



TAROCASH

yd.

CONNOR



ROCKWEAR

AXL+CO

# JOINT MODERN SLAVERY STATEMENT

FINANCIAL YEAR ENDED 31 MARCH 2024

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

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

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

TFG Retailers Pty Ltd ABN 90 612 634 312	Retail Apparel Group Pty Ltd ABN 31 110 176 077	Connor Clothing Pty Ltd ABN 53 087 433 029	Rockwear International Pty Ltd ABN 70 005 612 537	yd. Pty Ltd ABN 52 096 242 590	Tarocash Pty Ltd ABN 83 003 218 219	Johnny Bigg Pty Ltd ABN 48 168 371 015	AXL & CO Pty Ltd ABN 56 663 281 936
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# OUR PROGRESS

This is our fifth reporting period under the Act, and we remain pleased with the progress we continue to make. We are now focused on continued improvements in traceability beyond Tier 1. Two years ago, we identified 3 priorities, all of which we have made progress on and are covered in more detail throughout this report:

## 1 TRACEABILITY

We continue to monitor and improve the traceability processes across all RAG brands with the focus on improving traceability for fabric mills and sustainable materials.

The current focus is ensuring completeness of the documentation process to validate factory mills in our supply chain

## 2 DEVELOPING OUR COMPLIANCE FUNCTIONS AS WE EXPAND AND DIVERSIFY OUR SUPPLY CHAINS

In recent years we have diversified our supply chain beyond China. Last year, we reported that over 55% of our factory base was located in China; this year, China now represents 51% of our factory base, Bangladesh accounts for approximately 27%, India for about 10%, and 12% in other regions.

In response to this shift in supplier base, we have rolled our grievance hotline out to all regions we source from, adapting it to suit local language and communication preferences in most regions.

As of the reporting date, and consistent with prior years we have performed unannounced inspections on more than 80% of our active suppliers. This procedure has proven very effective in identifying the ethical risks faced by our business.

We have rated our entire factory base and share and discuss these results with our internal sourcing teams, highlighting strong performers as well as factories that require additional attention.

## 3 TRAINING

We continue to implement our training program to our factories and suppliers. In fiscal year 2024, 70% of our current factories have completed this training, either virtually or in person.

Our training program covers key areas including our Code of Conduct, workplace health and safety, gender equality, our Grievance Hotline, workers awareness and common audit procedures.



# OUR STRUCTURE

RAG is an Australian menswear and women’s activewear retailer and has the following brands: Tarocash, yd., Connor, Johnny Bigg, Rockwear and AXL+CO by Connor. We have more than 596 stores across Australia and New Zealand where we distribute and sell a range of products through physical stores (including Myer concessions) and digital channels (our own websites as well as online marketplaces such as Myer and The Iconic). We also have a US website for Johnny Bigg.

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

# OUR OPERATIONS

In early 2023, RAG launched a new menswear brand, AXL+CO by Connor. Otherwise, since our 2021 Modern Slavery Statement, there have been no significant changes to our operations.

RAG operate out of our head office in Rosebery, Sydney. RAG’s warehouse operations are spread across New South Wales and Queensland, one is managed directly by RAG and the others by third party providers. We also operate out of a warehouse in the US. For this reporting period, Connor, Rockwear, Johnny Bigg, Tarocash and yd are the reporting entities under the Act.

As a group, RAG directly employs over 3,500 people across Australia and New Zealand in our head office, stores, and warehouse. Our operations also include the use of indirect workers engaged via third parties to provide services to support the ongoing activities of our operations. These indirect workers may include labour-hire in our distribution centres or cleaning services.

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

# OUR BUSINESS

RAG’s products are designed and engineered from our head office in Sydney. They are manufactured in 8 countries across the world (see page 6 for more details). These include apparel, footwear, and accessories. We also engage in “non-trade” procurement of goods and services (such as cleaning) to support the operations of our business.

## Our non-merchandise procurement

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

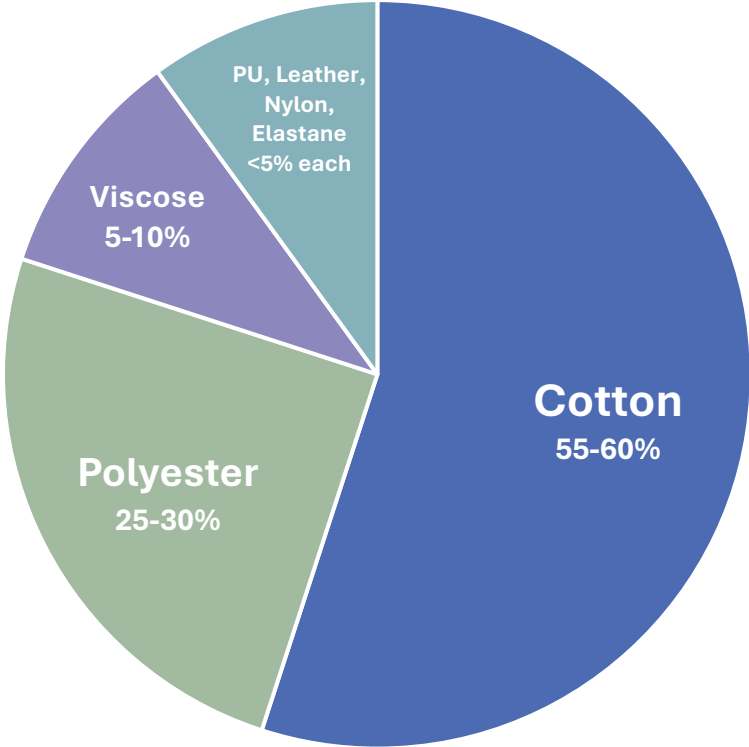
Our key non-trade goods and services (based on spend) include:

- i. Leasing of offices, stores and warehouses
- ii. Logistics (freight and distribution)
- iii. Information Communication Technology equipment
- iv. Marketing
- v. Instore fixtures and fittings
- vi. Packaging

## Our merchandise

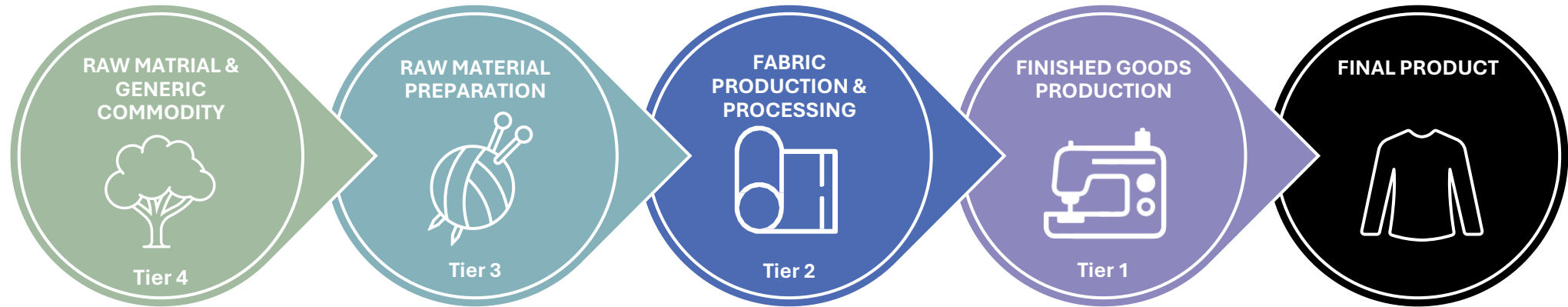
RAG’s merchandise includes apparel, footwear, and accessories.

In financial year 2024, RAG’s raw materials used in our products, based on weight, were broken down as follows:



# OUR SUPPLY CHAIN

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



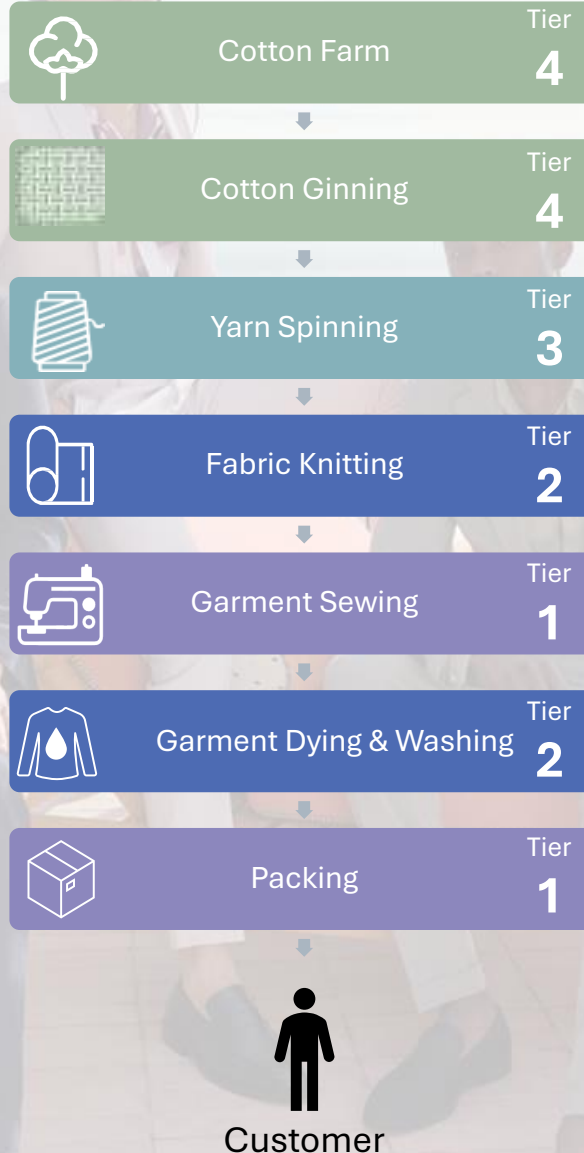
# ACROSS OUR BRANDS

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

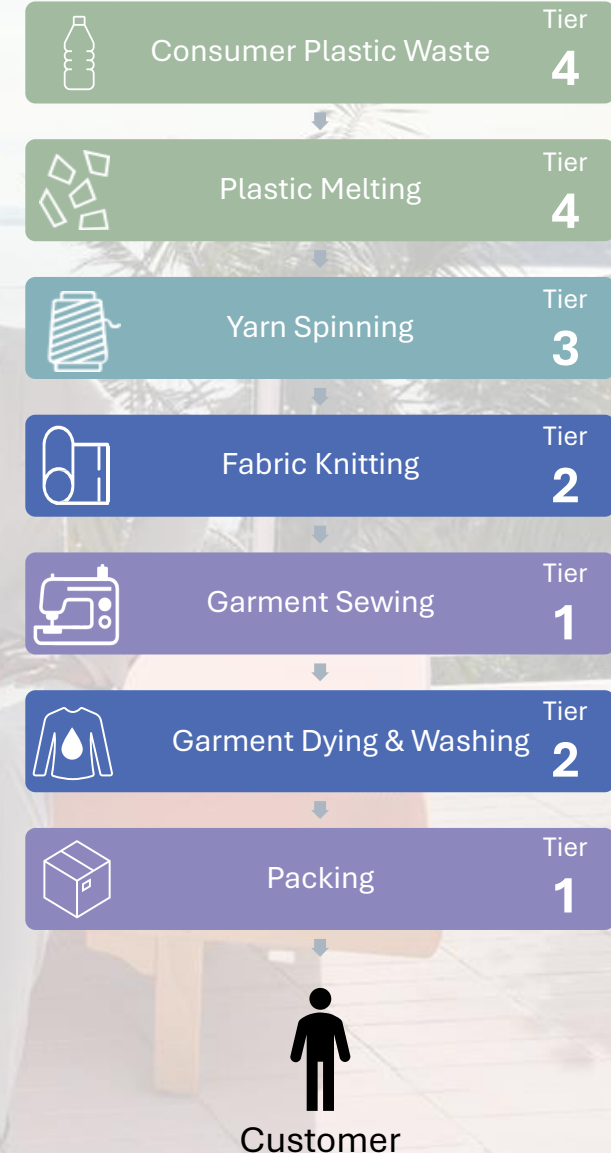
As outlined above, our primary raw materials used are cotton and polyester, see here two examples to show how their supply chains differ:



## COTTON T-SHIRT SUPPLY CHAIN



## RECYCLED POLYESTER T-SHIRT SUPPLY CHAIN



# TIER 1

At the time printing this report, RAG currently source from 269 factories located across 8 countries, broken down as follows:

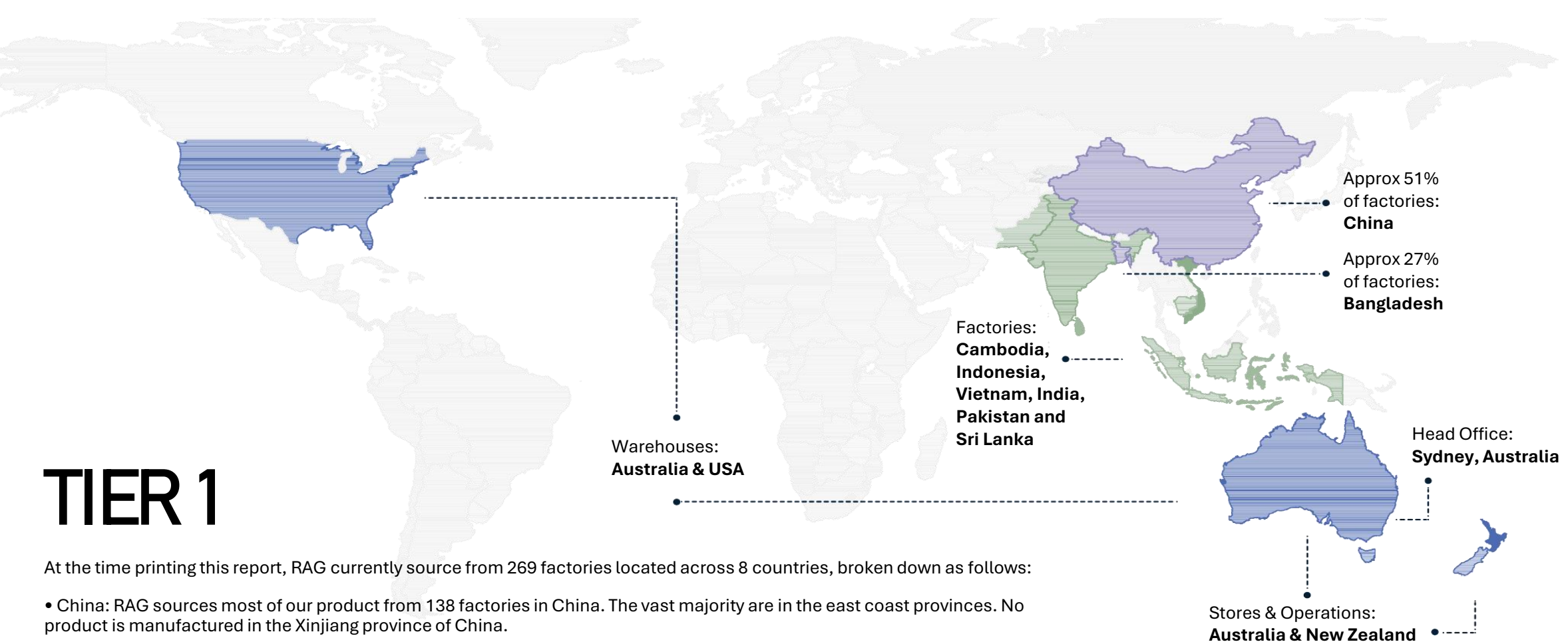
- China: RAG sources most of our product from 138 factories in China. The vast majority are in the east coast provinces. No product is manufactured in the Xinjiang province of China.
- Bangladesh: RAG sources from 73 factories, these are all located in Dhaka and Chittagong regions. We work with these factories primarily in producing our T-shirts, knitwear and denims.
- India: RAG sources from 25 factories who produce T-shirts, shirts and suiting.

The remaining factories are in Indonesia, Vietnam, Cambodia, Pakistan and Sri Lanka.

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

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

We are aware of the risk that our tier 1 suppliers may subcontract work unauthorised and will explore the specific procedures in place for this risk later in this report.



# BEYOND TIER 1

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

We recognise the critical importance of supply chain traceability, and it remains a top priority for our business. To this end, we have developed and are currently implementing a traceability action plan. Our goal is to ensure that RAG partners with ethical suppliers beyond tier 1 and that the raw materials used in our products are sourced ethically and sustainably. This initiative has been rolled out across all RAG brands, and we are continuously refining the process while closely monitoring progress.

RAG is committed to using more sustainable materials from both an ethical and environmental perspective. As cotton is the primary material used in our products, it has been a top priority. We have pledged to source more sustainable cotton, including Better Cotton, Australian Cotton, and Organic Cotton. In fiscal year 2024, over 50% of our cotton was sourced as more sustainable cotton. Of all the certified cotton we use, approximately 49% is sourced from Better Cotton. Better Cotton's mission is to help cotton communities survive and thrive, while protecting and restoring the environment.



In addition to cotton, we are also committed to sourcing certified recycled polyester and sustainably sourced viscose.

Whilst this initiative primarily focuses on environmental sustainability, it also contributes to our traceability goals as the certification process provides traceability.





# IDENTIFIED MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

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

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

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

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

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

	DEFINITION	DESCRIPTION	TRACEABILITY STATUS	MODERN SLAVERY RISKS IDENTIFIED	Inherent Risk Level:	
<b>TIER 0</b>	<b>RAG Brands and Operations</b>	Warehouses Stores Head Office	Fully mapped	Forced labour and debt bondage in our third-party warehouses or cleaning services		LOW
<b>TIER 1</b>	<b>Finished Goods Manufactures</b>	A factory which cuts, trims and/or sews RAG products	Fully mapped	Child labour; debt bondage, and forced and migrant labour in the manufacturing and finishings of our products		HIGH
<b>TIER 2</b>	<b>Fabric Mills &amp; Processing Facilities</b>	Fabric mills, dye houses, wash houses, labelling, hanger suppliers, cartons etc.	Majority mapped with validation in progress	Child labour, debt bondage, forced labour and migrant labour in the production		HIGH
<b>TIER 3</b>	<b>Raw Material Processing</b>	Yarn Mills, Spinner	Tracing processes in place	Less labour intensive area and therefore lower human rights risks than other tiers		LOW
<b>TIER 4</b>	<b>Raw Materials &amp; Generic Commodity</b>	Cotton and Polyester represent approximately 80-90% of our supply chain. The remainder is made up from small amounts of viscose, linen, leather, PU nylon and other materials	Tracing processes in place	Child labour, forced labour, human trafficking, slavery, and migrant labour in farming/growing/picking of raw material  The key risk for RAG is a current lack of transparency, a risk we are currently working towards reducing		HIGH

# ADDRESSING MODERN SLAVERY RISK: OUR APPROACH

## GOVERNANCE & PROCESS OF CONSULTATION

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

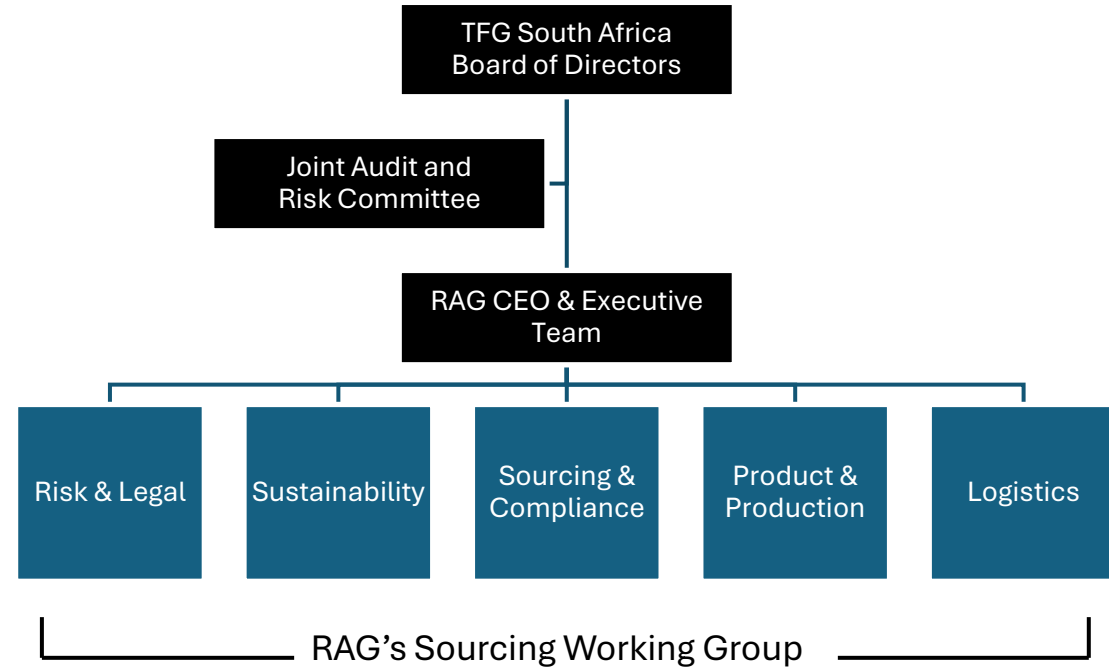
Our parent company, TFG, also has direct oversight on Modern Slavery actions and reporting through the Group’s Audit and Risk Committee which includes independent non-executive directors.

On a monthly basis during fiscal year 2024, our Sourcing Working Group convened to review and assess ethical sourcing KPIs, share actions taken to address Modern Slavery, identify and collaborate on embedding Modern Slavery and broader human rights knowledge further across our operations and supply chains and provide key inputs and consultation in the development of this statement.

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

Each of the reporting entities covered by this statement, and all entities owned or controlled by those reporting entities:

- have common directors
- share the same registered office address
- use the same policies and procedures
- operate in the same industry sector
- use many of the same suppliers
- report to the same executive team



RAG’s senior management, executive and directors of the reporting entities have been consulted and informed of the actions taken throughout the reporting period. Development of this statement has occurred through:

- face to face meetings
- email correspondence
- consultation on actions
- monthly sourcing meetings
- board meetings



## CONSULTATION

Where matters arise that need review, such as potential breaches in our compliance procedures, we have an internal chain of consultation that we follow to address the issue. The chain of consultation will vary according to the issue at hand but usually this will involve:

- Our Ethical Sourcing Manager or Production Managers will be made aware of the issue, and this will be internally escalated to our Group GM Shared Services, Group Band GM, CFO, and where necessary our CEO.
- If the issue required external guidance, we will reach out to our contacts in Be Slavery Free, our auditors or our lawyers for additional guidance
- We treat each issue identified with care and our intention is always to ensure the safety of the workers within our supply chain so we will usually review the issue internally as much as is possible before we alert the issue to the supplier/factory. You can read more about this consultation response process in our section in the report on Remediation.

At a broader level, our sourcing and compliance strategy and procedures are drafted by our Sustainability and Ethical Sourcing and Compliance Managers with consultation internally from our production teams before being approved by our CFO and CEO.

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

Where necessary we engage with our suppliers, legal advisors or industry experts for expert consultation and guidance.

# OUR APPROACH



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

**2** Adopting Responsible Sourcing Principles which address these risks.

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

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

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



# 1. UNDERSTANDING, ANALYZING AND EDUCATING

We collaborate with our suppliers to ensure the working environments in which our products are made are compliant with and align to RAG's Responsible Sourcing Principles which specially address Modern Slavery.

We acknowledge that Modern Slavery is a risk in our operations and supply chain and are committed to analyzing the risk, addressing the risk, and educating our business. This is an ongoing analysis and education process which we will continue to question and investigate as our experience, environment and industry evolves.

We are constantly reviewing our risks and compliance function to identify areas for improvement or new developments to reduce our risk of Modern Slavery. For example, 2 years ago we recognised that training is an area that needed to be prioritised, and we developed and continue to roll out training across our diversified supply chain in a number of areas:

1

Our supplier and factory training program, as discussed on Page 2

2

Our team sustainability training, which we constantly review and update

We have also collaborated externally with Non-Government Organizations (NGO's), other organizations and universities to ensure we are kept up to date with the requirements of the Act, global risks and changing environments so that our approach flexes and evolves

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

In the area of product manufacture from tier 1 to tier 4 suppliers we acknowledge that child labour, debt bondage, forced labour and migrant labour present the key inherent risks of Modern Slavery within our supply chain. Our procedures, which check for occupational health & safety standards, fair pay & working conditions, and subcontracting, act as warning indicators for these key Modern Slavery risks. RAG recognises that sub-contracting itself is not considered Modern Slavery, but that it is a key indicator for factories of higher Modern Slavery risk.





## 2. Adopting RAG's Responsible Sourcing Principles

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

1

NO CHILD LABOUR

2

NO FORCED LABOUR

3

NO HARASSMENT OR ABUSE

4

NO DISCRIMINATION

5

NO EXCESSIVE OVERTIME

6

APPROPRIATE  
COMPENSATION

7

COMPLIANCE WITH LAWS

8

HEALTHY & SAFE  
WORKSPACE

9

FREEDOM OF ASSOCIATION  
& COLLECTIVE BARGAINING

10

ENVIRONMENTAL  
AWARENESS & PROTECTION

11

NO BRIBERY OR  
CORRUPTION

12

TRANSPARENCY IN ALL  
BUSINESS RELATIONSHIPS

13

RESPONSIBLE RAW  
MATERIAL SOURCING

14

UPHOLDING RAG'S  
RESPONSIBLE SOURCING  
PRINCIPLES



### 3. Implementing Procedures and Monitoring of Compliance

To monitor compliance with these principles and local laws across our supply chain, all of our tier 1 suppliers must adopt these principles, evidenced through signing our Supplier Code of Conduct (the “Code”). We regularly monitor compliance through conducting at least bi-annual independent third-party social and ethical audits of all our tier 1 suppliers in line with the Code, a procedure we have had in place for more than 10 years. Re-audits and unannounced inspections are conducted more

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

Through further investigations into our supply chain and educating ourselves on Modern Slavery risks, we have updated existing and implemented new policies and procedures to enhance the depth and breadth of our compliance.

We monitor and analyse completion and measure the effectiveness of our procedures through our monthly brand compliance dashboard. Considering the risk of Modern Slavery in our industry and within our supply chain, we believe that detecting areas of concerns allows us to work with our supply chain to resolve them and improve our overall strategy. If our controls do not detect any issues at all, we believe this to be a weakness in our processes as opposed to a supply chain free from risk. These procedures and relevant KPI’s include but are not limited to:

PROCEDURE	DETAILS OF PROCEDURE	KPI MEASURED
Due diligence and onboarding procedures	<p>Updated supplier due diligence and onboarding procedures.</p> <p>All suppliers are required to sign up to our Code as part of our onboarding procedures.</p> <p>Our Code also includes our restricted list (processes, materials, entities etc.)</p> <p>In the prior year we updated our onboarding procedures to include traceability disclosure which we continue to focus on and improve processes to record and validate.</p>	<ul style="list-style-type: none"> <li>Monitoring of the number of active factories on a monthly basis</li> <li>Percentage of factories signed up to our Code</li> </ul>
Factory risk level	<p>As a group, we monitor our factory base monthly, ranking each factory on an ethical sourcing risk scale (from Very Low risk to Very High Risk). We base this scale off numerous factors including audit results, unannounced inspection results, Corrective Action Plan (CAP) procedures, hotline calls, factory training prepared, factory capacity, etc.</p> <p>On a monthly basis we bring the very high-risk factories to the attention of our executive sourcing and production teams and share learnings on the risk and actions being taken to reduce the risk. Likewise, factories who have shown lower risk are flagged in this meeting and recommended to the group as best practice.</p>	<ul style="list-style-type: none"> <li>Each factory is rated on a risk level (Very Low, Low, Medium, High, Very High)</li> <li>List of Very High-Risk Factories</li> <li>List of Very Low-Risk Factories</li> <li>Factory capacity</li> </ul>
Social & Ethical Audit in line with our Code	<p>We conduct at least bi-annual independent third-party social and ethical audits of all our tier 1 suppliers in line with the Code. In recent months we have transitioned our audit to be semi-announced, that means it will be performed within a two-week window to increase visibility and effectiveness of the audit.</p>	<ul style="list-style-type: none"> <li>Social &amp; Ethical audit results</li> <li>Number of factories whose audit has expired or expires within 30 days</li> <li>Number of audits failed and reason why</li> <li>Number of governance breaches</li> </ul>
Transparency and Traceability	<p>We worked with our independent third-party auditor to collect information from our suppliers to map our tier 1 and tier 2 factories which we can monitor through a tailored dashboard. We have also now developed a model and a platform to trace deeper into our third tier with an allocated resource who focuses directly on this initiative.</p>	<ul style="list-style-type: none"> <li>Current percentage of Tiers 1, 2, 3 &amp; 4 which have been traced</li> <li>Percentage of Tier 2 Fabric Mills with social and ethical accreditation</li> <li>Percentage of Tier 3 with social and ethical accreditation</li> <li>Percentage of raw materials from sustainable sources (e.g., Better Cotton, Recycled polyester etc.)</li> </ul>
Whistle-blower and Grievance Policies	<p>Improved worker grievance mechanisms including an anonymous grievance hotline for our tier 1 workers. Currently this is operative in Chinese factories only &amp; Bangladesh.</p> <p>All factories onboard receive hotline instruction, and they must display in the factory's premises in specified locations which are easily accessible by workers. Workers can contact our hotline by free phone, WeChat, or email. Our hotline service is operated by an independent third party who then report their findings to RAG to develop a remediation plan where necessary.</p>	<ul style="list-style-type: none"> <li>Total number of communications received</li> <li>Total number of communications which required investigation by RAG</li> <li>Total number of outstanding corrective action plans in place</li> </ul>

PROCEDURE	DETAILS OF PROCEDURE	KPI MEASURED
Unannounced inspections	<p>Increased unannounced inspections with a greater focus on their inherent Modern Slavery risk of child labour.</p> <p>As of the reporting date, (consistent with prior year) over 80% of our suppliers have had at least one unannounced inspection in the past 3 years. The other key risks investigated include subcontracting, and occupational health &amp; safety.</p>	<p>Monthly number of physical inspections completed per month and the pass rate</p> <p>Monthly failures and their reason for failure (e.g., subcontracting, missing grievance hotline poster, concern for child labour, health, and safety concerns)</p> <p>Action Plans Status/Results</p>
RAG Sourcing Working Group	<p>Recurrent meetings for RAG’s sourcing group to:</p> <ul style="list-style-type: none"> <li>• Discuss our Modern Slavery risks and procedures</li> <li>• Report and discuss KPIs</li> <li>• Case studies</li> <li>• Raw materials</li> <li>• Diversification</li> <li>• Collaborative opportunities</li> <li>• High risk factories (risks, due diligence results, Corrective Action Plans)</li> </ul>	Brands attendance at meetings
Internal team training	<p>Internal training being rolled out to all team members in Head office and stores on Sustainability and the risk of Modern Slavery to the people in our supply chain.</p>	* Number of head office team member trained
Factory/Supplier training	<p>We are midway through rolling out training to our suppliers and factories. This training will be a mixture of in-person and online and each factory taking the training will include supplier, factory management, line managers, worker representatives.</p> <p>The training covers:</p> <ul style="list-style-type: none"> <li>• Brand introduction</li> <li>• Our Code of Conduct</li> <li>• Gender Equality</li> <li>• RAG Grievance Hotline</li> <li>• Health &amp; Safety</li> <li>• Common Audit Findings</li> </ul>	<p>Number of factories who have received training</p> <p>Training feedback</p>
Raw material sources	<p>We continue to increase our use of more sustainable materials into our product</p>	<p>Raw material usage</p> <p>Raw materials – percentage sustainably sourced</p>

## 4. Developing Remediation Plans

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

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

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

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

### Steps taken when concerns identified:

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

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



# RAG WORKING CASE STUDIES

FINDINGS	MODERN SLAVERY RISK	RAG DIRECT RESPONSE	GROUP LEARNING
<p>A supplier failed an unannounced inspection due to unauthorised subcontracting</p>	<p>High risk of subcontracting which increase the risk of forced labour or child labour</p>	<p>We analysed the supplier’s production capacity and capability, identifying that the root cause of the subcontracting issue was related to the factory’s capacity limitations.</p> <p>We initiated open communication with the supplier, explained the risks associated with subcontracting, reiterated the importance of adhering to our Code of Conduct, and emphasised the need for transparency and improved processes.</p> <p>As a result, the supplier now has a clearer understanding of our commitment to working collaboratively to enhance their processes, transparency, and overall performance.</p> <p>We have issued an official warning letter to the supplier regarding the breach of RAG’s Code of Conduct.</p> <p>The factory remains flagged on our high-risk supplier dashboard, and we will continue to closely monitor the supplier’s behaviour through unannounced inspections.</p>	<p>We recognised the need to analyse the capacity and capability of all factories across the group in order to address and reduce the root cause of recurring subcontracting issues.</p> <p>By implementing a thorough analysis of factory capacity and capability, we have mitigated the risk of subcontracting and the potential for modern slavery.</p> <p>Moving forward, we will assess each supplier’s capacity and capability during the product development stage and continuously monitor it throughout production.</p> <p>This case study also underscores the value of supplier consultation and engagement, demonstrating the mutual benefits for all parties involved.</p>
<p>We received grievance hotline complaints raising concerns about worker’s human rights and workplace health &amp; safety at a supplier and associated factories used across the group.</p>	<p>High risk of labour abuse and unauthorised subcontracting</p>	<p>We closely examined the content of the complaints and cross-checked claims against our records including production dates and factories listed. We then investigated the factories through semi announced audits and unannounced production inspections using an independent third-party. We also consulted with Be Slavery Free, reported to RAG’s executive management team, and held several meetings with the RAG brands to establish a remediation plan.</p> <p>Whilst developing a remediation plan, we engaged in open communication with the supplier and relevant factories, shared our findings, and discussed our concerns. We worked with the factories and the supplier to develop a comprehensive corrective action plan (CAP) in relation to the key failure points for each involved factory, to be implemented over the next 6-12 months. During the CAP remediation stage future orders have been moved to alternative suppliers to reduce risk and encourage compliance.</p> <p>Whilst the vendor and factories implement the necessary changes following the CAP, we continue to monitor progress closely and hold regular meetings with the vendor. Additionally, we conduct unannounced production inspections on a regular basis to ensure any issues related to human rights and workplace safety during production practices are promptly addressed.</p> <p>We will also be conducting follow-up unannounced ethical audits over the next 6 to 12 months to ensure full compliance with the CAP and to ensure significant improvements in workers’ human rights, workplace safety, and health conditions.</p> <p>With the support and guidance of Be Slavery Free we have also provided updates directly to the complainants.</p>	<p>We directly engaged with factory management, emphasising that the safeguarding and protection of workers is paramount. We clearly communicated our zero-tolerance policy regarding any concerns of modern slavery affecting any workers.</p> <p>We thoroughly reviewed and evaluated the findings from the social and ethical audits against the ILO indicators of forced labour.</p> <p>A comprehensive remediation plan was established, focusing on rectifying all identified issues rather than cancelling all existing orders immediately, to avoid jeopardising the workers. However, during this process we did redirect a portion of orders to alternative suppliers to highlight the significance of the findings to factory management.</p> <p>We continue to track updates and progress against the corrective action plan (CAP), monitoring improvements and assessing management’s willingness and commitment to demonstrating progress.</p> <p>We implemented several improvements internally, including enhancing the risk analysis of key suppliers, reinforcing the Supplier Code of Conduct to specifically address modern slavery issues, and circulating this to RAG teams and suppliers.</p> <p>We also committed to industry collaboration aimed at eliminating particular harmful practices.</p> <p>Future orders on hold until we are confident that the supplier meets all compliance requirements, and this has been communicated to the supplier.</p>

## 5. Re-Understanding, Re-Analyzing and Re-Educating

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



# NEXT STEPS

Our aims for the next year are:

## 1 TRACEABILITY

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

## 2 RAW MATERIALS

Increase our use of preferred raw materials such as cotton and polyester.

## 3 TRAINING

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

Use feedback to improve training materials and utilise internal training resource to facilitate more training.



# STATEMENT APPROVAL

This Modern Slavery Statement was prepared by the Retail Apparel Group sourcing and risk team and approved by the Retail Apparel Group Board of Directors on 29 September 2024.



**Constantine George Zanolis**

Chief Executive Officer

On behalf of the Retail Apparel Group Board of Directors

