARES



Outstanding share instruments awarded to employees and executives at 31 March 2021 are as follows:

- SARs 1 135 207
- Forfeitable shares 6 223 889

Remuneration Committee report continued

EXECUTIVE DIRECTORS' REMUNERATION

The Supervisory Board determined that the CEO and CFO are TFG's prescribed officers for financial year ended March 2022. A E Thunström and B Ntuli serve as executive directors on the Supervisory Board and exercise general executive control.

2022

Executive Directors	Salary R'000	Benefits[1] R'000	Guaranteed pay R'000	Annual Incentive STI R'000	Deferred Incentive[2] LTI R'000	Dividends R'000	Other remu-neration R'000	Total remu-neration R'000
A E Thunström	**8 212,4**	**1 787,6**	**10 000**	**10 158**	**13 601**	**438**	**0,0**	**34 197**
B Ntuli	**6 010,4**	**819,6**	**6 830**	**4 747**	**6 356**	**225**	**0,0**	**18 158**

1. *Benefits include travel allowance, housing allowance, pension fund and medical aid subsidy.*
2. *Shares awarded to vest equally in June 2024 and June 2025 based on a VWAP of R119,61.*

2021

Executive directors	Salary[3] R'000	Benefits[4] R'000	Guaranteed pay R'000	STI[5] R'000	LTI[6] R'000	Dividends[7] R'000	Other remu-neration R'000	Total remu-neration R'000
A E Thunström	7 729,4	1 626,6	9 356,0	8 554,0	38 747,0	0,0	0,0	56 657,0
B Ntuli	5 288,2	1 113,1	6 401,3	3 576,0	0,0	0,0	0,0	9 977,3

3. *The operating board took a salary reduction in the first quarter of the 2021 financial year due to the impact of COVID-19.*
4. *Benefits include travel allowance, housing allowance, pension fund and medical aid subsidy.*
5. *Relates to the bonus award for the 2021 year end. Mr Thunström elected to defer 55% of his bonus into shares. The deferred STI awards will be subject to a minimum holding period of five years in terms of the MSR policy. In making this election, Mr Thunström received a 40% match of Forfeitable Retention Shares which will vest in June 2024.*
6. *5% of the R38,7 million relates to the retention shares allocated for the 40% STI deferral match and the balance relates to the award in terms of the new retention and restraint agreement.*
7. *No dividends were declared in the 2021 financial year.*

The CEO signed a new retention and restraint agreement due to his current retention agreement having ended on 1 October 2020. The Remco awarded the CEO shares in lieu of this agreement as opposed to a cash payment to ensure further "skin in the game" and to create further alignment with shareholders. The CEO was granted 350 000 shares on 23 November 2020 with a market value of R36,9 million, eligible to vest in June 2023 and awarded in accordance with the FSP 2020 share scheme rules.

Remuneration Committee report continued

DIRECTORS' INTERESTS

As at 31 March 2022, the directors had the following interest in the company's issued shares:

	Non-executive						Total non-executive '000	Executive		Total executive '000	Total non-executive plus executive '000
	M Lewis '000	E Oblowitz '000	D Friedland '000	N V Simamane '000	R Stein '000	A D Murray '000		A E Thunström '000	B Ntuli '000		
Direct beneficial		3,0		2,3	184,2	647,0	836,5	60,1		60,1	888,5
Indirect beneficial			30,0		80,0	737,5	847,5			0,00	847,5
Indirect non-beneficial	1 818,8						1 818,8			0,00	1 818,8
	1 818,8	3,0	30,0	2,3	264,2	1 384,5	3 502,8	60,1	0,0	60,1	3 554,8

As at March 2022, directors had accepted and/or exercised the following SARs and forfeitable shares:

	Unvested share awards as at 31 March 2022								Unvested share awards as at 31 March 2022							
	Date of award	Financial year of award	Financial year of earliest delivery	Financial year of latest delivery	Status of award	Strike price per instrument R	Number of instruments awarded '000	Number of instruments vested in year '000	Number of instruments lapsed in year '000	Closing number of unvested and/or unexercised instruments '000	Number of instruments exercised or settled in year '000	Share price at which instruments were exercised or settled cents	Result in number of shares issued R'000	Value of shares on exercise or settlement R'000	Dividends received in year R'000	Indicative value of unvested and/or unexercised instruments R'000
A E Thunström																
SARs*	08 Jun 15	2016	2019	2022	Available for conversion	148,2	31,2	31,2	–	–	31,2	156,6	2,9	456,9		–
*	02 Jun 16	2017	2020	2023	Available for conversion	142,7	37,8	37,8	–	–	37,8	156,6	4,8	750,3		–
*	02 Jun 17	2018	2021	2024	Available for conversion	138,3	47,0	47,0	–	–	47,0	156,6	7,2	1 132,0		–
**	01 Jun 18	2019	2022	2025	Vested	183,9	77,0	–	77,0	–						–
**	03 Jun 19	2020	2023	2026	Unvested	174,3	85,6	–	–	85,6						–
FSP***	01 Jun 18	2019	2022		Vested		35,6	–	35,6	–	–			–	–	–
	01 Jun 18	2019	2022		Vested		14,2	–	14,2	–				–	–	–
	03 Jun 19	2020	2023		Unvested		49,0	–	–	49,0					83,3	5 399,7
	03 Jun 19	2020	2023		Unvested		19,6	–	–	19,6					33,3	2 160,0
	19 Nov 20	2021	2024		Unvested		189,2	–		189,2					321,7	27 814,5
FSR****	19 Nov 20	2021	2024		Unvested		350,0	–	–	350,0					595,0	51 446,5
	01 Jun 21	2022	2025		Unvested		33,2	–	–	33,2					56,4	4 880,1
MSR shares***	30 Jun 21	2022	2025		Unvested		13,5	–	–	13,5					23,0	1 990,0
Deferred shares***	30 Jun 21	2022	2025		Unvested		33,8	–	–	33,8					57,5	4 974,9
B Ntuli																
SARs*	03 Jun 19	2020	2023	2026	Unvested	174,3	43,9	–		43,9						–
FSP***	03 Jun 19	2020	2023		Unvested		25,1	–	–	25,1	–	–		–	42,7	2 770,9
FSR****	03 Jun 19	2020	2023		Unvested		13,5	–	–	13,5				–	23,0	1 986,3
FSP***	03 Jun 19	2020	2023		Unvested		10,1	–	–	10,1	–	–		–	17,1	1 484,6
FSR****	03 Jun 19	2020	2023		Unvested		5,4	–	–	5,4				–	9,2	793,7
FSP***	19 Nov 20	2021	2024		Unvested		97,1	–	–	97,1	–	–		–	165,1	14 271,7

* *SAR's vested and not yet converted, or SARS vesting during the 2022 financial year valued at YE VWAP of R146,99.*
** *Unvested SARs valued using the YE VWAP of R146,99 applying a fair value calculation using the Intrinsic Value method and expected vesting percentages.*
*** *Unvested FSP valued using the YE VWAP of R146,99 and applying expected vesting percentages.*
**** *Unvested FSR valued using the YE VWAP of R146,99.*

Remuneration Committee report continued

CHANGES TO DIRECTORS' INTERESTS AFTER YEAR END

Acceptance of FSRs in July 2022	FSRs Accepted*	Indicative Value#
A E Thunström	113 709	R16 714 086
B Ntuli	53 139	R7 810 902

* *The restricted forfeitable shares (FSRs) accepted is a result of the Deferred Incentive portion of the Single Incentive which will vest equally in June 2024 and June 2025.*

\# *Indicative value based on the Volume Weighted Average Price (VWAP) of R146,99 on 31 March 2022.*

NON-EXECUTIVE DIRECTORS

NED fees are reviewed annually and approved changes are effective 1 October. The proposed NED fees (VAT exclusive) per role as from October 2021 are detailed in section B on page 144 of this report. The NED's voluntarily decided to take a reduction in fees in the first quarter of the 2021 financial year.

Below are the actual NED fees (VAT exclusive) for financial year ended March 2022 based on current committee membership:

Non-Executive Directors	Fees paid in respect of 2022	Fees paid in respect of 2021
M Lewis	R1 325 000	R1 092 500
E Oblowitz	R1 137 908	R1 158 277
S E Abrahams	R235 611	R746 078
Prof. F Abrahams	R785 495	R702 467
R Stein	R894 265	R887 312
D Friedland	R748 800	R673 075
N V Simamane	R731 735	R656 925
B L M Makgabo-Fiskerstrand	R731 735	R656 925
G H Davin	R781 315	R736 883
A D Murray	R1 972 958	R1 925 910
C Coleman	R681 933	R750 300

Voting on the implementation report

TFG tables its implementation report for a non-binding advisory vote by shareholders at the AGM each year. We look forward to shareholders support of the implementation of the FY 2022 remuneration policy.

08

OTHER APPENDICES

APPENDIX 1: DEFINITIONS

Capex	Capital expenditure
Companies Act of South Africa	Companies Act of South Africa, No. 71 of 2008, as amended
Concessions	In addition to their own stand-alone stores, TFG London and TFG Australia have concession arrangements with key department store partners from whom they occupy an agreed floor space area (referred to as "mat") dedicated to their product
Current ratio	Current assets divided by current liabilities
Debt to equity ratio	Net borrowings expressed as a percentage of total equity
Dividend cover	Basic earnings per share divided by dividend declared
Doubtful debt provision as a % of debtors' book	Provision for doubtful debts expressed as a percentage of gross receivables
EBIT	Earnings, excluding acquisition costs, before finance costs and tax
EBITA	Earnings, excluding acquisition costs, before finance costs, tax and amortisation
EBITDA	Earnings, excluding acquisition costs, before finance costs, tax, depreciation and amortisation
EBITDA finance charge cover	EBITDA divided by finance costs
EBITDA margin	EBITDA expressed as a percentage of retail turnover
Finance charge cover	Operating profit before finance costs divided by finance costs
Free cash flow (FCF)	Earnings, excluding acquisition costs, before finance costs and tax plus depreciation and amortisation net of changes in net working capital and capital expenditure
Gross square metres	The total leased store area including stock rooms
Headline earnings	Net income attributable to ordinary shareholders adjusted for the effect, after tax, of exceptional items
Headline earnings – adjusted	Headline earnings adjusted for the impact of acquisition costs incurred
Headline earnings per ordinary share (HEPS)	Headline earnings divided by the weighted average number of shares in issue for the year
Market capitalisation	The market price per share at year-end multiplied by the number of ordinary shares in issue at year-end
Net bad debt as a % of debtors' book	VAT-exclusive bad debts, net of recoveries and including provision movement as percentage of gross receivables
Net bad debt write-off	VAT-inclusive bad debts, net of recoveries and excluding movement in provision
Net bad debt write-off as a % of credit transactions	Net bad debt write-off expressed as a percentage of credit transactions

Net borrowings	Interest-bearing debt, lease liabilities and non-controlling interest loans reduced by preference share investment (where relevant) and cash
Non-recourse debt	Debt where lenders cannot seek compensation from TFG parent companies, their sponsors or guarantors, and is typically debt raised by our international subsidiaries (TFG London and TFG Australia)
Omnichannel	Describes the integrated multi-channel retailing (e-commerce, online sales, mobile app sales)
Operating margin	Operating profit before finance costs expressed as a percentage of retail turnover
Operating profit	Profit earned from normal business operations
Outlets	TFG London and TFG Australia trades through a combination of stand-alone stores and concession arrangements resulting in their presence being referred to as outlets rather than the traditional stores
Overdue values as a % to debtors' book	Overdue portion of debtors at statement month-end as a percentage of gross receivables
Recourse debt	Amounts owed by TFG companies in Africa (excluding our international subsidiaries TFG London and TFG Australia) where the lenders have the ability to seek compensation from the borrower's parent, sponsor or guarantor
Recourse debt to equity ratio	Recourse debt reduced by preference share investment (where relevant) and cash, expressed as a percentage of total equity
Return on capital employed (ROCE)	Earnings, excluding acquisition costs, before finance costs and tax (EBIT)/average capital employed
Same store	Stores that traded out of the same trading area for the full current and previous financial years
Tangible net asset value per ordinary share	Total net asset value, after non-controlling interest, excluding goodwill and intangible assets, divided by the net number of ordinary shares in issue at year-end
Total shareholder return (TSR)	The return for a shareholder through the appreciation in TFG's share price plus dividends paid over a specified period
Trading expenses	Costs incurred in the normal course of business including, among others, depreciation, amortisation, employee costs, occupancy costs, net bad debt and other operating costs
VWAP	Volume weighted average price
Weighted CPI	CPI of the major geographical areas that TFG trades in (South Africa, UK and Australia), weighted by their respective geographical turnover contribution percentage

APPENDIX 2: 10-YEAR STATISTICS

Years ended	2022	2021	2020	2019[3]	2018[4]	2017	2016	2015	2014	2013
Profitability										
Retail turnover (Rm)	**43 370,2**	32 950,3	35 323,3	34 101,4	28 519,5	23 548,7	21 107,5	16 085,9	14 159,0	12 896,4
Operating profit (loss) before finance charges – continuing operations (Rm)[1]	**4 871,4**	(1 411,4)	4 684,7	4 882,6	4 126,5	3 811,2	3 596 1	2 807,1	2 536,9	2 407,3
Profit (loss) before tax – continuing operations (Rm)	**4 028,9**	(1 712,7)	3 349,3	3 578,1	3 350,5	3 203,8	3 021 2	2 286,6	2 375,1	2 298,9
Profit (loss) attributable to equity holders of The Foschini Group Limited (Rm)	**2 909,5**	(1 861,8)	2 443,8	2 640,1	2 406,9	2 351,4	2 155 6	1 858,0	1 859,6	1 792,0
Adjusted headline earnings (Rm)[2]	**3 254,8**	600,1	2 717,4	2 745,1	2 528,2	2 332,8	2 185 2	1 881,9	1 872,3	1 796,6
Statement of financial position										
Non-current assets (Rm)	**19 242,9**	18 087,9	21 403,4	20 087,5	11 192,7	7 628,5	8 448 9	6 925,3	2 120,5	1 883,1
Current assets (Rm)	**24 069,8**	21 185,6	20 755,3	17 553,6	16 598,9	14 407,5	13 646 2	11 608,1	9 351,2	8 425,9
Assets of disposal group (Rm)	**–**	–	–	–	–	–	–	–	5 631,5	4 985,4
Total assets (Rm)	**43 312,7**	39 273,5	42 158,7	37 641,1	27 791,6	22 036,0	22 095 1	18 533,4	17 103,2	15 294,4
Total shareholders' interest (Rm)	**19 137,9**	17 211,0	15 942,6	14 049,1	13 121,5	10 515,3	9 896 7	8 130,9	7 228,6	7 043,8
Non-controlling interest (Rm)	**–**	–	–	–	4,5	4,2	4,0	2,7	861,3	705,5
Non-current liabilities (Rm)	**11 426,8**	10 067,9	12 447,1	12 877,3	6 278,7	5 350,4	5 973 8	4 491,4	2 016,0	1 392,4
Current liabilities (Rm)	**12 748,0**	11 994,6	13 769,0	10 714,7	8 386,9	6 166,1	6 220 6	5 908,4	3 296,1	2 750,3
Liabilities of disposal group (Rm)	**–**	–	–	–	–	–	–	–	3 701,2	3 402,4
Total equity and liabilities (Rm)	**43 312,7**	39 273,5	42 158,7	37 641,1	27 791,6	22 036,0	22 095 1	18 533,4	17 103,2	15 294,4
Cash flow statement										
Cash flows from operating activities – continuing operations (Rm)	**5 811,6**	8 184,1	3 954,1	3 987,3	856,5	1 014,2	461,5	(61,7)	128,2	485,2
Cash flows from investing activities – continuing operations (Rm)	**(1 703,9)**	(1 119,0)	(1 100,9)	(868,4)	(3 796,4)	(870,9)	(1 030 5)	(1 779,6)	(537,5)	(557,0)
Cash flows from financing activities – continuing operations (Rm)	**(3 080,6)**	(5 093,9)	(1 101,5)	(3 293,8)	3 401,0	(46,7)	585,1	2 328,5	339,5	121,4
Net increase (decrease) in cash (Rm)	**1 027,1**	1 971,2	1 751,7	(174,9)	461,1	96,6	16,1	487,2	(69,8)	49,6
Cash at the beginning of the year (Rm)	**4 843,2**	2 969,1	1 111,0	1 206,1	878,5	888,8	800,4	301,3	593,4	504,7[5]
Cash at the end of the year – discontinued operations (Rm)	**–**	–	–	–	–	–	–	–	(222,4)	39,0
Cash held in non-controlling interest (Rm)	**–**	–	–	(6,4)	–	–	–	–	–	–
Effect of exchange rate fluctuations on cash held (Rm)	**(124,5)**	(97,1)	106,4	86,2	(133,5)	(106,9)	72,3	11,9	0,1	0,1
Cash at the end of the year – continuing operations (Rm)	**5 745,8**	4 843,2	2 969,1	1 111,0	1 206,1	878,5	888,8	800,4	301,3	593,4

Notes

2013 and prior years were restated where appropriate to reflect the RCS Group as a discontinued operation.

1 *Operating profit before finance charges excludes the impact of acquisition costs.*
2 *Adjusted headline earnings is calculated to remove the impact of the acquisition costs.*
3 *Financial year ended March 2019 restated as a result of the change in the IFRS 16 accounting policy.*
4 *Financial year ended March 2018 restated as a result of the change in the IFRS 15 accounting policy.*
5 *Restated, as insurance cells are no longer consolidated and their cash flow is now included in working capital as part of the insurance receivables.*
6 *TFG London's footprint consists mostly of concessions. As concessions by nature change floor space on a continuous basis, the Group does not report on floor space for this business segment.*
7 *TFG London's footprint consists mostly of concessions. As concessions by nature change floor space on a continuous basis, the Group does not report on same store turnover growth for this business segment.*

Appendix 2: 10-year statistics continued

Years ended	**2022**	2021	2020	2019[3]	2018[4]	2017	2016	2015	2014	2013
Performance measures/ratios										
Turnover growth (%)	**31,6**	(6,7)	3,6	19,6	21,4	11,6	31,2	13,6	9,8	10,9
Same store turnover growth (TFG Africa) (%)[7]	**17 8**	(10,2)	1,5	5,6	2,2	2,8	5,7	5,5	4,2	5,8
Same store turnover growth (TFG Australia) (%)[7]	**15,8**	2,8	2,8	7,8						
Operating margin – continuing operations (%)	**11,1**	(2,2)	13,3	14,3	14,5	16,2	17,0	17,5	17,9	18,7
Debt to equity ratio – continuing operations (%)	**51,5**	55,2	106,4	117,8	62,0	65,3	73,5	76,8	36,8	22,3
Total liabilities to shareholders' interest (times)	**1,3**	1,3	1,6	1,7	1,1	1,1	1,2	1,3	1,2	1,1
Total liabilities to shareholders' interest – continuing operations (times)	**1,3**	1,3	1,6	1,7	1,1	1,1	1,2	1,3	0,7	0,6
Net retail borrowings (Rm)	**9 853,0**	9 501,4	16 958,3	16 550,2	8 144,5	6 870,7	7 276,9	6 242,2	2 659,1	1 567,4
Current ratio – continuing operations (times)	**1,9**	1,8	1,5	1,6	2,0	2,3	2,2	2,0	2,8	3,1
HEPS – continuing operations[2] (cents)	**1 009,0**	197,9	1 029,3	1 187,9	1 124,1	1 099,2	1 055,8	897,9	818,7	780,6
Change in HEPS from continuing operations (%)	**409,8**	(80,8)	(13,3)	5,7	3,4	4,1	17,6	9,7	4,9	19,4
Distribution declared per ordinary share (DPS) (cents)	**500,0**	–	335,0	780,0	745,0	720,0	691,0	588,0	536,0	506,0
Dividend yield (%)	**3,4**	–	5,0	4,8	3,3	4,7	4,9	3,3	5,0	4,4
Tangible net asset value per ordinary share (cents)	**3 756,0**	3 063,8	2 677,6	2 360,1	2 358,1	2 728,7	2 063 5	1 701,0	3 396,3	3 205,0
Price to earnings ratio at year-end (multiple)	**16,0**	(20,0)	6,4	14,3	20,9	13,9	13,6	19,9	11,9	13,2
Share statistics										
Number of ordinary shares in issue (millions)	**331,0**	331,0	236,8	236,8	236,8	219,5	215,4	211,0	222,0	228,5
Number of ordinary shares on which headline earnings per share is calculated (millions)	**322,6**	303,2	264,0	231,1	224,9	212,2	207,0	204,3	206,0	209,3
Net number of ordinary shares on which net asset value per share is calculated (millions)	**325,2**	323,4	231,7	231,3	231,3	214,0	209,3	205,4	204,3	210,1
Number of shares traded during the year (millions)	**403,3**	556,8	370,1	315,9	391,8	378,8	285,9	283,8	387,7	275,2
Volume traded/number of shares in issue (%)	**121,8**	168,2	156,3	133,4	165,5	172,6	132,8	134,5	174,6	120,4
Closing share price (cents)	**14 738,0**	12 279	6 767	16 300	22 375	15 449	14 144	18,057	10 715	11 280
Market capitalisation (Rm)	**47 928,0**	40 646,8	16 021,3	38 591,4	52 974,3	33 912,9	30 459 2	38 101,2	23 787,8	25 774,6
Outlet information										
Number of outlets – TFG	**4 351**	4 284	4 083	4 085	4 034	3 328	3 125	2 724	2 111	1 979
Number of outlets – TFG Africa	**3 087**	2 929	2 577	2 631	2 652	2 589	2 462	2 280	2 111	1 979
Number of outlets – TFG London	**688**	801	972	971	935	739	663	444		
Number of outlets – TFG Australia	**576**	554	534	483	447					
Floor area (gross square metres) (TFG Africa)[6]	**1 237 043**	1 187 502	811 971	809 505	794 232	767 347	735 367	690 190	646 665	609 411
Floor area (gross square metres) (TFG Australia)[6]	**83 836**	82 126	79 861	70 798	57 165					

Notes

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1. *Operating profit before finance charges excludes the impact of acquisition costs.*
2. *Adjusted headline earnings is calculated to remove the impact of the acquisition costs.*
3. *Financial year ended March 2019 restated as a result of the change in the IFRS 16 accounting policy.*
4. *Financial year ended March 2018 restated as a result of the change in the IFRS 15 accounting policy.*
5. *Restated, as insurance cells are no longer consolidated and their cash flow is now included in working capital as part of the insurance receivables.*
6. *TFG London's footprint consists mostly of concessions. As concessions by nature change floor space on a continuous basis, the Group does not report on floor space for this business segment.*
7. *TFG London's footprint consists mostly of concessions. As concessions by nature change floor space on a continuous basis, the Group does not report on same store turnover growth for this business segment.*

APPENDIX 3: SHARE PRICE INFORMATION

	2022	2021
Market price per share (cents)		
– year-end	14 738	12 279
– highest	16 688	12 449
– lowest	11 157	5 992
– average	13 438	8 751
Number of beneficial shareholdings	14 098	12 644
Price to earnings ratio at year-end (multiple)	16	(20,00)
Dividend yield (%)	3,4	–
Number of shares traded during the year (millions)	403,3	556,8
Volume traded/number of shares in issue (%)	121,8%	168,2
Market capitalisation (Rm)	47 928,0	40 646,8

APPENDIX 4: EXCHANGE RATE INFORMATION

	2022	2021
Closing US $ conversion rate	14,61	14,78
Average US $ conversion rate	14,85	16,36
Closing GBP conversion rate	19,19	20,37
Average GBP conversion rate	20,27	21,29
Closing AUD conversion rate	10,93	11,22
Average AUD conversion rate	10,97	11,70

APPENDIX 5: SHAREHOLDINGS OF THE FOSCHINI GROUP LIMITED

ANALYSIS OF SHAREHOLDERS – ORDINARY SHARES

Compiled by JP Morgan Cazenove utilising the company's transfer secretaries' records as at 25 March 2022.

Spread analysis	Number of holders	% of total shareholders	Number of shares held	% of shares in issue
1 – 1 000 shares	10 347	73,4	2 382 405	0,7
1 001 – 10 000 shares	2 626	18,6	7 613 161	2,3
10 001 – 100 000 shares	806	5,7	27 032 273	8,2
100 001 – 1 000 000 shares	267	1,9	81 394 260	24,6
1 000 001 shares and over	52	0,4	212 605 201	64,2
Total	14 098	100,0	331 027 300	100,0

DISTRIBUTION OF SHAREHOLDINGS

Category	Number of shares held	% of shares in issue
Pension funds	113 033 081	34,1
Unit trusts	100 638 269	30,4
Mutual fund	24 968 149	7,5
Insurance companies	17 585 226	5,3
Sovereign wealth	17 182 116	5,2
Private investor	15 090 737	4,6
Trading position	9 938 509	3,0
Exchange-traded fund	3 833 977	1,2
Corporate holding	3 257 436	1,0
Medical aid scheme	1 449 992	0,4
Hedge fund	1 111 422	0,3
University	649 539	0,2
Charity	365 473	0,1
American Depository Receipts	356 792	0,1
Local authority	316 888	0,1
Custodians	149 885	–
Foreign government	139 278	–
Investment Trust	91 407	–
Other Managed Funds	34 581	–
Other	20 834 543	6,3
Total	331 027 300	100,0

BENEFICIAL SHAREHOLDINGS GREATER THAN 5%

Beneficial interests – direct and indirect, as per share register and information supplied by nominee companies as at 25 March 2022.

	Holding	% of shares in issues
Government Employees Pension Fund (PIC)	73 482 382	22,2
Total	73 482 382	22,2

Appendix 5: Shareholdings of The Foschini Group Limited continued

INVESTMENT MANAGEMENT SHAREHOLDINGS GREATER THAN 5%

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 56 of the Companies Act of South Africa, the following shareholders held directly and indirectly equal to or in excess of 5% of the issued share capital as at 25 March 2022:

	Holding	% of shares in issue
Government Employees Pension Fund (PIC)	54 199 532	16,4
M&G Investment Managers (Pty) Ltd	37 308 652	11,3
Ninety One SA (Pty) Ltd	25 040 684	7,6
Old Mutual Ltd	20 528 891	6,2
Fairtree Asset Management Pty Ltd	17 714 097	5,3
Total	154 791 856	46,8

SHAREHOLDING SPREAD

Category	Number of holders	% of total shareholders	Number of shares held	% of shares in issue
Public shareholders	13 755	97,6	245 327 031	74,1
Non-public shareholders	343	2,4	85 700 269	25,9
Government Employees Pension Fund (PIC)	12	0,1	73 482 382	22,2
Directors (company and major subsidiary)	11	0,1	3 715 739	1,1
Trust	1	–	1 135 207	0,4
Subsidiary	1	–	1 080 599	0,3
Employees of TFG	318	2,2	6 286 342	1,9
Total	14 098	100,0	331 027 300	100,0

GEOGRAPHIC SPLIT OF BENEFICIAL SHAREHOLDERS

Region	Total shareholding	% of shares in issue
South Africa	242 785 197	73,3
USA and Canada	39 650 169	12,0
UK	7 160 476	2,2
Rest of Europe	16 631 085	5,0
Rest of world*	24 800 373	7,5
Total	331 027 300	100,0

* *Represents all shareholdings except those in the above regions.*

ANALYSIS OF SHAREHOLDERS – PREFERENCE SHARES

Beneficial shareholdings greater than 5%

Beneficial interests – direct and indirect, as per share register as at 25 March 2022.

	Holding	% of shares in issues
Linda Lombard	56 934	28,5
Old Sillery (Pty) Ltd	47 100	23,6
Michael Goulding	35 280	17,6
Angus Macdonald	32 335	16,2
Antonio de Magahaes	14 200	7,1
	185 849	92,9

SHAREHOLDING SPREAD

Category	Number of holders	% of total shareholders	Number of shares held	% of shares in issue
Public	17	81,0	28 351	14,2
Linda Lombard	1	4,8	56 934	28,5
Old Sillery (Pty) Ltd	1	4,8	47 100	23,6
Michael Goulding	1	4,8	35 280	17,6
Angus Macdonald	1	4,8	32 335	16,2
Total	21	100,0	200 000	100,0

APPENDIX 6: VALUE-ADDED STATEMENT

	2022		2021	
	Rm	%	Rm	%
Retail turnover	**43 370,3**		32 950,3	
Paid to suppliers for goods and services	**(30 684,60)**		(27 180,2)	
Value added	**12 685,7**	**100,0**	5 770,1	100,0
Applied as follows:				
Employees				
Remuneration to employees	**7 366,8**	**58,1**	5 816,7	100,8
Providers of capital				
To lenders as finance charges	**292,9**	**2,3**	441,7	7,7
To shareholders as dividends	**556,0**	**4,4**	–	–
Taxation				
Taxation	**1 255,9**	**9,9**	515,9	8,9
Reinvested				
Reinvested in the Group to finance future expansion and growth	**3 214,1**	**25,3**	(1 004,2)	(17,4)
Employment of value added	**12 685,7**	**100,0**	5 770,1	100,0

APPENDIX 7: OUR BRANDS[1, 2]

@home

@home is a premium homeware and furniture omnichannel retailer with a distinct, sophisticated style. They aim to deliver exceptional guest experience through their people and products, both in-store and online.

Business segment
TFG Africa

Income category
Upper market

Target audience
Men and women aged 25 years plus

Number of outlets
2022: 77 (2021: 80)

Archive

Archive services a sneaker-conscious consumer and offers a selection of international brands, with a wide range of best level, limited editions and exclusives.

Business segment
TFG Africa

Income category
Mid to upper market

Target audience
Men and women of all aged 24 to 31

Number of outlets
2022: 36 (2021: 27)

@homelivingspace

@homelivingspace is a premium homeware and furniture omnichannel retailer with a distinct, sophisticated style. They aim to deliver exceptional guest experience through their people and products, both in-store and online.

Business segment
TFG Africa

Income category
Upper market

Target audience
Men and women aged 25 years plus

Number of outlets
2022: 42 (2021: 37)

Connor

Connor is one of the fastest growing on-trend menswear brands.

Business segment
TFG Australia

Income category
Value market

Target audience
Men aged 25 to 34

Number of outlets
2022: 180 (2021: 175)

American Swiss

Fine Jewellers since 1896 creating jewellery that celebrates life's precious moments, with quality at the heart of everything we do.

Business segment
TFG Africa

Income category
Mid to upper market

Target audience
Men and women of all age groups

Number of outlets
2022: 234 (2021: 236)

Exact

Exact offers great value everyday essentials and is renowned for its trend-appropriate range of quality, well-priced contemporary fashion for the whole family.

Business segment
TFG Africa

Income category
Value market

Target audience
Men, women, children and babies

Number of outlets
2022: 319 (2021: 306)

[1] *Number of outlets for smaller TFG Africa brands not shown separately = 7 (2021: 14).*
Number of outlets for TFG London in shared locations not shown separately = 3 (2021: 2).

[2] *myTFGworld, the Group's online marketplace, consolidates 21 of TFG Africa's brands on one online platform.*

Appendix 7: Our brands continued

Fabiani

Fabiani is a luxury apparel brand that delivers on exceptional personalised customer experience by offering curated product collections, as well as a world-class store and online environment.

Business segment
TFG Africa

Income category
Upper market

Target audience
Men aged 25 to 40

Number of outlets
2022: 50 (2021: 35)

Galaxy & Co

Discover a universe of fine fashion jewellery trends from Galaxy & Co, to wear your way, your style.

Business segment
TFG Africa

Income category
Value market

Target audience
Women and men aged 18+

Number of outlets
E-commerce only
www.galaxyandco.co.za

The FIX

Fast fashion at incredible value, The FIX is the destination for see-now, buy-now, wear-now fashion. Aligned to international fashion trends as they happen, fashion-forward customers look here to get their latest fashion fix.

Business segment
TFG Africa

Income category
Value market

Target audience
Women aged 18 to 25

Number of outlets
2022: 195 (2021: 184)

Granny Goose

Top quality, luxury down duvets, pillows and linen manufactured in South Africa.

Business segment
TFG Africa

Income category
Upper market

Target audience
Men and women aged 25 years plus

Number of outlets
2022: 3 (2021: –)

Foschini

Foschini offers good value smart, casual, denim, leisurewear, accessories, lingerie, footwear, cosmetics, fine jewellery and kidswear, and is renowned for its fashionable and contemporary clothing in a modern environment.

Business segment
TFG Africa

Income category
Mid market

Target audience
Women and children aged 18 to 40

Number of outlets
2022: 270 (2021: 280)

G-Star RAW

G-Star RAW offers authentic denimwear and is renowned for its fusion of high-level craftsmanship with street-level edge.

Business segment
TFG Africa

Income category
Upper market

Target audience
Men and women aged 20 to 35

Number of outlets
2022: 19 (2021: 16)

Appendix 7: Our brands continued

hi

hi is uniquely positioned within retail spaces, to offer inspiration of style and self-expression through tech. They offer a range of connected lifestyle products and are renowned for their must-have mobile technology hardware and related accessories. This includes smartphones, laptops, tablets, TVs, gaming, audio, fitness and smart home accessories, as well as prepaid data and airtime.

Business segment
TFG Africa

Income category
Value to upper market

Target audience
Men and women of all age groups

Number of outlets
2022: 14 (2021: 14)

Jet Home

Jet Home is the latest standalone store addition to the Jet Chain, adding to the well established Home Softs business within Jet. Jet Home provides a functional and decorative assortment across the Bedroom, Bathroom, Kitchen, Dining and Living Room, focused on enabling customers to Love Where You Live without the high price tag.

Business segment
TFG Africa

Income category
Value market

Target audience
Female family shoppers

Number of outlets
2022: 11

Hobbs

Hobbs is an emerging global affordable luxury brand with a track record of addressing the wardrobe needs of busy, modern women with a focus on luxurious fabrics and quality craftsmanship.

Business segment
TFG London

Income category
Upper market

Target audience
Women

Number of outlets
2022: 204 (2021: 224)

Business segment
TFG Australia

Income category
Mid market

Target audience
Men aged 25 to 34

Number of outlets
2022: 79 (2021: 74)

Jet

Jet was established in 1976 and has since pioneered the retail sector as a value fashion retailer that prides itself in selling value-for-money products across a wide assortment of the latest trends in clothing, shoes, accessories, beauty, homeware and cellular products.

Business segment
TFG Africa

Income category
Value market

Target audience
Families

Number of outlets
2022: 432 (2021: 426)

Markham

Markham offers on-trend smart and casual wear, including footwear, accessories and fragrances and is renowned for its youthful, current, vibrant store experience.

Business segment
TFG Africa

Income category
Mid market

Target audience
Men aged 18 to 35

Number of outlets
2022: 348 (2021: 336)

Appendix 7: Our brands continued

Phase Eight

Phase Eight offers stylish and contemporary daywear, bridal wear, occasion wear, evening wear, holiday wear and accessories and is renowned for its high-quality fabric used for an impeccable cut and fit.

Business segment
TFG London

Income category
Upper market

Target audience
Women aged 35 to 55

Number of outlets
2022: 343 (2021: 438)

Rockwear

Rockwear is a differentiated on-trend women's athleisurewear brand.

Business segment
TFG Australia

Income category
Value market

Target audience
Women aged 25 to 34

Number of outlets
2022: 70 (2021: 54)

Relay Jeans

Relay Jeans is a South African men's only specialty denim lifestyle brand. The brand is renowned for its youthful, on-trend product and specialist denim store experience.

Business segment
TFG Africa

Income category
Mid market

Target audience
Men aged 18 to 30

Number of outlets
2022: 93 (2021: 49)

Sneaker Factory

Sneaker Factory is a value branded sneaker destination constantly offering incredible deals to customers.

Business segment
TFG Africa

Income category
Value market

Target audience
Whole family

Number of outlets
2022: 69 (2021: 21)

RFO

RFO aims to offer the best value fashion for the whole family. They offer a range of footwear and apparel.

Business segment
TFG Africa

Income category
Value market

Target audience
Men, women and children

Number of outlets
2022: 34 (2021: 16)

Sportscene

Sportscene offers sports-inspired streetwear that is trend-relevant. This includes footwear, apparel and accessories.

Business segment
TFG Africa

Income category
Mid to upper market

Target audience
Men and women aged 18 to 25

Number of outlets
2022: 325 (2021: 287)

Appendix 7: Our brands continued

Sterns

Since 1896, Sterns has provided customers with gifting solutions to celebrate important milestones in their lives.

Business segment
TFG Africa

Income category
Mid market

Target audience
Men and women of all age groups

Number of outlets
2022: 191 (2021: 189)

Whistles

Whistles offers contemporary fashion and is a shopping destination for the busy, dynamic woman, renowned for timeless pieces with an intelligent sense of design.

Business segment
TFG London

Income category
Upper market

Target audience
Women aged 30+

Number of outlets
2022: 138 (2021: 137)

Tarocash

Tarocash is a leading on-trend menswear apparel brand.

Business segment
TFG Australia

Income category
Mid market

Target audience
Men aged 25 to 34

Number of outlets
2022: 117 (2021: 117)

yd.

yd. is a leading fashionable younger menswear brand.

Business segment
TFG Australia

Income category
Mid market

Target audience
Men aged 18 to 24

Number of outlets
2022: 130 (2021: 134)

Totalsports

Totalsports offers athletes and sports enthusiasts a broad range of apparel, footwear and equipment from leading sports brands.

Business segment
TFG Africa

Income category
Mid to upper market

Target audience
Men and women of all age groups

Number of outlets
2022: 318 (2021: 312)

COMPANY INFORMATION AND SHAREHOLDERS' CALENDAR

COMPANY INFORMATION

The Foschini Group Limited
Registration number 1937/009504/06
JSE codes: TFG – TFGP
ISIN: ZAE000148466 – ZAE000148516

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Telephone +27(0) 21 938 1911

Company Secretary
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Sponsor
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Deloitte & Touche

Attorneys
Edward Nathan Sonnenbergs Inc.

Principal Banker
FirstRand Bank Limited

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
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Telephone +27(0) 11 370 5000

Website
www.tfglimited.co.za

SHAREHOLDERS' CALENDAR

Financial year-end	31 March 2022
Integrated annual report publication date	29 July 2022
Annual general meeting (85th)	8 September 2022
Interim profit announcement (FY 2023)	10 November 2022

Queries regarding the report can be directed to D van Rooyen (Company Secretary) – email company_secretary@tfg.co.za.

GREYMATTERFINCH # 16200

@home
IMAGINE MORE

@homelivingspace
IMAGINE MORE

AMERICANSWISS
FINE JEWELLERS SINCE 1896

ARCHIVE

CONNOR

EXACT

FABIANI

FIX

FOSCHINI

GALAXY✶CO

GRANNY GOOSE

G-STAR RAW

hi

HOBBS
LONDON

Jet

Jet Home
love where you live

Johnny BIGG
BY TAROCASH

MARKHAM

my TFG world

Phase Eight

RJ RELAY JEANS

RFO
RENEGADE FASHION OUTLET

ROCKWEAR
ACTIVEWEAR SINCE 1991

SNEAKER FACTORY

sportscene

STERNS
1896

TAROCASH

TOTALSPORTS

WHISTLES

yd.

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