



# TFG Merchandise Supply Chain Code of Conduct

[for raw materials and finished goods Suppliers and Manufacturers]

The Foschini Group and its subsidiaries  
("TFG")

# Contents

<b>1</b>	<b>Introduction .....</b>	<b>4</b>
1.1	Scope .....	4
1.2	Purpose .....	4
1.3	Contact Us .....	5
<b>2</b>	<b>Sustainability goals .....</b>	<b>6</b>
<b>3</b>	<b>Human Rights and labour practices .....</b>	<b>6</b>
3.1	No harsh or inhumane treatment.....	6
3.2	No discrimination .....	7
3.3	Uphold freedom of association and collective bargaining .....	7
3.4	No forced and compulsory labour .....	8
3.5	No child labour .....	9
3.6	Wages are paid .....	9
3.7	Working hours and rest.....	11
3.8	Safe and Hygenic working conditions .....	12
3.9	Regular employment .....	12
3.10	Migrant Workers .....	13
<b>4</b>	<b>Environmental awareness.....</b>	<b>14</b>
4.1	Resource reduction .....	14
4.2	Waste.....	14
4.3	Water .....	14
4.4	Pollution prevention.....	15
4.5	Energy usage and greenhouse gas (GHG) emissions .....	15
4.6	Chemicals .....	15
4.7	Biodiversity .....	15
<b>5</b>	<b>Supply Chain practices .....</b>	<b>16</b>
5.1	Traceability of production.....	16
5.2	Health and safety of products .....	16
5.3	Environmental management systems.....	16
5.4	Animal Welfare .....	16
5.5	Endangered species.....	17
5.6	Gold, Silver and/or Platinum .....	17
5.7	Diamonds .....	17
5.8	Coloured Stones .....	17
5.9	Leather and Fur.....	18
5.10	Forest Products .....	18
5.11	Fragrances and cosmetics .....	18
5.12	Textiles .....	18
5.13	Plastics .....	19
<b>6</b>	<b>Anti-Corruption .....</b>	<b>19</b>
6.1	Transparency .....	19
6.2	Provision and receipt of gifts.....	19
6.3	Whistleblowing channel .....	20

<b>7</b>	<b>UN Global Compact principles</b> .....	<b>20</b>
<b>8</b>	<b>TFG Commitment to responsible recruitment</b> .....	<b>21</b>
<b>9</b>	<b>Confidentiality of information</b> .....	<b>21</b>
<b>10</b>	<b>Code Implementation</b> .....	<b>21</b>
10.1	Reference to national legislation, conventions and agreements .....	22
10.2	Verification of compliance .....	22
10.3	Approval of this Code .....	22
<b>11</b>	<b>Review of the Code</b> .....	<b>22</b>
11.1	UN Global Compact Principles .....	22
11.2	Conflict of Interest .....	23
11.3	Implementation of the TFG Code of Conduct .....	23

# 1 INTRODUCTION

The Foschini Group (TFG) Merchandise Supplier Code of Conduct (Code) applies to all suppliers of raw materials and finished goods, manufacturers and suppliers of TFG Africa. TFG Africa refers to all operations of TFG in Africa through its African subsidiaries. This code defines the minimum standards of ethical and responsible conduct which must be met by the manufacturers and suppliers of TFG's merchandise; in line with TFG's respect for both human and labour rights, its corporate culture, and values (We put our Customer First, we work Smart and Fast, we do the Right Thing).

TFG undertakes to ensure that its suppliers and manufacturers are acquainted with and understand this Code and are able to ensure its compliance.

On March 28, 2023, the American Apparel & Footwear Association (AAFA) and the Fair Labor Association (FLA) [re-launched](#) an enhanced, proactive industry Commitment to Responsible Recruitment.

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

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

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

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

## 1.1 SCOPE

This Code applies to TFG and all its merchandise manufacturers and suppliers that are involved in purchasing of raw materials, manufacturing, and finishing processes of goods sold by TFG (Merchandise) (hereinafter referred to collectively as Suppliers).

All Suppliers must read, understand, and comply with this Code.

## 1.2 PURPOSE

The purpose of this Code is to help Suppliers to identify and avoid situations which could result in a breach of any human rights and all applicable laws and must be read in conjunction with the following documents, which will be made available on request:

- TFG's Standard Terms and Conditions for Merchandise Suppliers

- 
- TFG's Code of Ethical Conduct
  - TFG's Anti-Corruption Policy
  - TFG Human rights Declaration

## 1.3 CONTACT US

Any queries relating to the content of this document can be directed to the TFG Compliance team by emailing us at [groupmerchandiseproc@tfg.co.za](mailto:groupmerchandiseproc@tfg.co.za)

## 2 SUSTAINABILITY GOALS

The Sustainable Development Goals (SDGs) set by the United Nations in 2015 define global priorities and aspirations for 2030. TFG is committed to supporting the SDGs through its business activities and asks its suppliers also to do their best by putting the world on a sustainable path.



## 3 HUMAN RIGHTS AND LABOUR PRACTICES

### 3.1 NO HARSH OR INHUMAN TREATMENT

TFG strongly condemns, and do not tolerate, physical, sexual, racial, religious, psychological, verbal or any other form of harassment (including bullying), threat or abuse, whether manifested in behaviour, language, or gesture.

Suppliers must treat their workers with dignity and respect. Under no circumstances can physical punishment, sexual or racial harassment, verbal or power abuse or any other form of harassment or intimidation be permitted.

- All workers have the right to have their dignity respected and protected.
- Working conditions and practices must be fair and do not infringe on the inherent dignity of workers.
- Corporal punishment, mental or physical coercion or verbal abuse must not be tolerated.
- Termination of workers' services must be lawful and fair.

Harassment means unwanted conduct which is serious or persistent and which creates a hostile working environment or has the effect of inducing submission by actual or threatened adverse consequences and is related to a prohibited ground of discrimination.

## 3.2 NO DISCRIMINATION

<sup>1</sup>Discrimination is any practice or behaviour, whether intentional or not, that has a negative effect on an individual or group, based on prohibited grounds (for example race or gender)) unrelated to the person's abilities or objective considerations relating to the making of a decision.

Factories should only employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.

Discrimination may arise from direct or indirect unequal treatment, or it may arise from the effect of unequal treatment of individuals or groups.

- Suppliers must not allow any unfair discrimination regarding employment based on any prohibited grounds.
- Suppliers must put procedures in place for workers to report any unfair discrimination and to lodge grievances regarding unfair discrimination without fear of victimisation.

The above talks to characteristics commonly included in national law, but there are additional grounds to consider where discrimination in employment and occupation may occur, in a variety of work-related activities with respect to the terms and conditions of the employment, such as:

- Recruitment
- Remuneration
- Benefits
- Discipline
- Hours of work and rest/paid holidays
- Maternity protection
- Security of tenure
- Job assignments
- Performance assessment and advancement
- Training and opportunities
- Job prospects
- Social security
- Occupational safety and health
- Termination or retirement

Women and men shall receive equal remuneration for work of equal value, equal evaluation of the quality of their work and equal opportunities to fill all positions open.

Factories shall provide appropriate services and accommodation to women workers in connection with pregnancy, childbirth and nursing.

---

<sup>1</sup> Aspects related to discrimination towards employees are developed in accordance with ILO Convention no 111

## 3.3 UPHOLD FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

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

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

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

Suppliers must adopt an open and collaborative attitude towards the activities of trade unions.

Workers' representatives must be protected from any type of discrimination and must be free to carry out their representative functions in their workplace. Where the rights to freedom of association and collective bargaining are restricted under law, appropriate channels to ensure a reasonable and independent exercise of such rights must be designed and adhered to<sup>2</sup>.

---

<sup>2</sup> Aspects related to freedom of association are developed in accordance to ILO Convention no 111

### 3.4 NO FORCED AND COMPULSORY LABOUR

TFG does not allow any form of forced or involuntary labour in their supply chain. Suppliers may not require their employees to make any kind of "deposits" to secure work, nor are they entitled to retain employees' Government issued identification, passports or work permits as a condition of employment.

Employees must be free to leave the factory at all times and the freedom of movement of those who live in employer-controlled residences will not be restricted.

Suppliers must acknowledge the right of their employees to leave their employment after reasonable notice<sup>1</sup>.

Employment must always be freely chosen.

Employers need to be aware that forced labour can take several forms per the UNGC principle 4:

- Bonded labour or debt bondage, a practice still used in some countries where both adults and children are obliged to work in slave-like conditions to repay debts of their own or their parents or relatives.
- The work or service of prisoners if they are hired to or placed at the disposal of private individuals, companies or associations involuntarily and without supervision of public authorities as part of their sentence and for which they are not compensated.
- Indentured Labour refers to the work performed by a worker who is bound to an employer for a certain period of time through a contract.
- Slavery (i.e., by birth/ descent into "slave" or bonded status)
- Child labour in particularly abusive conditions where the child has no choice about whether to work.
- Physical abduction or kidnapping.
- Sale of a person into the ownership of another
- Physical confinement in the work location (in prison or in private detention)
- Labour for development purposes required by the authorities, for instance to assist in construction, agriculture, and other public works
- Work required to punish opinion or expression of views ideologically opposed to the established political, social or economic system.



- Exploitative practices such as forced overtime.
- The lodging of deposits (financial or personal documents) for employment
- Physical or psychological (including sexual) violence as a means of keeping someone in forced labour (direct or as a threat against worker, family, or close associates)
- Full or partial restrictions on freedom of movement
- Withholding and non-payment of wages (linked to manipulated debt payments, exploitation, and other forms of extortion)
- Deprivation of food, shelter or other necessities
- Deception or false promises about terms and types of work
- Induced indebtedness (by falsification of accounts, charging inflated prices, reduced value of goods or services produced, excessive interest charges, etc.)
- Threats to denounce workers in an irregular situation to the authorities<sup>3</sup>.

<sup>1</sup> Aspects related to discrimination towards employees are developed in accordance with ILO Convention no 111

<sup>3</sup>Aspects related to elimination of forced and compulsory labour are developed in accordance with ILO forced labour Convention 29 and ILO Abolition of forced labour Convention no 105

## 3.5 NO CHILD LABOUR

### MINIMUM AGE FOR ADMISSION TO EMPLOYMENT OR WORK

The term “child labour” should not be confused with “youth employment” or “student work.”

While the term "child" covers all girls and boys under 18 years of age, ILO conventions (Minimum Age Convention No. 138 and the Worst Forms of Child Labour Convention No. 182) provide the framework for national law to prescribe a minimum age for admission to employment or work that must not be less than the age for completing compulsory schooling.

Factories must only employ workers who meet the applicable minimum legal age requirement or at least 15 years of age, whichever is greater, or as an exception, 14 years in countries covered by article 2.4 of the ILO Convention 138.

All official documentation stating each worker’s age must be available for review. In those countries where official documents are not available to confirm exact date of birth, factories must confirm age using appropriate and reliable assessment methods.

Suppliers shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

## 3.6 WAGES ARE PAID

### REMUNERATION AND MINIMUM WAGE

Minimum wages have been defined as the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective

agreement or an individual contract.

Suppliers must ensure that the application of the principle of equal remuneration<sup>4</sup> for men and women workers for work of equal value are applied by means of

- national laws or regulations.
- legally established or recognised machinery for wage determination.
- collective agreements between employers and workers; or
- a combination of these various means.

Wages paid must meet at least the minimum legal wage by local law or the prevailing local industry wage or collective bargaining council agreement (whichever is higher).

All workers shall be provided with written and understandable information about their employment conditions, including wages and benefits, before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

Suppliers must not make any withholdings and/or deductions from wages for disciplinary purposes, nor for any reasons other than those provided in the applicable relevant local legislation, without the express authorisation of workers. All disciplinary measures should be recorded.

Suppliers must also ensure that wages and any other allowances or benefits are paid on time and are rendered in full compliance with all applicable laws and specifically, that payments are made in the manner that best suits the worker<sup>7</sup>.

Suppliers must provide to employees all legally mandated benefits inclusive of annual leave and holidays as stipulated by law.

## PIECE RATE PAY

Piece rate pay occurs when workers are paid by the unit performed (e.g., the number of tee shirts produced) instead of being paid on the basis of time spent on the job.

Piece rates are frequently used in certain industries or occupations where the work is repetitive in nature, and where employees have a high level of control over the results.

The manner in which remuneration is calculated for each piece produced or task completed needs to be fair to both parties. To be fair and effective, piece rate systems should be transparent, reward employees according to the difficulty and quality of their work and ensure that motivated workers can earn substantially more than the minimum wage.

- At the very minimum, workers under a piece rate system should earn the minimum wage. When they do not, the difference between what they have earned, and the minimum wage needs to be paid by the employer.
- Should legislation provide for the possibility, fixing specific minimum wage rates for pieceworkers based on a “standard output” can be adhered to.

---

<sup>4</sup>Aspects related to working hours and rest in respect of employment are developed in accordance with ILO Equal remuneration convention no 100

## 3.7 WORKING HOURS AND REST

### WORKING HOURS AND OVERTIME

Suppliers must ensure that regular working hours or overtime do not exceed the legal maximum according to local law or industry standards, whichever affords greater protection.

Night work must be performed during a period of not less than seven consecutive hours, including the interval from midnight to 5 a.m., to be determined by the competent authority after consulting the most representative organisations of employers and workers or by collective agreements.

Should your facility work in shifts, then the worker is referred to as a night worker (whose work requires performance of a substantial number of hours of night work which exceeds a specified limit). This limit shall be fixed by the competent authority after consulting the most representative organisations of employers and workers or by collective agreements.

Workers shall be provided with an uninterrupted weekly rest period comprising not less than 24 hours in the course of each period of seven days.

Working time is allowed to be temporarily extended and the total hours worked in any seven-day period shall not exceed 60 hours, unless:

- It is allowed by national law.
- It is allowed by a collective agreement freely negotiated with workers' organisation representing a significant percentage of the workforce.
- Appropriate measures are taken to protect the workers' health and safety.
- The employer can demonstrate that exceptional circumstances apply.

Suppliers must record all employees' working hours completely and accurately and time records for all workers must be available for review.

Overtime must be voluntary, must not be demanded on a regular basis and must always be compensated according to the provisions of the prevailing labour laws.

---

<sup>5</sup>Aspects related to working hours and rest in respect of employment are developed in accordance with ILO Equal remuneration convention no 1

<sup>6</sup>Aspects related to Rate of Pay in respect of employment are developed in accordance with ILO conventions no 1 and 30

### REST AND PAID HOLIDAYS

Paid leave is the annual period during which workers take time away from their work while continuing to receive an income and to be entitled to social protection.

Workers can take a specified number of working days or weeks of leave, with the aim of allowing them the opportunity for extended rest and recreation.

Paid leave is available in addition to public holidays, sick leave, weekly rest, maternity, parental leave, etc. and is subject to the applicable labour laws of the relevant country<sup>7</sup>.

---

<sup>7</sup>Aspects related to rest and paid holidays in respect of employment are developed in accordance with ILO Holidays with Pay convention no 132

### 3.8 SAFE AND HYGENIC WORKING CONDITIONS

Suppliers must provide a safe and healthy workplace for their workers to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of suppliers' facilities.

Suppliers will also ensure these same standards apply to any dormitory or canteen facilities.

This includes ensuring that the legislated conditions of light, ventilation, hygiene, fire prevention, health and safety measures and access to a supply of drinking water are adhered to<sup>8</sup>.

Workers must have access to clean toilet facilities and potable water. Where necessary, sanitary facilities for food storage must be provided.

Suppliers must take the required steps to prevent accidents and injuries to their workers, by minimizing the risks inherent to work.

Suppliers must provide their workers with regular training, in relevant languages, in relation to matters of health and safety at work. The Supplier must keep an appropriate record of the training courses completed.

Suppliers must appoint a person in charge of health and safety within management, who is duly authorised and has the appropriate decision-making power.

Where applicable, Suppliers must undertake and keep record of all the required health, safety and fire inspections required in terms of local laws.

---

<sup>8</sup>Aspects related to working environment in respect of employment are developed in accordance with ILO Working Environment (Air Pollution, Noise and Vibration) convention and recommendation no 148 and 156

ILO Chemicals convention and recommendation no170 and 177

ILO Hygiene (Commerce and Offices) convention and recommendation no120

### 3.9 REGULAR EMPLOYMENT

Suppliers undertake that they do not impair the rights of workers by using schemes that have no real intention of promoting regular employment.

To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

## 3.10 MIGRANT WORKERS

### INTERNATIONAL MIGRANTS

International Migrants are defined as “all persons who are usual residents of that country and who are citizens of another country (foreign population) or whose place of birth is located in another country (foreign- born population)”. In particular:

- a) the foreign-born population of a country includes all persons who have that country as the country of their usual residence and whose place of birth is located in another country.
- b) the foreign population of a country includes all persons who do not have citizenship of the country of their usual residence. It includes resident stateless persons. It excludes international migrants who have acquired citizenship of their country of usual residence. The foreign population can be foreign-born or native-born.

Suppliers must ensure that the legal requirements related to the employment of foreign nationals are implemented in accordance with the applicable labour laws of the country that they are manufacturing in.

There shall be no use of forced labour, including prison, indentured, bonded, slave or other forms of forced labour. Acts of human trafficking are also prohibited. Suppliers are required to monitor any third-party entity which assists them in recruiting or hiring employees to ensure that people seeking employment at their facility are not compelled to work through force, deception, intimidation, coercion or as a punishment for holding or expressing political views (ILO Conventions 29, 105,182).

Should your establishment be reliant on migrant workers then please refer to the TFG Migrant Worker policy.

### APPLICABLE TO SUPPLIERS OPERATING IN SOUTH AFRICA:

<sup>9</sup>” The rights of all workers within the Republic of South Africa are enshrined in the constitution. All labour laws accord the same standards and rights to citizens as well as foreign nationals employed elsewhere in our country.”

Employers may not employ, “especially undocumented foreign nationals and South African citizens where they are subjected to inferior labour standards. Employees must be declared in the supplier’s books, and they must be covered in terms of social protection such as UIF, Pension Fund and Compensation Fund.”

“The Employment Services Act, Act No 4 of 2014, Sections 8 and 9 are very specific in terms of the roles of the Department working with Home Affairs, in managing the employment of foreign nationals. The ES Act, compliments the Immigration Act 2002, in that it prohibits an employer from employing a foreign national in the territory of the Republic of South Africa prior to such a foreign national producing the applicable and valid work visa issued by the Department of Home Affairs.”

---

<sup>9</sup>Aspects related to employment of foreign nationals in South Africa were developed in accordance with the South African Government policy around the Employment and Labour on employment of foreign national in South Africa. 25 January 2022.

## 4 ENVIRONMENTAL AWARENESS

Suppliers must ensure that they are always committed to the protection of the environment and that they comply with the requirements of the applicable local and international environmental laws.

Suppliers, their subcontractors, and business partners must comply with environmental rules, regulations and standards applicable to the workplace, the products produced, and the methods of manufacture and must observe environmental conscious practices in the locations where they operate and in the materials they use.

Suppliers, their subcontractors, and business partners are also expected to treat the land they use for whatever purpose in a respectful way that does no long-term damage to it and to be respectful of the diversity of the plant and animal life with which they share it.

Our environmental and social criteria are equally important and therefore the environmental criteria will be assessed in the same way as the social standards.

All required environmental permits, licences, information registrations and restrictions must be obtained, and their operational and reporting requirements followed.

Suppliers must implement the appropriate methodologies to identify and assess the risks of harm in their own operations and those of their business partners. Management practices and targets should be put in place to prevent and mitigate environmental risk and impact, especially that which contributed to climate change.

All of the below practise and relating data should have targets in place and be recorded and shared with TFG for sites where TFG products or raw materials are manufactured.

### 4.1 RESOURCE REDUCTION

Suppliers must do their best to continuously minimise their resource consumption (e.g., fossil fuels, fossil-fuel based virgin plastics, water and virgin forest products).

### 4.2 WASTE

Suppliers must identify significant sources of waste and manage the identified waste responsibly.

Plans must be established, and targets set to reduce and recycle waste, and apply where feasible circular economy principles (reduce, reuse, recycle and recover). Waste must be disposed of in compliance with the applicable laws or, where such laws do not exist, in line with international standards. You should do your utmost to prevent waste going to landfill.

### 4.3 WATER

Wastewater must be treated and purified to comply with local legislation and prevent pollution.

Suppliers located in water-scarce regions shall have strong water management systems in place and collect data (e.g., water withdrawals, water consumption, wastewater and recycled water) to minimise adverse impacts to the local community.

## 4.4 POLLUTION PREVENTION

Suppliers must establish plans and targets to prevent and reduce pollution.

Pollution prevention is any practice that reduces, eliminates, or prevents pollution at its source before it is created. Emissions and discharges of pollutants and generation of waste must be minimised or eliminated at the source, or by practices such as adding pollution control equipment, modifying production and maintenance processes, or by other means.

## 4.5 ENERGY USAGE AND GREENHOUSE GAS (GHG) EMISSIONS

When fossil fuels are burned, they release large amounts of carbon dioxide, a greenhouse gas, into the air. Greenhouse gases trap heat in our atmosphere, causing global warming.

Suppliers must monitor their energy consumption and take actions to reduce greenhouse gas emissions and combat climate change. Suppliers must establish plans and targets to continuously reduce the greenhouse gas emissions of their activities and demonstrably increase the use of renewable energy.

## 4.6 CHEMICALS

Suppliers must comply with all applicable laws and regulations regarding the restriction and registration and, where necessary, authorisation or notification of chemical substances contained in the end-product or production process, according to the statutory requirements that apply to the corresponding market.

In addition, suppliers must adopt new processes and best practices, to reduce the environmental impact and health and safety concerns relating to chemical use.

Suppliers must maintain an inventory of hazardous substances at their facilities. Safety data sheets (or equivalent) shall be accessible wherever hazardous substances are used. Chemicals must be correctly labelled, and their associated risks shall be clearly and actively communicated to all employees who work with them.

## 4.7 BIODIVERSITY

Biodiversity is all the different kinds of life you will find in one area—the variety of animals, plants, fungi, and even microorganisms like bacteria that make up our natural world. Each of these species and organisms work together in ecosystems, like an intricate web, to maintain balance and support life.

Suppliers must avoid and minimise impacts on biodiversity and seek opportunities for biodiversity conservation linked to their activity and make their best efforts to generate positive impact on biodiversity and the livelihoods of local people.

Suppliers in the mining sector shall not explore or mine in World Heritage sites. They shall identify Key Biodiversity Areas (according to the IUCN Global Standard for the identification of Key Biodiversity Areas) affected by their operations and have mitigation tools in place to minimise impacts on biodiversity.

## 5 SUPPLY CHAIN PRACTICES

### 5.1 TRACEABILITY OF PRODUCTION

Suppliers must not assign any work to third parties without the prior written authorisation of TFG. Those who outsource any work will be responsible for the compliance to the Code, by these third parties and their workers.

Suppliers of raw materials and components must actively engage their supply chain to increase transparency therein. TFG considers transparency as the capacity to identify the name and location of all contributors and role players in the supply chain until the origin of the raw material.

Suppliers must be able to identify and trace the history, distribution, location, and application of products, parts, and materials. In the context of sustainability, traceability is a tool to assure and verify sustainability claims associated with commodities and products, ensuring good practice all along the supply chain.

Traceability must be verifiable, and suppliers will be required to provide traceability records and information upon request. Any changes regarding the name and location of any of the supply chain contributors, actors or locations must be declared to TFG's Merchandise Supply Chain Compliance team ([groupmerchandiseproc@tfg.co.za](mailto:groupmerchandiseproc@tfg.co.za)).

Suppliers must apply the principles of this Code to any homemaker involved in their supply chain and must provide transparency to TFG of the locations and working conditions of said homeworkers.

Further to this, traceability information may be verified by a third-party auditing company.

### 5.2 HEALTH AND SAFETY OF PRODUCTS

Suppliers are responsible for all products supplied to TFG and warrant that their products comply with all applicable safety standards and laws, so to ensure that Merchandise products do not pose any risk of harm to customers.

Should any defects be detected that are dangerous to consumers, then Suppliers warrant to immediately notify TFG.

### 5.3 ENVIRONMENTAL MANAGEMENT SYSTEMS

Manufacturing and raw material suppliers are recommended to establish an environmental management system (e.g., ISO 14001) to meet environmental compliance obligations and mitigate impacts. Suppliers must have an environmental action plan and monitor their environmental impacts.

Manufacturing and raw material suppliers must share their environmental action plans with TFG upon request.

### 5.4 ANIMAL WELFARE



Suppliers must treat animals well and exercise respect for the Five Freedoms of Animal Welfare, which are as follows:

- Freedom from hunger or thirst by ready access to fresh water and a diet to maintain full health and vigour.
- Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area.
- Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment.
- Freedom to express the most normal behaviour by providing enough space, proper facilities, and company of the animal's own kind.
- Freedom from fear and distress by ensuring conditions and treatment which avoid mental suffering.

## 5.5 ENDANGERED SPECIES

Suppliers must fully comply with special international and local regulations, as well as with the Convention on International Trade of Endangered Species (CITES), regarding the procurement, import, usage, and export of raw materials sourced from endangered or protected species.

## 5.6 GOLD, SILVER AND/OR PLATINUM

Suppliers in the gold, silver and PGM (Platinum Group Metals) supply chain are required to become certified with the Responsible Jewellery Council's (RJC) Code of Practices. Other standards will be considered if their equivalence can be clearly demonstrated.

Suppliers must be able to provide assurance that gold, silver and / or PGMs being supplied have been recycled or mined responsibly in a manner that respects human and labour rights, is conflict-free, and does not inflict environmental damage.

## 5.7 DIAMONDS

Suppliers in the diamond supply chain are also required to become certified with the RJC Code of Practices. Further to this, suppliers must also adhere to the Kimberley Process Certification Scheme (KPCS).

Suppliers must provide full and complete disclosure of the physical characteristics of the stones, in compliance with national and international laws and industry best practice. Where TFG has purchased diamonds for suppliers to use in products supplied to TFG, suppliers shall exclusively use those diamonds and not substitute them.

## 5.8 COLOURED STONES

Suppliers in the coloured gemstones supply chain are required to become certified with the RJC Code of Practices.

Suppliers in the coloured gemstones supply chain must be able to provide assurance that gemstones are mined and processed in ways that respect human and labour rights, are conflict-free and do not inflict environmental damage. Further to this, suppliers must provide full and complete disclosure of the physical characteristics of the stones (including detailed information on treatments), in compliance with national and international laws and industry best practice.

## 5.9 LEATHER AND FUR

We strongly encourage leather suppliers to reduce the environmental impact of the sourcing of bovine skins (prefer local origins).

Leather suppliers are strongly encouraged to have environmental certification in place (e.g., ISO 14001, Leather Working Group), and to implement actions to reduce the environmental impact of the tanning processes.

We aim to promote the safe and humane treatment of animals used in the production of our products.

- Leather should be sourced in a sustained responsible manner, in accordance with our responsible sourcing of leather guidelines.
- Leathers should not be obtained from live animals.
- No products in full or part are to be sourced from endangered species from the CITES (Convention on International Trade in Endangered Species) or IUCN
- No real fur is to be used in any TFG product.
- Leather & skins must only be obtained as a by-product and not for the sole purpose of the slaughter of an animal.

## 5.10 FOREST PRODUCTS

Suppliers must ensure that their actions have no negative impact on forests. Measures must be put in place to ensure that no illegal forest products are placed in the supply chain and comply with applicable regulations. Suppliers must be aware of their indirect impact on deforestation and actively work to not contribute to it. TFG reserves the right to obtain information on deforestation risks.

Suppliers are requested to source paper, packaging, and other timber-based products in a responsible manner, either recycled or from certified, sustainably managed forests. Any forestry-sourced product should be certified by the Forest Stewardship Council (FSC).

Where necessary, suppliers conduct due diligence on their own suppliers.

## 5.11 FRAGRANCES AND COSMETICS

Suppliers involved in the perfumes and cosmetics industry must ensure that the fragrance and cosmetic compounds, formulae, packaging components or finished products which they supply are safe for their intended use, sustainably sourced and comply with all applicable laws.

Glass used shall preferably be from post-consumer recycled origin.

## 5.12 TEXTILES

Suppliers must have high standards of environmental stewardship and must work towards a more sustainable fashion system.

Suppliers are requested to increase sourcing of raw materials which meet the following criteria:

- Use of sustainably sourced cotton (Organic or recycled cotton, Better Cotton or Cotton Made in Africa)

- Polyester complying to the GRS (Global Recycled Standard)
- Artificial fibres shall come from FSC-certified sources or be produced in a closed loop production system (Viscose, Wood).
- Wool should comply with the Responsible Wool Standard, or equivalent. Sheep mulesing is a forbidden practice.
- Down should comply with the Responsible Down Standard, or equivalent. For down and feathers, live plucking is strictly forbidden.

## 5.13 PLASTICS

Suppliers must avoid harmful and problematic plastics. No products containing PVC and cling film may be supplied. Products must be created using mono materials to increase the recyclability of the product and reduce post-consumer plastic waste.

In addition, suppliers shall do their best to reduce the environmental impact of plastics by:

- Avoiding harmful plastics (e.g., ABS, PS and PU).
- Reducing to a minimum virgin fossil fuel-based plastic.
- Using recyclable and increasing the use of recycled plastics (e.g., GRS-certified).
- Extending the life of and improving the end-of-life management of plastic.

## 6 ANTI-CORRUPTION

### 6.1 TRANSPARENCY

Suppliers must carry out their activities in an honest and transparent way. In line with these requirements, Suppliers must have appropriate accounting systems and records. In addition, they must have a clear policy and procedure to prevent and detect instances of corruption.

Suppliers must not manipulate or forge any files or records to alter the verification process regarding compliance with this Code.

### 6.2 PROVISION AND RECEIPT OF GIFTS

TFG Employees (hereafter, Employees) may not accept or receive gifts from Suppliers, which supply or could supply services or goods to TFG, as specified in the TFG Gifting Policy.

It is the policy of TFG that no gifts are accepted by its employees from suppliers but rather that the funds which would be used for that purpose be donated to charity.

Suppliers must not offer nor accept remuneration of any kind which seeks to, or may be perceived as seeking, to affect the impartial judgment or the objectivity of parties appointed by TFG to carry out inspections and compliance audits in connection with this Code.

Suppliers are prohibited from making or receiving any payment, gifts, offers or promises to/from TFG employees which might infringe the provisions of TFG's Gifting Policy.

## 6.3 WHISTLEBLOWING CHANNEL

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

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

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

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

## 7 UN GLOBAL COMPACT PRINCIPLES

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Even though these principles have been considered and incorporated with the TFG Code of Conduct, you are able to review these on the UN Global Compact website for further context (<https://www.unglobalcompact.org/what-is-gc/mission/principles>).

In summary, the principles are as follows:

### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: Make sure that they are not complicit in human rights abuses.

### Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4: The elimination of all forms of forced and compulsory labour.
- Principle 5: The effective abolition of child labour; and
- Principle 6: The elimination of discrimination in respect of employment and occupation.

**Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 8: Undertake initiatives to promote greater environmental responsibility; and
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

## 8 TFG COMMITMENT TO RESPONSIBLE RECRUITMENT

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

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

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

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

## 9 CONFIDENTIALITY OF INFORMATION

Suppliers must preserve the integrity and confidentiality of all of the information they receive as a consequence of their commercial relationship with TFG.

The obligation of confidentiality remains even after the relationship with TFG is terminated and it will include the obligation to return or destroy any material or confidential information related to TFG held by the Supplier.

## 10 CODE IMPLEMENTATION

Suppliers must implement and maintain programmes to comply with this Code, which includes the UN Global Compact Principles. They must appoint a senior member of management, who will be responsible for the implementation and enforcement of this Code.

Suppliers must communicate this Code to all their workers and those parties, in any way involved in TFG's supply chain. A copy of the Code, translated into the local language of the Supplier, must be displayed in locations accessible to all employees.

## 10.1 REFERENCE TO NATIONAL LEGISLATION, CONVENTIONS AND AGREEMENTS

Suppliers must comply with all applicable laws and regulations of the countries in which they operate while implementing appropriate systems and controls to ensure continued compliance.

The provisions of this Code constitute only minimum standards.

Should any national law or any other applicable industry code or standard or any other commitments undertaken or applicable to the Supplier, including collective bargaining agreements, govern the same issue or are in conflict thereof, the provision which offers the greater protection for workers will apply.

## 10.2 VERIFICATION OF COMPLIANCE

Suppliers authorise TFG and/or any third parties appointed by TFG to monitor the compliance with this Code. For these purposes, Suppliers must provide the required means and the appropriate access to the facilities and documentation required to ensure this verification.

## 10.3 APPROVAL OF THIS CODE

Action	Name and title	Contact Details
Approved by	Social and Ethics Board Committee	<a href="mailto:company_secretary@tfg.co.za">company_secretary@tfg.co.za</a>
Owned by	Head of TFG Merchandise Supply Chain	<a href="mailto:suppliercompliance@tfg.co.za">suppliercompliance@tfg.co.za</a>
Administered by	Manager: Merchandise Supply Chain Compliance	<a href="mailto:suppliercompliance@tfg.co.za">suppliercompliance@tfg.co.za</a>

## 11 REVIEW OF THE CODE

### 11.1 UN GLOBAL COMPACT PRINCIPLES

I, the Company Representative of the below Company, hereby confirm that we comply (as indicated) with the 10 UN Global Compact principles as per section 7 of this document \*.

In addition, we hereby agree that TFG reserves the right to undertake a compliance audit on these 10 principles.

**\*Note:** that if you do not comply with any of the 10 UN Global Compact Principles, we ask that you declare this here:

Principle	Description of Non-	Measures being taken to
-----------	---------------------	-------------------------

	Compliance	overcome

## 11.2 CONFLICT OF INTEREST

I, the Company Representative of the below Company, hereby confirm that none of the company's owners, directors, shareholders, or members have family members or relatives employed by TFG\*\*.

**\*\*Note:** If family members or relatives are employed by TFG, we ask that you declare the names of these individuals.

Name and Surname	Relationship	TFG Division

## 11.3 IMPLEMENTATION OF THE TFG CODE OF CONDUCT

I, the Company Representative of the below Company, hereby confirm that this Code will be reviewed as required and distributed to employees, manufacturers used to produce TFG goods and suppliers of materials used for the manufacturing of TFG goods.

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Designation: \_\_\_\_\_ Date: \_\_\_\_\_

On behalf of: \_\_\_\_\_ (Company Name)