

**IN THE HIGH COURT OF SOUTH AFRICA
KWAZULU-NATAL DIVISION, PIETERMARITZBURG**

CASE NO: 2026-025717

In the matter between:

**NATIONAL BARGAINING COUNCIL FOR THE
CLOTHING MANUFACTURING INDUSTRY**

Applicant

and

DRAKE CLOTHING MANUFACTURERS (PTY) LTD

1st Respondent

MR PRICE GROUP LIMITED

2nd Respondent

PEP RETAIL (PTY) LTD

3rd Respondent

THORNBROOK (PTY) LTD

4th Respondent

RETAILABILITY (PTY) LTD

5th Respondent

THE FOSCHINI GROUP LIMITED

6th Respondent

POWER FASHION TRADING CC

7th Respondent

FILING NOTICE

S I R S,

KINDLY TAKE NOTICE that the Applicant hereby serves and files its Replying Affidavit.

DATED at DURBAN on this 23rd day of **MARCH** 2026

MACGREGOR ERASMUS ATTORNEYS INC.

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**TO: THE REGISTRAR OF THE ABOVE HONOURABLE COURT
PIETERMARITZBURG**

**AND TO: SHEPSTONE & WYLIE ATTORNEYS
THE FIRST RESPONDENT'S ATTORNEYS
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AND TO: **THE SECOND RESPONDENT**
MR PRICE GROUP LIMITED
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65 Masabalala Yengwa Avenue
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AND TO: **THE THIRD RESPONDENT**
PEP RETAIL (PTY) LTD
Radnorweg,
Parow Industria, 6270

AND TO: **THE FOURTH RESPONDENT**
THORNBROOKS (PTY) LTD
20 Rustic Close
Briardene
Durban North
KwaZulu-Natal

AND TO: **THE FIFTH RESPONDENT**
RETAILABILITY (PTY) LTD
15 Nollsworth Crescent
Nollsworth Park
La Lucia
KwaZulu-Natal

AND TO: **THE SIXTH RESPONDENT**
THE FOSCHINI GROUP LIMITED
Stanley Lewis Centre

340 Voortrekker Road
Parrow East, 7500

AND TO: **THE SEVENTH RESPONDENT**
POWER FASHION TRADING CC
558 West Street, E2B
Durban

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MR PRICE GROUP LIMITED	2 nd Respondent
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RETAILABILITY (PTY) LTD	5 th Respondent
THE FOSCHINI GROUP LIMITED	6 th Respondent
POWER FASHION TRADING CC	7 th Respondent

REPLYING AFFIDAVIT

I, the undersigned,

CHANTAL NAIDOO



do hereby make oath and say:

1. I am the deponent to the founding affidavit in this application.
2. The facts in this affidavit are within my personal knowledge, unless appears otherwise, and are to the best of my belief true.
3. I have read the answering affidavit of Roger Drake and I respond below to the relevant portions thereof. To the extent that I do not respond specifically to a particular averment, the applicant joins issue to the extent inconsistent with this affidavit and the founding affidavit.

PRELIMINARY POINTS REGARDING THE ANSWERING AFFIDAVIT

4. The answering affidavit is replete with bare denials which is indicative of an absence of a coherent and believable defence. This is so particularly in the face of factual allegations that are supported by objective evidence such as photographs, and corroborated by confirmations under oath from a plurality of witnesses.
5. Drake Clothing has attempted to cry foul, seeking to rely on technical objections instead of utilising the opportunity in its answering papers to dispel so-called untruths. Notwithstanding this opportunity, Drake Clothing has failed to deal with the Council's long and frustrating efforts to obtain compliance by Drake itself, or to provide a positive version of Drake Clothing's trading activities and the manner in which its business is conducted.
6. Since Drake Clothing confirms that its own manufacturing of garments is in the creation of samples, it follows that its entire inventory of manufactured clothing



is sub-contracted to various manufacturers. The obvious way for Drake Clothing to demonstrate that it is not a participant in the pervasive exploitation of workers described in the founding affidavit is to disclose those compliant manufacturers with which it contracts.

7. Yet the only manufacturers that it has admitted using currently or in the past are non-compliant (JinPeng/KJN Co-op, Chung Ling (Pty) Ltd/Shanyi Co-op and Colima Trade). This is not disputed. Drake Clothing, while stating that it uses several other manufacturers to bring its designs to fruition, does not put forward the name of a single such manufacturer, nor does Drake Clothing allege that any other manufacturer with which it has a contractual relationship is registered with the Council, let alone compliant with its Main Agreement.
8. Notably, despite numerous allegations of undertakings provided by manufacturers (that they are trading in a lawful and compliant manner) and of "audits" that are conducted at the manufacturers' sites, Drake Clothing has failed to attach a single signed or executed document, save for one admitted contract with JinPeng. Instead, it chose to attach only pro forma templates of these important documents.
9. At paragraph 116 of its answering affidavit, Drake Clothing states that it has contracts with manufacturers which require the manufacturers to comply with labour legislation, and to submit to Drake Clothing's audits for compliance purposes. That in itself is indicative of an appreciation of the pervasive unlawful exploitation of labour in the clothing and textile manufacturing industry, as such clauses are calculated to insulate Drake Clothing from accusations that it is a participant therein.



10. Yet while Drake Clothing admits that it has an ongoing contractual relationship with JinPeng, it asserts that JinPeng is responsible for its own labour law compliance, which begs the question as to why Drake Clothing would ineffectually insist on a contractual provision it cannot or does not monitor or enforce. Drake Clothing also admits that JinPeng sub-contracts to KJN Co-op.
11. And when confronted with clear evidence of ongoing non-compliance by both JinPeng (its own sub-tenant) and KJN with their obligations to register workers with the Council, failure to pay minimum wages and failure to comply with compliance orders, Drake Clothing neither expresses surprise nor dismay. Nor does it contest the evidence of this unlawful exploitation of workers from which it derives direct benefit.
12. Drake Clothing does not suggest that it has or will seek to verify these allegations and take action to ensure that it will not knowingly supply the Retailers with clothing manufactured under these conditions of non-compliance.
13. Indeed it claims ignorance of JinPeng's contractual relationship with KJN and claims even greater ignorance as to whether the people who actually manufacture the garments that Drake Clothing designs, orders, for which it supplies fabric and which it supplies to Retailers, are employees as defined in the LRA.
14. See in this regard, the Council's founding affidavit paragraphs 89 – 96 and Drake Clothing's answering affidavit, paragraphs 144 - 168. At paragraph 106 Drake Clothing more generally claims that: "*The CMT manufacturers with whom it contracts, insofar as it is aware, do not operate unlawfully or trade with sham co-operatives.*"

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15. Such wilful "*ignorance*", which Drake Clothing on its own version is determined to maintain, is precisely what facilitates design houses supplying garments to the retail trade which are made by underpaid workers. This more detailed analysis of one aspect of Drake Clothing's response exposes the insincerity of its righteous indignation that the Council has seen fit to put an end to systemic non-compliance and worker abuse.
16. Drake's answering affidavit should be regarded in this context and its failures to take the Court into its confidence should redound to its detriment.

HIGH WATERMARK OF THE OPPOSITION

17. Despite the varied allegations in the answering affidavit, the defence can be distilled into two grounds of opposition. Save for the legal objections that Drake raised to the winding-up proceedings, Drake Clothing's defence is buttressed on two fundamental points: (i) that it doesn't trade in a non-compliant manner and (ii) that the (alleged) attribution of regulatory non-compliance of the third-party manufacturers to Drake Clothing is legally flawed and it therefor does not conduct its business in an unlawful manner.
18. Both these points however lack merit.
19. As to the first, and as the facts show, Drake Clothing's conduct has in its own right exhibited continued non-compliance with the Main Agreement and an evasive and obstructive stance seeking to avoid responsibility for as long as possible (i.e. a period of over 2 years), and on technical grounds on which Drake ultimately capitulated.

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20. As to the second, the continued allegation that the Council seeks to hold Drake Clothing responsible for non-compliant conduct of the manufacturers is a fundamental misunderstanding of (or an improper attempt at reframing) the Council's case. Simply put, the Council does not look to hold Drake Clothing responsible for the transgressions of the manufacturers, but rather for its own unlawful and improper conduct on the basis that it knowingly contracts with non-compliant manufacturers to fulfil its orders to the Retailers.
21. As is apparent from the design house business model, Drake Clothing is acutely aware of this non-compliance of the manufacturers and uses it to its advantage.
22. The design houses, including Drake Clothing, do not simply provide "design services" to the Retailers. The Retailers place orders for the actual supply of manufactured products with the design houses. As such, Drake Clothing needs to manufacture and supply actual finished product to the Retailers. Significantly, the product is not manufactured and supplied by the manufacturers to the Retailers, rather they manufacture on instruction from, and supply to, the design houses.
23. Importantly, despite the Retailers' orders for the manufacture and supply of specified clothing garments, Drake Clothing as design house, does not have the capability to manufacture clothing garments to order. Simply put, without the manufacturers, Drake Clothing would not be able to supply or fulfil the orders from the Retailers. The manufacturing component is essential to Drake Clothing's business model which has, as one of its objectives, the reduction of costs and the elimination of employment issues.
24. Despite the crucial role that manufacturers have in its successful business operations, Drake Clothing attempts to disassociate itself from the manufacturers



and whether they abuse worker's rights on the basis that it "*contracts* [with the manufacturers] *on a commercial basis*" (at paragraph 4). However, the nature of the business relationship with the manufacturers is more intimate than suggested. The manufacturers fulfill a critical role in Drake Clothing's business without which it simply would not continue as a business. The manufacturing component of the design houses' business is strategically "*outsourced*" to local manufacturers. In certain respects, the design house is in essence a middleman between the Retailers and the manufacturers who actually produce the clothing.

25. This dynamic is important, particularly in the context of the JinPeng/ KJN Co-Op structure that has been set up in Drake Clothing's premises. It is evident that Drake Clothing is not only aware of the practices in the sham co-op, but deliberately relies on this sham co-op structure to avoid compliance with obligations under the Main Agreement and increase its profits. Drake attempts to distance itself from JinPeng despite the fact that the KJN Co-Op and JinPeng conspicuously operate from the same premises i.e. 10 Devon Street, Pinetown, the same business premises of Drake Clothing and that JinPeng only manufactures on instruction from Drake Clothing.
26. That the KJN Co-Op structure was set up for Drake Clothing's benefit, and is used as a front, is evident from the following:
 - 26.1. notably, JinPeng's sole director, Ms Wang's confirmation that JinPeng manufactures on exclusive instruction from Drake Clothing;
 - 26.2. Ms Wang's confirmation that JinPeng employs the 274 workers that were counted at the factory, which was strikingly contradicted by Ms Ntuli (a director and "*founding member*" of the KJN Co-Op) who



stated that the 274 workers were members of the KJN Co-Op, and not employees (of either JinPeng or the co-op);

- 26.3. that the employees confirmed that their employer is JinPeng, rendering Ms Ntuli's version false and the KJN Co-Op a sham;
 - 26.4. that despite being requested, neither JinPeng nor KJN Co-Op could provide a service agreement reflecting the trading relationship between JinPeng and the KJN Co-Op; and
 - 26.5. lastly but crucially, that the hourly rates paid to the workers were at least 50% below the requisite minimum wage determined in the Main Agreement.
27. It is apparent that the co-op structure is used to avoid compliance with the Council's Main Agreement and the fact that this takes place in Drake Clothing's premises undermines the supposed "*declarations*" and "*compliance provisions*" in the Drake Clothing contracts and Drake's attempts at distancing itself from JinPeng.
 28. The allegations relating to the audits and contracts and undertakings, are an attempt to whitewash the respondent's involvement with these manufacturers and its knowledge of the manufacturing conditions.
 29. Furthermore, Drake's conduct in outsourcing work to non-compliant manufacturers, including to JinPeng, is in breach of section 7 of Chapter 38 of the Main Agreement which prohibits outsourcing to non-compliant companies. It is therefore factually incorrect for Drake to state that it is trading in a compliant manner.



30. Lastly, it is important to bear in mind the consequences of Drake's conduct vis-à-vis the employees of the non-compliant manufacturers. These are the people who bear the brunt of the exploitation in that they are paid, in some cases, below half of the minimum wage and are forced to sleep in or adjacent to the factories in inhumane conditions. Drake's exploitation of this trading environment only serves to further entrench this conduct to the continued prejudice of the vulnerable workers. Halting such conduct can only be in the public interest.
31. I turn to briefly deal with the legal technical objections raised by Drake Clothing in its answering affidavit. Needless to say, the legal issues will be fully dealt with in legal argument.

WINDING-UP PROCEEDINGS PERMISSIBLE AND APPROPRIATE

32. Drake correctly points out that the Council cannot hold Drake Clothing responsible for the manufacturers' transgressions. That is, however, not what the Council is attempting to do through this application. Holding the relevant employers liable for their transgression is a matter that is being progressed through *inter alia* the enforcement powers under the Main Agreement and the LRA in proceedings separate from this application.
33. The Council's objective in winding up Drake Clothing is to ensure that the unlawful conduct of its business ceases to continue.
34. It is evident from the founding papers that the Council's attempts to enforce compliance by Drake Clothing of the provisions of the Main Agreement has been ineffective due to Drake's obstructive and dilatory conduct. However, more fundamentally, the Council's typical enforcement mechanisms under the

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- LRA are inadequate to provide the Council with the relief sought i.e. of preventing Drake's continued, persistent and deliberate unlawful conduct in exploiting the employees of non-compliant manufacturers for its own profit.
35. It is not the Council's case that the non-compliance of the manufacturers and their association with Drake Clothing is mere coincidence. Its case is that Drake Clothing has adopted as its business model the employment of non-compliant manufactures in order to benefit from their non-compliance. This is borne out by Drake Clothing's inability and thus failure to point to a single compliant manufacturer from which it procures manufactured clothing for supply to the Retailers.
36. This business model in turn provides a lifeline to the non-compliant manufacturers to continue operating as they do. The Retailers are sensitive to any association between their products and exploitative labour practices. This is the clear implication of the statement in paragraphs 28 to 31 of the Answering Affidavit in which Mr Drake, the deponent, states that the Retailers require the manufacturer to undergo an audit of the factory premises in order to verify *inter alia* that the employees are engaged under "*legally compliant contracts of employment*" (at para 28).
37. Thus on its own version, Drake Clothing is only able to continue to supply clothing to the Retailers based on the undertaking that it only contracts with audited, compliant manufacturers. If it was true to that undertaking, its exposure to the evidence of rampant non-compliance in the Council's founding affidavit would have elicited a completely different response to the one evident throughout the answering affidavit.

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38. At paragraph 61, Drake Clothing claims that "*all the factory premises are audited*". Yet Drake Clothing has failed to take issue with the Council's findings in relation to JinPeng's and KJN Co-op's non-compliance, nor has Drake Clothing provided any evidence that they have been audited, nor has Drake Clothing obtained affidavits from them contradicting the Council's evidence of their non-compliance in the very premises they sub-lease from Drake Clothing.
39. Drake Clothing's evasive approach to its non-compliance with its undertaking to the retailers is apparent from the following:
- 39.1. Rule 35 (12) of the Uniform Rules of this Court entitles a party to call for the production of any document referred to in another party's affidavit or pleading. Drake clearly refers in its answering affidavit to declarations by and contracts with all of its "*CMT manufacturers*".
- 39.2. Its allegations that it requires all of its CMT Manufacturers to commit contractually to comply with labour legislation and that they are also contractually obliged to submit to audits and are audited, are essential to Drake Clothing's exculpatory version that it is compliant and only uses compliant CMT manufacturers.
- 39.3. Yet when called upon to produce the very documents on which this defence relies, they refuse to do so on no cognisable grounds at all.
- 39.4. By formal written rule 35 (12) notice dated 4 March 2026, Drake Clothing was called upon to produce *inter alia* copies of all declarations signed by each CMT Manufacturer of Drake Clothing and



copies of all contracts entered into between Drake Clothing and each of its CMT Manufacturers.

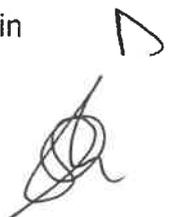
39.5. In its formal response dated 18 March 2026, Drake Clothing refused to produce copies of these documents, save for its written contracts with JinPeng.

39.6. Drake Clothing has not disclosed any legal basis on which to withhold the remaining documents.

39.7. The only reasonable inference is that Drake Clothing is unable to produce contracts with compliant manufacturers and has either failed to carry out the audits it claims to have carried out, or the audit results do not bear scrutiny.

40. Furthermore, in direct contradiction to the allegations in paragraphs 28 to 31 of its answering affidavit, Drake Clothing at paragraph 116 states that it *"does contract with JinPeng Textiles (Pty) Ltd ... as one of several independent CMT manufacturers utilised from time to time. JinPeng operates as a separate legal entity responsible for its own labour law compliance and subject to the Applicant's direct regulatory jurisdiction."*

41. Thus, Drake Clothing adopts the contradictory positions that it only contracts with compliant manufacturers which are contractually obliged to be compliant and are contractually obliged and do in fact subject themselves to audits (para 117), and that they are independent and responsible for their own compliance (para 116). The latter position is consistent with the Council's case that Drake Clothing pays lip service to compliance when dealing with the Retailers, but in



fact at best turns a blind eye to non-compliance and the exploitation of workers in the manufacture of its products.

42. As such, it is legally competent for the Council to bring a liquidation application as a means by which to achieve its ultimate objective of ensuring Drake's unlawful business practices are put to an end.

LOCUS STANDI

43. I briefly deal with the Council's standing to bring this application. I note that Drake Clothing seeks to rely on technical legal objections to avoid answering the case.
44. The Council continues to have standing to bring this application despite the fact that the amounts referred to in the founding affidavit have been paid.
45. Drake Clothing owes the Council monthly amounts that are due and payable and the Council is accordingly a contingent creditor with the requisite standing to bring this application.
46. Furthermore, Chapter 47 of the Main Agreement (CL 002-272) renders Drake Clothing jointly and severally liable to the Council for certain liabilities of non-compliant manufacturers with which it contracts. A liquidator would be able to ascertain the full extent of this involvement with non-compliant manufacturers and hold Drake Clothing to account.

AD SERIATIM RESPONSES TO THE ANSWERING AFFIDAVIT

Ad paragraphs 28 and 29

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47. Drake Clothing seeks to hide behind its 'onboarding' process and alleged audits that the manufacturers have to undergo to ensure compliance with "*all occupational and safety requirements*". These audits are allegedly conducted annually.
48. Notably, Drake Clothing has refused to provide any evidence of such audits, despite the Council's request in its rule 35(12) notice.
49. Drake Clothing further alleges that the declaration a manufacturer is required to provide at the "*onboarding stage*" is "*renewed annually with a CMT manufacturer*". All of these allegations provide a veneer of compliance. However, as Drake Clothing supplies clothing garments to both The Foschini Group and Mr Price, it is required to comply with those Retailers' respective codes of conduct which place a high standard of compliance than Drake asserts i.e. simply requiring CMT Manufacturers to sign a declaration. Further steps are required of Drake Clothing which steps it has not provided any proof of having undertaken.
50. The Foschini Group's code of conduct, a copy of which is annexed as "**RA1**" specifically places a greater onus on Drake Clothing to ensure that manufacturers to whom it outsources work, comply with the Code, provides as follows:

*"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.**" (paragraph 5.1 of the TFG code of conduct). (Own emphasis)*

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51. Mr Price's code of conduct, a copy of which is annexed as "RA2" also places a responsibility on Drake to ensure continued compliance with labour laws:

Para 1. Other sections are applicable to all our Partners (including merchandise suppliers), and some are applicable specifically to our merchandise suppliers (e.g. forced labour). Where a section is relevant to merchandise suppliers, it includes factories which they own or sub-contract to and those factory workers.

Para 2. Trust comes from us being honest, open and transparent with ourselves and each other. It is demonstrated in having enough confidence to express concerns and aspirations to others. Trust means creating opportunities for listening to and talking with each other. Anyone who interferes with this spirit of trust is damaging the Group spirit and culture.

Para 3. Associates and Partners are required to comply with all applicable laws, regulations and internal codes, policies and business rules at all times. We do not tolerate or permit any violation of the law or any unethical business dealing by an Associate or Partner.

Para 6. We adopt the principles of fairness and equal opportunity and will not condone discrimination, workplace violence or misconduct We are committed to and align ourselves to the principles of the International Labour Organization and the ETI Base Code as well as the United Nations Global Compact Principles. We operate across vast geographic locations in Africa and internationally with our suppliers, and both of these may include areas where social, economic and political factors put human rights and a fair and healthy work environment at risk. We therefore commit to engage with our Partners to resolve any issues we identify in respect of child labour, forced labour, excessive hours, minimum wages and any other human right

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violations, to ensure as a good corporate citizen we support the communities we operate in.

Para 6.5. *REMUNERATION & WORKING HOURS - We expect our Partners to apply the above to all people employed in their supply chains.*

Para 6.6. *We expect our Partners to comply with all applicable legislation and regulation regarding freedom of association and collective bargaining in respect of their employees by contractually promoting ethical behaviour. Social audits are conducted to ensure that the factory workers in their supply chains are afforded the same rights.*

52. That Drake Clothing is aware of these codes of conduct, its obligation in terms thereof and the requirements contained therein as is apparent from Drake Clothing's own terms and conditions which requires the manufacturers to comply with these codes:

"All factories must adhere to the social compliance requirements set out by Drake Clothing including those set out by our customers such as TFG Limited, Mr Price etc as a condition of doing business with Drake Clothing. These customer requirements will be sent out to CMT Factories from time to time, as and when communicated to us by those customers." (Final page of the CMT Confirmation Contract, RD2 to the answering affidavit.)

53. Drake Clothing has provided no evidence of any steps it has taken to ensure that the manufacturers that it subcontracts with comply with these codes of conduct and by extension the Main Agreement. It is apparent from Drake Clothing's response and its continued relationships with non-compliant manufacturers, that it is satisfied with merely paying lip service to these



obligations and is content with turning a blind eye to these continued transgressions that it exploits for its benefit.

Ad paragraphs 49 to 51

54. The round robin resolution of the Council's executive committee (FA1) is dated 23 January 2026 i.e. two weeks before the issuing of this application and was specifically prepared and executed to provide me with the necessary authority to instruct the Council's attorneys to institute these winding-up proceedings against "*various design houses*" which includes Drake Clothing.
55. Drake Clothing's threat to seek punitive costs against me personally is intended to intimidate me for carrying out the express mandate of the Council. This is reprehensible. There is no basis for a punitive costs order against either the applicant or me, or for any costs order against me personally.

Ad paragraphs 52 to 55

56. The Council seeks to prevent the continued unlawful operation of Drake Clothing. As set out in the founding affidavit, Drake Clothing has persistently sought to avoid its own obligations under the Main Agreement and to exploit non-compliant manufacturers for its own benefit.
57. Drake Clothing forms part of a major scourge in the clothing manufacturing sector that entrenches systemic exploitation of workers' rights and the undermining of fair labour practices.
58. Accordingly ensuring that Drake Clothing is wound-up is in the interest of workers in the greater Durban and Newcastle area, in the clothing



manufacturing industry and the wider public. Removing a company which deliberately undermines the statutory framework established to ensure minimum rights for workers and to prevent exploitation of vulnerable groups is in the public interest.

Ad paragraphs 56 to 58

59. Drake Clothing has misunderstood the premise of the application. The Council does not seek to ascribe non-compliance by the manufacturers to Drake Clothing, but rather that Drake Clothing exploits this for its own gain. This is clear from the number of non-compliant manufacturers Drake Clothing contracts with.
60. The sham co-op structure situate in Drake Clothing's premises has been detailed in the founding papers. The KJN Co-Op is clearly a front which is apparent from *inter alia* the strikingly contradictory statements provided by both of the directors of Jinpeng (Ms Wang) and KJN Co-Op (Ms Ntuli), and the complete lack of substantiating documents and other evidence that reflect which of the two entities is in fact the employer of over 270 workers. This lack of information forms part of the modus of the sham co-operatives to evade accountability.
61. The fact that Jinpeng only does work for Drake Clothing, as confirmed to the Council's designated agents, "*logically*" links its practices to Drake Clothing and is a further indication that Drake Clothing is not being forthright about its involvement with Jinpeng and KJN.

Ad paragraph 61



62. I note that Drake Clothing disputes that the manufacturers with whom it deals fall into the category described in the founding affidavit including failing to pay minimum wages. Without repeating what is set out in the founding papers about the Drake manufacturers, I highlight that the employees of JinPeng, the manufacturer operating within the same premises as Drake Clothing and who solely receives orders from Drake Clothing, pays its employees between R12 and R15 per hour – approximately half the minimum wage recorded in the Main Agreement [R28 – R30]
63. Drake Clothing has failed to provide any details or annex any proof to its answering affidavit that corroborates is bald allegation that the “*factory premises are audited*”. I refer to Drake Clothing’s non-compliance with the Council’s rule 35(12) notice referred to above. Reference will be made to the full text of the request and the brief formal response thereto, both filed of record.
64. Drake Clothing’s reliance on its alleged contracts “*concluded on the basis that the labour laws will be complied with*” is simply an attempt at whitewashing its conduct.

Ad paragraph 67

65. I note that Drake Clothing denies that the manufacturers with whom it contracts operate unlawfully and in contravention of the Main Agreement and the LRA. This bald denial is contradicted by objective evidence and corroborated by multiple witnesses, including the findings in the Council’s designated agents’ investigation reports into *inter alia* Jinpeng and Shin Yi Primary Co-operative Ltd.

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Ad paragraphs 68, 71 and 72

66. Drake Clothing fleetingly refers to a “misjoinder” of the Retailers. There is no basis in this allegation and certainly no attempt has been made by Drake in the answering affidavit to substantiate this allegation. The Retailers’ interest is clear from the issues that arise in this matter including that Drake Clothing supplies these Retailers with garments are “sourced” i.e. manufactured by non-compliant entities whose employees are exploited by Drake Clothing who knowingly benefits from and perpetuates this conduct.

Ad paragraph 70

67. I note Drake’s contradictory statements. Implicit in its response is that at least some of the clothing garments are manufactured by the Drake Manufacturers.

68. On Drake’s own version it is supplied by JinPeng, the manufacturer operating from the same premises as Drake Clothing, and who solely receives manufacturing instructions from Drake Clothing.

Ad paragraph 76 to 78

69. The basis for the winding-up of Drake Clothing is that it is just and equitable to do so on the basis that it trades unlawfully by virtue of the systematic manner in which it knowingly exploits the non-compliance of *inter alia* the Drake Manufacturers for its own commercial gain.

70. Whether Drake Clothing could trade lawfully and remain solvent is a question which a liquidator would be able to determine.



71. I deny that this application is brought *in fraudem legis* and used for an ulterior or improper motive. In fact, the very purpose of section 81(1)(c) is to permit a creditor to wind up a solvent trading company, provided it is just and equitable to do so. Removing Drake Clothing from the clothing manufacturing industry based on its exploitation through *inter alia* sham co-op structures and contracting with other non-compliant manufacturers is certainly in the public interest.

Ad paragraphs 81 to 83

72. As set out in the notice of motion, where the Court orders a provisional winding-up of Drake, the rule *nisi* is to be served on them to provide such manufacturers an opportunity to respond to the application. There is accordingly no merit in Drake's allegations.

Ad paragraphs 85 to 87

73. As mentioned, the Council continues to have standing to bring this application despite the fact that the amounts referred to in the founding affidavit have been paid. In any event, the Council is a contingent creditor which is sufficient to afford it with the necessary standing to bring, and persist with, this application.

Ad paragraph 91

74. As shown in the founding affidavit, the Council has continuously attempted to enforce the provisions of the Main Agreement against the Drake Manufacturers pursuant to the statutory enforcement powers, including issuing enforcement notices, arbitration notices and default arbitration awards.

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75. However, Drake has seemingly misunderstood the basis of the application, which is not to hold Drake responsible for the non-compliance of the Drake Manufacturers, but rather to hold it responsible for (and wind it up on the basis of) its continued exploitation of such non-compliance.

Ad paragraphs 92 to 95

76. I deny the use of emotive language.
77. The importance of the admission of paragraph 37 of the founding affidavit should be noted – the Retailers' orders for the manufacture and supply of clothing garments are placed with design houses – not with the manufacturers. It is not only the design and related services that are placed with the design houses, but orders for the manufacturing and supply of clothing garments emanate from the design houses. Essential to those orders from the Retailers is the manufacturing of the required clothing garments – a function the design houses and in particular Drake Clothing do not have the capability of performing.
78. Accordingly, the design house business model is to outsource this critical function to manufacturers that can produce the clothing garments, including to *inter alia* JinPeng.
79. As mentioned, outsourcing to non-compliant manufacturers is in and of itself a breach of the Main Agreement and Drake Clothing is accordingly trading in a non-compliant manner.

Ad paragraphs 96 to 98



80. Drake Clothing attempted to evade its responsibilities under the Main Agreement for a period of more than 2 years before capitulating on its legal objections as to why it should not be required to comply with the Main Agreement.
81. The allegation that Drake Clothing allegedly "*requires the CMT manufacturers with whom it deals to declare that they too comply with the relevant labour legislation*" is cynical, because when called upon to produce the audit outcomes, Drake Clothing refused to do so. I have dealt with its contradictory versions above. These are that it simultaneously takes responsibility to ensure that its manufacturers are compliant, and that it does not do so.
82. Drake's knowledge of the Drake Manufacturer's non-compliance and its continued exploitation thereof places it in breach of the Main Agreement.

Ad paragraph 102

83. As mentioned, by Drake outsourcing work to non-compliant manufacturers including JinPeng, it is in breach of the Main Agreement.

Ad paragraphs 105 to 108

84. I note Drake's carefully worded response particularly in paragraph 107 in which it states that the manufacturers it deals with "*are obliged to submit to audit of their premises, provide full documentation of their legal and registration status...*".
85. Of course Drake fails to state whether these manufacturers have in fact submitted to such audits, what the outcomes thereof were, and whether "*full*



documentation" has been provided. The Council will seek copies of this documentation in terms of rule 35(12) to the extent not already covered by its existing request.

86. This is a continuous theme of the answering affidavit in which Drake makes bald statements to provide the appearance of a substantive response however fails to substantiate and provide any proof of its allegations.
87. The only reasonable inference is that these (unspecified) manufacturers with whom Drake trades have not passed such audits, or that such audits have simply not been done.

Ad paragraphs 109 to 112

88. I do not intend to repeat what is set out in the founding papers save to state that the Council has sought to enforce the terms of the Main Agreement against Drake Clothing since October 2023 and Drake Clothing attempted to evade compliance for over two years.
89. The statement that Drake Clothing "*had indicated that it had always been willing to co-operate with the Bargaining Council*" is a blatant untruth. Drake Clothing, has since October 2023, been evasive and obstructive towards the Council. Any suggestion or statement otherwise is plainly untrue and contradicted by the uncontested contents of paragraphs 51 to 88 of the founding affidavit, read with paragraphs 133 to 143 of Drake Clothing's answering affidavit, deal with below.

Ad paragraphs 115 to 117

13


90. I note the admission that Drake Clothing contracts with JinPeng, which relationship is governed by "*written manufacturing agreements*". Drake Clothing only attached one such agreement which appears to be dated 11 November 2025. It's response to the rule 35(12) notice is also evasive and substantially incomplete.
91. There is also no suggestion that Drake Clothing has investigated the allegations and evidence against JinPeng, nor that it has ceased trading with it regardless of whether JinPeng is compliant. It is these telling omissions that lay bare Drake Clothing's lack of a *bona fide* defence.
92. The trading relationship between Drake Clothing and JinPeng is evidently still continuing despite JinPeng's blatant violations of the Main Agreement and the severe underpayment of its staff.

Ad paragraph 118

93. I note that Drake Clothing has traded with an entity by the name of "*Chun Ling (Pty) Ltd*", at the same address as Shan Yi Primary Co-Operative Limited. I note from the CIPC report on Shan Yi Primary Co-Op (annexure FA63 to the founding affidavit) that a "Ms Chunling Li" is the founding member and director of the Shan Yi Primary Co-Op and that her residential address is identical to the registered address and operating address of the Shan Yi Primary Co-Op, and which, according to Drake, was also the address of "*Chun Ling (Pty) Ltd*". A CIPC search for the registration of ChunLing (Pty) Ltd reflects Ms Chunling Li as its sole director. A copy of the CIPC search is annexed as "**RA3**".

D


94. This is further proof of the pervasive nature of the use of co-ops to avoid compliance and responsibility under the Main Agreement and other labour laws. I suggest it is not merely coincidence that Drake Clothing has (or had previously on its version) a trading relationship with this manufacturer.

Ad paragraphs 119

95. I note that Drake Clothing has failed to attach proof of the agreements with Colima to the answering affidavit nor has it produced them pursuant to rule 35(12).

Ad paragraphs 120 to 123

96. Drake Clothing incorrectly suggests that the only evidence the Council has presented in substantiating the allegations that Drake has trading relationships with the Drake Manufacturers are photographs of boxes with Drake Clothing labelling. This loses sight of the fact that in respect of many of the manufacturers, the factory owners or managers confirmed to the Council's Agents that they have trading relationships with Drake Clothing.
97. Drake Clothing asserts that these statements are hearsay. They are hearsay for the truth of their contents, but the fact that such confirmations were provided to the Council's agents is not. There is no conceivable reason why the manufacturers would allege that they supply clothing to Drake Clothing if it is not true. Nor does Drake Clothing suggest any reason as to why not one, but several of these manufacturers would provide this confirmation if it is not true.
98. Considered together with the other evidence and Drake Clothing's own reticence to take the court into its confidence renders this evidence compelling.



99. Roger Drake inexplicably states that he "*went to take a photograph at premises where the First Respondent has never had any dealings. Amongst the piles of boxes stored for reuse were a whole pile of second-hand boxes from various design houses including those of the First Respondent*". As appears to be the theme in Drake Clothing's answering affidavit, Drake fails to provide any details of the material facts including which manufacturer's premises was attended, how this was arranged or why that particular manufacturer was selected. These allegations are an obvious and fabricated attempt at countering the objective evidence in the founding affidavit.
100. The lack of material details regarding the alleged photograph of Roger Drake's inspection at an unknown manufacturer's premises renders the allegations and photograph meaningless.

Ad paragraph 132

101. Drake Clothing obfuscates its responsibility by relying on legal advice as a justification for acting in an evasive manner – which legal advice had no merit. The facts in the founding affidavit clearly reflect a lack of co-operation including being obstructive in refusing the Council's agents access to its premises, failing to attend meetings or prioritising other travel arrangements despite agreed dates for meetings, refusing to attend arbitration hearings, and drawing out enforcement proceedings for over two years. Drake Clothing's conduct and that of Mr Drake in particular clearly reflects a lack of *bona fides* and a persistent refusal to comply.

Ad paragraph 133 to 141

D



102. I note that Drake Clothing deliberately avoids dealing with its obstructive behaviour in the Council's enforcement proceedings against it and chooses to conveniently regard it as historical events that have no relevance to this application.
103. This conduct is a central tenet to the Council's case, reflecting Drake's recalcitrant and evasive attitude towards the Council and compliance with the Main Agreement. From Drake's conduct it is clear that it has little regard for the Council, its processes and its objectives of protecting employees' rights. Its attempts at avoiding registration with the Council and complying with its obligations under the Main Agreement is part of its modus operandi to evade accountability. In the two year period during which Drake Clothing by dilatory means evaded having to register its employees subject to the Council jurisdiction lost out on two years' retirement fund contributions as required under the Main Agreement.
104. More importantly, Drake's continued evasion over a period of more than two years is evidence of the lack of effectiveness that the Council's statutory enforcement powers under the LRA has had to date in ensuring Drake complies with its obligations under the Main Agreement, including the prohibition on outsourcing work to non-compliant manufacturers.
105. Furthermore, implicit in Drake's response in paragraph 137 that its employees received "*salary increases to offset the deductions [to the Council]*" is that adhering to the Council's Main Agreement increases employee contributions for the employer. This is one of the main reasons that Drake has sought to avoid its obligations for such an extended period of time – complying with the Main



Agreement means paying employees more which reduces its profits. This of course holds true for the manufacturers, enabling the non-compliant manufacturers to charge less for its production of clothing garments and allowing them to undercut compliant competitors. This undercutting is what Drake Clothing continuously seeks to exploit for its own corporate gain.

106. I note again Drake's failure to provide any material details in this case regarding its allegations that its employees "*were reluctant to become members [of the Council]*" (para 139).
107. Even if true this is irrelevant. It was Drake Clothing's obligation to register with the Council and to pay levies and comply with the Main Agreement insofar as it applied to some of its employees. The discharge of those obligations is not contingent on the employees' agreement or consent.

Ad paragraph 140 and 141

108. As mentioned, in outsourcing work to non-compliant manufacturers including JinPeng, Drake Clothing remains in breach of the Main Agreement.

Ad paragraph 142 and 143

109. Drake's response that the averments regarding the sham co-operative structure "*does not properly convey the correct factual picture*" has no weight, considering Drake's failure to provide any material facts regarding its trading relationship with JinPeng and KJN particularly in the context of the allegations made and evidence provided in the founding papers regarding two entities that trade from its premises.

D


Ad paragraphs 144 to 154

110. Drake Clothing attempts to distance itself from JinPeng and the KJN Co-Op by stating that 10 Devon Road has multiple units.
111. The attempt at creating distance between itself and JinPeng/ the KJN Co-Op is undermined by the very fact that JinPeng leases a part of the premises from Drake Clothing, that all of Drake Clothing, JinPeng and the KJN Co-Op operate from the same building and more importantly – a fact that Drake Clothing has not disputed – that JinPeng supplies Drake Clothing exclusively. JinPeng and the KJN Co-Op are both operationally and commercially part of Drake Clothing's enterprise, regardless of their formal contractual relationship. This belies Clothing's allegation that JinPeng is "*independent*" from it.

Ad paragraph 155

112. I deny that the Council seeks to "*attribute third-party regulatory breaches*" to Drake Clothing. The Council is seeking to prevent Drake Clothing from continuing to trade in accordance with its modus operandi of exploiting non-compliant manufacturers for corporate gain.

Ad paragraphs 162 to 168

113. Drake Clothing fails to put up any positive version regarding the facts which it seeks to "*cast doubt*" on i.e. that:

- 113.1. Ms Ntuli's explanation regarding the sub-lease arrangement between JinPeng and the KJN Co-Op is correct – it is clearly contradicted by

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the written lease agreement which reflects KJN Co-Op as the tenant of JinPeng;

- 113.2. Ms Ntuli's say-so that KJN has over 270 members – this statement has no factual basis. That the KJN Co-Op manufactures products from orders received from JinPeng, when JinPeng's only source of work is from Drake Clothing appears wholly uncommercial and part of a scheme simply to avoid compliance with the Main Agreement and other labour legislation.
114. I note again Drake's failure to provide any material facts for its allegation that Ms Wang disputes that she informed the Council's Agent's that JinPeng employs the 274 workers. No confirmatory affidavit is provided or any other details as to why Ms Wang is now recanting on her earlier statements. It also flies in the face of employees' explanation that Ms Wang is their employer, that the Council only has records of 14 employees for the KJN Co-Op and that Ms Wang provides strips of paper (as payslips) to the employees.
115. The KJN Co-Op is evidently used as a front by Drake Clothing to manufacture its products, within its premises, and without either Drake or JinPeng having to comply with its lawful obligations under the Main Agreement. That Drake and JinPeng would be motivated to do so is clear from the fact that adhering to obligations under the Main Agreement increases its costs and avoiding this provides it with an (unfair) competitive advantage. It is certainly more than just a simple "*matter of coincidence and convenience*" that JinPeng operates from the same premises as Drake Clothing.

Ad paragraphs 192 to 206

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116. I accept that FA50 and FA60 are the same. In the time available I have been unable to ascertain which is erroneously attributed to the premises in question.

Ad paragraphs 228 to 233

117. Drake Clothing admits to contracting with "Chun Ling (Pty) Ltd", which operates from the same address as Shan Yi Primary Co-Operative Limited. As mentioned, "Ms Chunling Li" is the founding member and director of the Shan Yi Primary Co-Op and that her residential address is identical to the registered address and operating address of the Shan Yi Primary Co-Op.
118. The fact that 149 employees at that factory are neither registered to Chun Ling (Pty) Ltd or the Shan Yi Co-Op is a clear reflection of the pervasive conduct in the clothing manufacturing industry of setting up co-operatives that operate from the same address as the entity with whom the design houses (including Drake Clothing) contracts, operates from. The purpose is clear, for the co-ops to fall between the cracks and for the nominal manufacturers (who appear to have no reason to exist at all) to avoid compliance with the Council's Main Agreement and other labour legislation.
119. I note that Roger Drake admits to being "*aware that there may be contractual relationship between*" Chun Ling (Pty) Ltd and the Shan Yi Workers Primary Co-Op.
120. It is no coincidence that Drake Clothing is found to be contracting with this manufacturer, which is non-compliant with the Main Agreement and has set up the Co-Op structure to evade its responsibilities, enabling it to unlawfully pay its

D



employees below the minimum wage on a piece meal rate with no overtime, and which is exploited by Drake Clothing for its own profits.

Ad paragraphs 234 to 241

121. Drake Clothing alleges that Eastern Choice Trading (Pty) Ltd is unknown to them and it has no record whatsoever of dealing with them or any entity from that address. This seems to be contradicted by the fact that a substantial amount of fabric supplied by Drake Clothing was found at the premises.
122. Drake's speculative response is insufficient in the face of the serious allegations that it supplies fabric to (another) non-compliant manufacturer.

Ad paragraphs 249 to 254

123. Drake Clothing makes the bald denial that it has not had any dealings with New Liberty but fails to provide any adequate explanation for (i) the fact that boxes with its name on, in which manufactured goods are supplied to Drake Clothing, is found at the premises and (ii) the Council's Agents version.
124. Notably, New Liberty operates from the same physical premises as Eastern Choice Trading, albeit that it is reflected as "14 Gutenberg Street" and not "14A Gutenberg Street". It is further noteworthy that both Bonnie Clothing Co-Op and Vesticel CC have their registered address at "14A Gutenberg Street", together with the residential address of one of Vesticel's members (Qing Chen).
125. Again, it is not a coincidence that Drake Clothing is supplying a non-compliant manufacturer that inexplicably shares the same business premises as multiple other non-compliant manufacturers.



Ad paragraphs 255 to 260

126. Drake continuously suggests that the photographic evidence of the Drake Clothing boxes, evidencing supply and trading relationships between Drake and the relevant manufacturer (including Vesticel) are “suspect”. This loses sight of the fact that these photographs appear in investigation reports compiled by the Council’s Agents who attended at the premises, and which facts are confirmed by the relevant Agents in confirmatory affidavits.
127. I note that Drake Clothing has failed to make any positive averments about the outcome of alleged audits or to annex any proof that such audits were passed.

Ad paragraph 269

128. I deny that this application is premised on the attribution of unlawful conduct of the Drake Manufacturers to Drake Clothing. The application is based on Drake Clothing’s unlawful conduct in operating its business in a manner that exploits workers of non-compliant manufacturers for its own profits.

Ad paragraph 270

129. That Drake Clothing has raised disputes of fact does not imply that the remedy sought by the Council is inappropriate. For the reasons dealt with in detail, the question whether any of these disputes of fact are bona fide and sufficient to avoid a referral to oral evidence is one for final consideration after Drake Clothing has complied fully with its obligations to produce the documents called for in terms of rule 35(12)

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130. Drake Clothing has persistently failed to substantiate its allegations that deny the positive facts in the founding affidavit.

Ad paragraph 271

131. I specifically deny that Drake Clothing operates a lawful business. It is because it operates its business unlawfully that it falls to be wound up.

132. I note further that Drake has failed to provide any proof of the number of employees it allegedly employs.

Ad paragraph 274 to 276

133. The winding-up proceedings have been brought on a *bona fide* basis and for a proper purpose.

134. Drake Clothing nominally disputes the Council's version while failing to provide any evidence that it contracts with compliant manufacturers. That would have been the simplest and most effective response to an application based on the opposite of that factual position. The fact that Drake Clothing is unable to disclose with whom it contracts and that they are compliant, puts paid to its bald exculpatory version.

135. On Drake Clothing's own version it accepts that it trades with a manufacturer, JinPeng, which manufacturer forms part of a sham co-op structure trading from within its premises. On this basis alone the application should succeed.

136. Accordingly, Drake Clothing has failed to provide any basis for a punitive costs order against the Council and in particular against me personally.

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RELIEF

137. Drake Clothing falls to be wound up on the grounds that it is just and equitable to do so and in the public interest for its pervasive unlawful conduct to be prevented.

138. In the premises, the Council seeks the relief set forth in the notice of motion to which this affidavit is annexed.

WHEREFORE the applicant persists in seeking the provisional winding-up of the first respondent.



CHANTAL NAIDOO

I CERTIFY that the deponent has acknowledged that she knows and understands the contents of this affidavit which was sworn to and signed before me at Johannesburg on this the 23 day of MARCH 2026, the regulations contained in Government Notices No. R1258 of 21 July 1972 and R1648 of 16 August 1977, as amended, having been complied with.



COMMISSIONER OF OATHS

ANNA ELIZABETH VAN STADEN
KOMMISSARIS VAN EDE / Ampshalwe aangestel
COMMISSIONER OF OATHS / Ex Officio appointed
HANNES GOUWS & PARTNERS (JHB) INC
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5th Floor
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Verwysing / Reference AS337/2010

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"RA 1"

TFG Merchandise Supply Chain Code of Conduct

[for raw materials and finished goods Suppliers and Manufacturers]

The Foschini Group and its subsidiaries
("TFG")



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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





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- 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

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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 INHUMANE 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

¹Discrimination 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.

¹ Aspects related to discrimination towards employees are developed in accordance with ILO Convention no :11

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 to².

² 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 notice¹.

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 authorities³.

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

³Aspects 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 remuneration⁴ 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 worker⁷.

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.

⁴Aspects 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.

⁶Aspects related to working hours and rest in respect of employment are developed in accordance with ILO Equal remuneration convention no 1

⁶Aspects 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 country⁷.

⁷Aspects 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 to⁸.

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.

⁸Aspects 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 no 170 and 177

ILO Hygiene (Commerce and Offices) convention and recommendation no 120

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:

“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.”

⁹Aspects 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).

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 at 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	company_secretary@tfg.co.za
Owned by	Head of TFG Merchandise Supply Chain	suppliercompliance@tfg.co.za
Administered by	Manager: Merchandise Supply Chain Compliance	suppliercompliance@tfg.co.za

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
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	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)



**OUR CODE OF CONDUCT
MESSAGE FROM THE CHAIRMAN**

As a responsible corporate citizen, Mr Price Group Limited, its subsidiaries and associated companies ("Group" or "we") is committed to the principles and practices of good corporate governance, which includes the implementation of a Code of Conduct ("Code") that is fully supported and adopted by the Board of Directors ("Board").

Since our founding, our business practices have been governed by well-defined values and principles that form our business culture, including integrity and fair play. This Code sets out the behaviour required by all our Associates ("Associates", "you" or "your"), including the Board, and the Group's merchandise and sundry suppliers, service providers and professional service providers, agents, advisors, representatives, contractors, landlords and intermediaries ("Partners") in the conduct of our affairs. As the custodian of ethical leadership, the Board is responsible for overseeing that the Group conducts itself in a manner that ethical. I and my fellow directors on the Board, individually and collectively, are committed to both the spirit and content of this Code in acting on behalf of the Group. We hold ourselves accountable to the same standards as those we expect of our Associates and Partners.

The purpose of the Code is to define clear guidelines for all Associates and Partners. Advice should be sought when in doubt about the correct course of action in a given situation, as it is ultimately the responsibility of each of us to uphold the values of our business, a responsibility that cannot be delegated.

This Code sets out the ethical behaviour required of all Associates and Partners of the Group, whether in the trading divisions, at Group head office, and across all countries in which we operate. The Group's Partners are also required to adhere to the Code and is incorporated by reference into the agreed contractual terms of engagement. All parties must take careful heed of the Code's contents and ensure that they comply with both the written word and the spirit of the Code and should always be guided by the following key ethical principles:

- avoid any conduct that could expose the Group to unnecessary risk, or cause damage to the Group or its reputation;
- act within the law and with honesty, integrity, respect and fairness,
- as Associates, always act in the best interests of the Group by putting the Group's interests ahead of personal or other interests.

Our hard-earned reputation must be preserved and nurtured so that our business, our people, our stakeholders and the communities in which we live and work, continue to prosper. We all share equally in the responsibility to uphold this Code and to take action if we believe it is not being followed.


Nd Payne
Chairman
Mr Price Group

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OUR BELIEFS

We are driven by PASSION, guided by VALUE and built on PARTNERSHIP.

These three beliefs, PASSION, VALUE, PARTNERSHIP, are the foundation stones of our business and are guidelines for all Associates and Partners. By staying true to our beliefs, we ensure that we never waiver in our vision to be the most valuable retailer in Africa and our purpose to be “Your value champion” and to add value in everything we do.



Passion – means ordinary people doing extraordinary things. It's our engine and the positive attitude, enthusiasm and integrity of all our Associates who approach each day smiling and projecting a positive image; believing work is fun! Trust is the most important aspect of creating and maintaining passion. Trust is about conducting ourselves ethically and morally in order to get the best out of each other and is fostered by acting with integrity and being honest and transparent.



Value – is the heart of our business and we strive to add value in everything we do. It is more than just product, it is the way we service the business, each other and our customers. Value is about doing more than what is expected or required.



Partnership – Mutual respect is integral to the culture of the group. Partnership is sharing the ownership and success of the company with all our associates and fostering solid and long-term relationships with our associates, customers, suppliers, shareholders, communities and government.

These beliefs are underpinned by ethical principles and we strive to continuously entrench our beliefs in the Group's strategy, decision-making processes, practices and governance so as to provide for an ethical organisational culture and a sustainable business. Our beliefs guide ethical business conduct as detailed in this Code and are the ethical framework within which we conduct business. As such and whilst the Group recognises that there are different legal and cultural environments throughout the world, this Code applies to the Board, Associates and Partners.

The Group believes in treating Associates, Partners and its stakeholders (shareholders, government, communities and the environment) with fairness and respect. The Group's Partners must apply the same values and operate in compliance with the relevant legislation, other requirements or prevailing codes of industry best practice in their respective countries when dealing with or on behalf of the Group. The provisions of the Code constitute minimum standards; therefore, the Code does not prevent Partners from exceeding these standards. Where applicable laws, rules and regulations address the same subject as provided within this Code, that which imposes more stringent requirements must be applied.



1. HOW TO APPLY THIS CODE

This Code applies to our Associates and our Partners. By “**Associates**” we mean all our Mr Price Group employees, including full time, part time, flexi-time, permanent or contract employees. When we refer to “**Partners**”, we mean everyone that we engage with to do business including our merchandise and sundry suppliers, service providers and professional service providers, agents, advisors, contractors, representatives, landlords and intermediaries. Certain sections of this Code are more relevant to our Associates, but our Partners are required to understand and respect our position on these matters (e.g. the gift policy). Other sections are applicable to all our Partners (including merchandise suppliers), and some are applicable specifically to our merchandise suppliers (e.g. forced labour). Where a section is relevant to merchandise suppliers, it includes factories which they own or sub-contract to and those factory workers.

The content of the various sections should be read holistically and understood in its entirety and should be applied as the context requires. If you are unsure whether the sections of the Code apply to you, you are welcome to contact the Group Compliance and Ethics Officer.

For your ease we have added icons to each section of the Code to identify to whom the content has the most significant relevance. These icons are:

 **Associates**

 **Partners**

 **Merchandise suppliers**

2. SPIRIT OF TRUST

We act with integrity and are open and transparent

We are committed to a spirit of trust, including fair dealing and integrity in the conduct of our business.

Trust is one of our most important values and the essence of which can be encapsulated in these two aspects:

- be worthy of trust yourself; and
- be willing to trust others.

Unless there is a high level of trust between associates, we will not be able to outperform our competitors. It is trust that creates a magic environment. It is trust that builds self-confidence and self-respect.

Trust comes from us being honest, open and transparent with ourselves and each other. It is demonstrated in having enough confidence to express concerns and aspirations to others. Trust means creating opportunities for listening to and talking with each other.

Anyone who interferes with this spirit of trust is damaging the Group spirit and culture.

3. COMPLIANCE WITH LAWS AND REGULATIONS

We respect the law at all times

Associates and Partners are required to comply with all applicable laws, regulations and internal codes, policies and business rules at all times.

We do not tolerate or permit any violation of the law or any unethical business dealing by an Associate or Partner.

We specifically do not tolerate, permit or engage in bribery or corruption of any kind. This includes paying, promising, offering, authorising or accepting payment or gratification (in money or anything of value) to or from any anybody in order to gain or retain business or secure an improper advantage either inside or outside of working hours.

Associates and Partners must bear in mind that the perception of their actions by others is important, and they should act accordingly, especially when any indiscreet or anti-social behaviour could affect an individual's performance or reflect negatively on the Group.

Given the zero-tolerance policy of the Group in regard to acts of bribery and/or corruption, Associates who commit or are in any way involved in acts of bribery or corruption, or whose conduct would or could be construed as an illegal or corrupt practice, will be subject to disciplinary action and may be dismissed. Similarly, if any Partner commits or is involved in acts of bribery or corruption, the Group will immediately cease all relations and engagements with such Partner. The Group will be entitled, at its election to cease engagements with a Partner in the event that there are allegations of involvement in bribery or corruption by the Partner or its employees and/or where employees of a Partner are under investigation by any professional body, including for breach of a professional code or equivalent governing standards (e.g. SAICA).

Also, Associates or Partners copying or using (i.e., infringing) other people's creative ownership rights is not permitted or acceptable. Appropriate action will be taken against Associates and Partners who infringe intellectual property rights.

4. CONFLICTS OF INTEREST

We act in the best interests of the Group.

Associates are expected to perform our duties conscientiously, honestly and in keeping with the best interests of the Group.

You must not use our position, or knowledge gained through your employment with the Group, for private or personal advantage, or in such a manner that a conflict or an appearance of conflict arises between the Group's interest and our personal interests.

A conflict could arise where you, your spouse or life partner, a member of your family, a close friend of yours or your spouse or life partner or a business with which you or your family or friend is associated, obtains a gain, advantage or profit because of your position within the Group or knowledge gained through the Group.

If you feel that a course of action which you have followed or are contemplating following, may result in a conflict of interest situation, or a perceived conflict of interest situation, you should immediately make all the facts known to your manager, director, managing director or the Group Compliance and Ethics Officer.

Partners must avoid conduct that creates a conflict of interest for an Associate.

The Group has a Conflicts of Interest & Side-Hustle Policy, which must be complied with at all times, provides guidance to Associates by detailing specific examples and FAQs for Associates to refer to when identifying and or managing actual, potential or perceived conflicts of interest. Associates MUST declare all conflicts of interests and side-hustles.

The Group also has a detailed internal Gifts Policy with which Associates are required to comply at all times. This policy sets out what gifts are and are not acceptable, the processes that must be followed when approval for gifts is requested or granted, and gift declaration obligations. Associates MUST declare EVERY gift, even if the gift was not accepted or permission to accept the gift was not required or declined.

5. CUSTOMER RESPONSIBILITY

We treat our customers with honesty, fairness and respect. 

We are focused on becoming the most valuable retailer in Africa and are therefore customer driven. A significant amount of effort is spent on obtaining a deep understanding of customer needs, rights and expectations so that we can surprise and delight our customers with our fashionable, great value products and good service.

All Associates shall provide fair, honest and respectful service to customers at all times. Associates shall not give preferential treatment to customers who are family, friends or Partners.

The Group and all Associates are responsible for protecting customers' personal information, in compliance with applicable legislation.

6. COMMITMENT TO A FAIR AND HEALTHY WORK ENVIRONMENT

We adopt the principles of fairness and equal opportunity and will not condone discrimination, workplace violence or misconduct

We are committed to and align ourselves to the principles of the International Labour Organization and the ETI Base Code as well as the United Nations Global Compact Principles. We operate across vast geographic locations in Africa and internationally with our suppliers, and both of these may include areas where social, economic and political factors put human rights and a fair and healthy work environment at risk. We therefore commit to engage with our Partners to resolve any issues we identify in respect of child labour, forced labour, excessive hours, minimum wages and any other human right violations, to ensure as a good corporate citizen we support the communities we operate in.

6.1 EQUAL OPPORTUNITY

Our recruitment policy is to support a system of equal opportunity for all. We seek to identify, develop and reward each Associate who demonstrates the qualities of personal integrity, initiative, enterprise, hard work and loyalty in their job.

We recognize the transformative journey that our country is undergoing and are committed to supporting this through the integration of diversity, equity, inclusion and belonging practices in our workplace which is aligned to our People vision and strategy.

6.2 DISCRIMINATION, HARASSMENT AND HARSH TREATMENT

Associates and employees of Partners have the right to work in an environment which is free from any form of physical or verbal abuse, physical discipline, harassment or discrimination, including on the basis of race, gender, sexual orientation, place of origin, citizenship, creed, political persuasion, age, marital or family status or disability. We promote, and expect Partners to promote, equality and prevent unfair discrimination in the workplace. We employ, remunerate, promote, train, terminate, retire and pay Associates on the basis of their

ability to do the job, and without regard to race, caste, colour, gender, nationality, religion, age, disability, gender, sexual orientation, union membership, political affiliation or marital status and expect the same of our Partners. Migrant Associates have the same entitlement as local Associates and migrant employees of Partners should have the same entitlement.

We will not tolerate any threatening, hostile or abusive behaviour by Associates in the workplace or whilst on Group business. Damage to property and/ or harm to people are strictly prohibited.

Associates should report any cases of actual or suspected discrimination, harassment or harsh treatment in the manner set out in the Contravention of the Code section.

6.3 FORCED LABOUR

Involuntary labour of any kind shall not be used, including prison labour, debt bondage or forced labour by an external authority. Associates are not required to lodge "deposits" or identity papers, and are free to leave their employment after giving the required notice (or reasonable notice where a period has not been agreed / stipulated). We expect our Partners to treat their employees in the same manner.

Lockouts are prohibited and Associates and employees of Partners may not be prevented from leaving any place of work under reasonable circumstances or the conclusion of the official shift.

6.4 CHILD LABOUR

Partners shall not recruit child labour. Partners 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 him or her to attend and remain in quality education until no longer a child; "child" and "child labour" being defined in line with the International Labour Organisation (ILO) standards.

6.5 REMUNERATION & WORKING HOURS

Associates and employees of Partners shall be remunerated for their contribution to the performance of the business in accordance with principles of fairness, responsibility and transparency. Associates and employees of Partners shall be provided with written and understandable information about their employment conditions and remuneration before they enter employment and about the particulars of their remuneration for the pay period concerned each time that they are paid, and minimum legal wage requirements shall be adhered to. No deductions from wages as a disciplinary measure shall be permitted nor shall any deductions from wages not permitted by national law, be permitted without the expressed permission of the associate concerned.

Partners must ensure the working hours of their employees comply with national laws, collective agreements and the provisions of this Code, whichever affords greater protection for their employees. Working hours, excluding overtime, must be defined by contract, and shall not exceed 48 hours per week. Where no national laws are in place to govern working hours, the standard as stipulated by the ILO should be adhered to.

All overtime shall be voluntary and must be applied responsibly, taking into account the extent, frequency and hours worked by individual Associates/ employees of Partners and the workforce as a whole. Overtime must not be used to replace regular employment. Overtime must be compensated at a rate recommended no less than 125% of regular pay or that which is provided for under national law.



The total hours worked in any 7-day period shall not exceed 60 hours, except in exceptional circumstances where:

- It is permitted by national law;
- It is permitted by a collective agreement freely negotiated with an Associates organisation representing a significant portion of the workforce;
- Appropriate safeguards are taken to protect the health and safety of Associates/ employees of Partners; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

Associates/ employees of Partners shall be provided with at least one day off in every 7-day period or, where permitted by national law, 2 days in every 14-day period.

We expect our Partners to apply the above to all people employed in their supply chains.

6.6 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING



We comply with all applicable legislation and regulation regarding Associate freedom of association and collective bargaining. Associates are free to join associations of their own choosing and management shall not interfere with Associates who wish to lawfully and peacefully associate, organise or bargain collectively.

We engage with Associates on an ongoing basis, to foster and maintain open and honest relationships that allow Associates or Associate representative groups to liaise directly with management on matters that affect them without fear of intimidation or reprisal.

We expect our Partners to comply with all applicable legislation and regulation regarding freedom of association and collective bargaining in respect of their employees by contractually promoting ethical behaviour. Social audits are conducted to ensure that the factory workers in their supply chains are afforded the same rights.

6.7 REGULAR EMPLOYMENT



Where possible, work performed by Associates must be on the basis of recognised employment relationship established through national law and practice. Obligations to Associates 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, home-working arrangements or apprenticeship schemes, where there may be no real intent to impart skills or provide regular employment. Such obligations should also not be avoided through the excessive use of fixed-term contracts of employment. We expect our Partners to treat their employees in the same manner.

6.8 HEALTH AND SAFETY



We are committed to providing a work environment which is conducive to safety and good health. Associates who become aware of circumstances relating to operations or activities which pose a real or potential health or safety threat, should immediately report the matter as set out in the Contravention of the Code section.



Partners must treat all their employees with respect and dignity, provide them with a safe and hygienic work environment and must contribute towards the development of their employees.

Partners shall provide their employees with access to clean toilet facilities and portable water, and, if appropriate, sanitary facilities for food storage. Their employees should receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned employees. Adequate steps must be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work or from unsafe buildings. This shall be done by minimising as far as is reasonably practical, the causes of hazards and accidents inherent in the working environment.

Partners providing housing for their employees must keep these facilities separate from working areas, clean and safe and meet the basic needs of employees. Partners shall assign responsibility for health and safety to a senior management representative, who needs to ensure that these health and safety requirements are applied and the relevant first aid equipment is available.

Any chemicals used by Partners in the production of merchandise must be in compliance with the guidelines provided by the ILO Convention 170 for the safe use of chemicals.

Adequate fire safety equipment must be provided and Associates and employees of Partners must have access to medical assistance and facilities where required.

6.9 SUBSTANCE ABUSE

Associates may never use, sell, transfer, manufacture or possess illegal drugs. Except in the event of prior management approval, Associates may not consume alcohol on the Group premises or whilst on Group business. Associates may not arrive for work under the influence of alcohol or any illegal drug.

6.10 MISCONDUCT OFF THE JOB

Associates must avoid conduct off the job that could impair work performance or affect the Group's reputation or business interests. Associates are required to advise their line managers of all criminal arrests or convictions that might negatively impact their ability to perform their job, the Group's reputation or the safety of Associates and stakeholders.

In addition to the above, Associates have a duty to report all acts of misconduct they have observed (or have evidence of) a fellow Associate or Partner committing. In the event an Associate fails to assist the Group in identifying the Associate or Partner they are violating their duty of good faith and this may lead to disciplinary action which could include dismissal.

6.11 FAMILIES AND RELATIVES

Immediate family members (including parents, children and siblings) and life partners/spouses of Associates may be hired as Associates or Partners provided that, amongst others:

- careful consideration to the matter has been given and there is no conflict of interests;
- they are the most suitably qualified candidate for the position;
- the decision to appoint is made independent of the related associate;
- full disclosure of the relationship is made at the outset; and
- there is no direct or indirect reporting relationship between the related associate and the appointee.



These principles of fair employment will apply to all aspects of employment, including remuneration, promotions and transfers.

6.12 RELATED PARTY ROMANTIC RELATIONSHIPS

A related party romantic relationship includes instances where the relationship develops during the course of employment with the Group. In this instance, the Associates concerned need to report the relationship to their respective line management who, if necessary, may adjust structures if there is a direct reporting relationship impacted by the personal relationship.

7. ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

We are committed to operating in a socially and environmentally responsible manner.

Environmental responsibility includes ensuring that inappropriate environmental risks are not taken and natural resources used in our business operations are conserved. This objective is consistent with our traditional commercial imperatives since it challenges Associates and Partners to use all resources (electricity, water, paper, fuel etc.) more efficiently and responsibly.

The Group is concerned about the impact of merchandise production on the environment, the climate and natural resources. It is therefore expected that Partners will act responsibly by complying with applicable environmental laws and regulations in the country of operation. All production sites must monitor the impact of their activities and their products or services on the environment, health and public safety.

All outgoing wastewater from wet processes conducted by Partners must be treated before discharge, and the treated wastewater must be compliant with applicable legislation. All waste and in particular hazardous waste must be disposed of in a responsible manner and in accordance with applicable legislation.

8. POLITICAL SUPPORT

We remain politically neutral.

We encourage the personal participation of Associates in the political process and respect their right to privacy with regard to personal political activity. We will not attempt to influence any such activity, provided it does not disrupt the workplace or contribute to industrial unrest.

Group funds, goods or services must not be used as contributions to political parties or candidates. In addition, Group facilities must not be made available to political candidates or campaigns.

9. GROUP FUNDS AND ASSETS

We respect the Group's assets and property.

We have developed internal controls to safeguard assets and impose strict procedures to prevent fraud and misappropriation.

All Associates must at all times follow the prescribed policies and procedures for recording, handling and safeguarding our funds and assets and must ensure that our funds and assets are used only for legitimate Group purposes. We expect our Partners to similarly apply their funds and assets for legitimate purposes. Associates involved in spending Group funds must take responsibility and use good judgement on our behalf to ensure that

appropriate value is received for such expenditure. If any Associates become aware of evidence that Group funds or assets, or the funds or assets of Partners, may have been used in a fraudulent or improper manner, they should immediately and confidentially report the matter as set out in the Contravention of the Code section.

10. RECORD KEEPING

We maintain valid, accurate and complete records.

The Group is required to keep accurate, valid and complete records to meet its legal and financial obligations and to adequately manage the affairs of the Group.

The Group and Partners' records should reflect all business transactions in an accurate and timely manner, which should include qualitative and quantitative information. Undisclosed, unrecorded or misleading revenues, expenses, assets or liabilities are not permissible. Associates responsible for accounting and recordkeeping functions are expected to be diligent in enforcing proper accounting practices, and shall adhere to applicable professional codes of conduct, including the NOCLAR (non-compliance with laws and regulations) standard.

Partners must keep records on site, including records of any incidents (including Occupational Health and Safety incidents) and corrective actions applied.

Partners shall provide verifiable proof of compliance with the Code upon our request from time to time, which shall include but not be limited to:

- Proof of a merchandise supplier compliance audit conducted within the twelve (12) month period prior to the Partner executing any agreement with us to which this Code is an annexure;
- Proof of compliance with any legislation applicable to the Partner, which for South African Partners includes Bargaining Council Agreements and BBBEE compliance certificates;
- Full disclosure of all factory/manufacturing or sub-contracted sites used to procure goods for us, including but not limited to site names, addresses, locations (including GPS coordinates), and contact details (names, phone numbers, email addresses) ("Disclosure Details");
- proof of compliance by any agent, trading house, factory owner, guest or invitee or sub-contractor ("sub-Partners") of the Partner involved in the manufacture or procurement of goods for us;
- Where new sub-Partners are utilised by a Partner, the Partner is to disclose this to us as well as the Disclosure Details pertaining thereto (this applies to all Partners, including merchandise suppliers where they subcontract to or engage factory owners);
- The correct details of any sub-Partner that a Partner makes use of in the manufacturing or procurement of goods for us must be disclosed for each order placed by us with a Partner (this applies to all Partners, including merchandise suppliers where they subcontract to or engage factory owners and/or trading houses).

11. DEALING WITH OUTSIDE PERSONS AND ORGANISATIONS

We communicate with our stakeholders in a responsible manner

11.1 PROMPT COMMUNICATIONS

We strive to achieve complete, accurate and timely communications with all parties with whom we conduct business, including government authorities, our customers and the public.

A prompt, courteous and accurate response should be made to all reasonable requests for information and other customer and supplier communications. Any complaints should be handled in accordance with internal procedures established by the various divisions of the Group and any applicable laws.

11.2 MEDIA RELATIONS

In addition to everyday communications (including routine marketing and operational communication) with outside persons and organisations, the Group will, on occasion, be asked to express its views to the media on certain issues. When communicating publicly (including via social media platforms) on matters that involve Group business, Associates must not presume to speak for the Group on such matters. Associates approached by the media should immediately refer them to the Chief Executive Officer (CEO). Partners are not permitted to speak on behalf of the Group and any requests of this nature by media or other third parties must be referred to the office of the CEO.

When dealing with anyone outside the Group, including any public official, care must be taken not to compromise the integrity or damage the reputation of any outside individual, business, government body, or the Group. The Group's position on public policy or industry issues will be dealt with by the CEO.

Articles for publication, public speeches and addresses about the Group and its business should be sent to the CEO's office to be reviewed and approved prior to issue.

Associates and Partners should separate their personal roles from the Group's position when communicating on matters not involving Group business. They should be especially careful to ensure that they are not identified with the Group when pursuing personal or political activities, unless this identification has been specifically authorised in advance by the CEO.

12. PRIVACY AND CONFIDENTIALITY

We uphold privacy and confidentiality of information

In the regular course of business, a considerable amount of confidential, personal and sensitive business, customer, Partner and Associate information is accumulated. Extreme caution must be exercised in appropriately communicating information which could be considered to be privileged and protected information to outside parties, through formal or informal channels. This is relevant throughout the year and not only during the closed or prohibited periods referred to in the Shares Trading Policy. When in doubt, the Company Secretary should be consulted for approval.

Information that is necessary for the Group's business should be collected, processed retained and secured in accordance with Group policies and applicable legislation. In particular, the collection, retention and processing of personal information must comply with the provisions of the Group's Privacy Policy.

13. ANTI-COMPETITIVE PRACTICES

We are committed to competing fairly in the marketplace and will not enter into collusive arrangements with competitors or Partners that will prejudice customers, Partners or competitors or interfere with free competition in the market.

Associates must ensure that the Group is not involved in the following:

13.1 ARRANGEMENTS WITH COMPETITORS, WHICH COULD INCLUDE:

- (a) Fixing prices or other trading conditions (for example agreeing with competitors to charge the same price or offer the same credit terms);
- (b) Market sharing arrangements (for example agreeing with competitors to "apportion" customers or Partners, products or areas of operation); or

- (c) Collusive tendering (for example agreeing with competitors to not compete normally in a tender process).

13.2 ARRANGEMENTS WITH PARTNERS, WHICH COULD INCLUDE:



- (a) Unfair agreements with Partners prohibiting them from dealing with a competitor; or
- (b) Minimum resale price maintenance in terms of which the Group agrees with a supplier that it will not on-sell a product or service for less than a certain price (provided that a supplier shall be entitled to recommend a minimum resale price of a product or service to the Group, if, amongst other things, the recommendation is not binding).

13.3 ABUSE OF DOMINANCE:



This is the potential abuse by the Group of its strong position in the marketplace. It could take the form of, amongst other things:

- (a) Charging excessive prices to the detriment of customers;
- (b) Refusing to give a competitor access to an essential facility (i.e. an infrastructure or resource) of the Group when it is economically feasible to do so;
- (c) Price discrimination (this could involve, amongst other things, charging customers different prices for the same products or services to gain an unfair advantage); or
- (d) Engaging in an act that hinders or prevents a competitor from entering into, or expanding within, the marketplace, including:
 - (i) Inducing or requiring customers or Partners not to deal with competitors;
 - (ii) Selling products or services on condition that the customer purchases other products or services unrelated to the original purchase, or forcing a customer to accept a condition unrelated to such original purchase; or
 - (iii) Predatory pricing if it is likely to have the effect of substantially preventing or lessening competition.

We expect our Partners to ensure that they are similarly not engaged or involved in the conduct detailed above.

14. CONTRAVENTION OF THE CODE



We are committed to upholding compliance with both the written word and the spirit of the Code and will treat as serious any indications of contravention.

The Group adopts an open-door policy. If an Associate or Partner is concerned that or is unsure whether their own actions may have contravened the Code or may contravene the Code, they should advise their line manager as soon as possible, alternatively the divisional Managing Director, or the Group Compliance and Ethics Officer.

If an Associate, Partner or anybody else suspects that there has been a contravention of the Code they should promptly and report this to the divisional Managing Director, Group Compliance and Ethics Officer or call the Group's **Whistleblowers Hotline on 0800 00 64 65**. Reports will remain confidential and disclosures will be protected where this is requested by the person reporting the contravention. The Associate or Partner should not confront the individual concerned.

By following this process, disclosures will remain protected and confidential where this is requested, and there shall be no detriment suffered by any person reporting the contravention. The matter will be investigated impartially, with

the availability of two-way confidential communication and feedback, through the independent and externally managed Whistleblowers Hotline.

Associates and Partners may be required to confirm their commitment to and compliance with the Code upon request by the Group. If the Group determines that any Associate or Partner has transgressed the Code, then corrective measures will be implemented, such as training, counselling or disciplinary action including termination of employment (for Associates), and breach procedures, corrective action plans, penalties, reduced orders or contract termination (for Partners). Certain breaches of the Code could also result in civil or criminal proceedings. Any non-compliance of this Code by Partners will be deemed to be a material breach of any agreement or business arrangement and may result in the termination of the Group's relationship with the Partner.

15. ACCEPTANCE OF THE CODE   

I, (Full Name & Surname and Partner name where applicable) hereby acknowledge that:

- I have read, understood and accept the Code;
- I will adhere to the rules and regulations as contained herein; and
- I will, if required, complete an annual declaration form in respect of the matters referred to in this Code.

Signed: on the (Day) of (Month)(Year)


14 

"RA3"

Company

CHUNLING. K2022/739901/07

Lexis® WinDeed



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SEARCH CRITERIA

Search Date	2026/03/19 12:19	Company Name	Chunling
Reference	NAT10_0038	Company Name Search Type	Starts with
Report Print Date	2026/03/19 12:19	Information Source	COMPANIES AND INTELLECTUAL PROPERTY COMMISSION

COMPANY SUMMARY

Name	CHUNLING	Status	IN BUSINESS
Registration Number	2022_739901_07	Registration Date	2022_09_23

DIRECTORS AND OTHER SUMMARY (1)

ACTIVE

Name	ID/Reg. Number	Type	Status
LI. CHUNLING	710128090e180	DIRECTOR	ACTIVE

INACTIVE

No inactive directors to display

AUDITOR SUMMARY

No auditor summary to display

COMPANY INFORMATION

Enterprise Name	CHUNLING	Status	IN BUSINESS
Registration Number	2022/739901/07	Enterprise Type	PRIVATE COMPANY
Tax Number	9059161290	Business Start Date	2022_09_23
Short Name	-	Registration Date	2022_09_23
Translated Name	-	Financial Year End	2
Old Registration Number	-	Financial Effective Date	-
Conv. Enterprise Number	-	CK Date Received	-
Region	-	CK Date	-
Country	SOUTH AFRICA	Date of Type	2022_09_23
Country of Origin	-		
Issued Shares	-		

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Issued Capital	-		
Authorized Shares	100		
Authorized Capital	-		
Industry Code	-		
Industry	-		
Principal Business	BUSINESS ACTIVITIES NOT RESTRICTED.		
Registered Address	23 STEPHENSON STREET SHOP B NEWCASTLE KWA-ZULU NATAL 2940	Postal Address	23 STEPHENSON STREET SHOP B NEWCASTLE KWA-ZULU NATAL 2940

DIRECTORS AND OTHER (1)			
LI, CHUNLING			1 of 1 Directors
Name	CHUNLING	Status	ACTIVE
Surname	LI	Type	DIRECTOR
Initials	C	Appointment Date	2022-09-23
ID/Passport Number	7101280906180	Resignation Date	-
Date of Birth	1971-01-28	Member Size (%)	-
Profession	-	Member Contribution (R)	-
Country of Residence	SOUTH AFRICA		
Residential Address	23 STEPHENSON STEET SHOP E NEWCASTLE KWA-ZULU NATAL 2940		
Postal Address	23 STEPHENSON STEET SHOP B NEWCASTLE KWA-ZULU NATAL 2940		

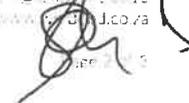
SECRETARY COMPANIES AND CCS
No secretary companies and CCS to display

COMPANY SECRETARY NATURAL PERSONS
No company secretary natural persons to display

BOTH DIRECTOR / OFFICERS
No both director / officers to display

ALTERNATIVE DIRECTORS

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No alternative directors to display

OFFICERS

No officers to display

LOCAL MANAGERS

No local managers to display

TRUSTS

No trusts to display

AUDITOR

No auditor to display

CAPITAL INFORMATION (1)

Type	No of Shares	Parri Value	Capital Amount (R)	Capital Premium
AUTHOPIZED OPDINARY	100	1	-	-

HISTORY (3)

Effective Date	Change Type
2025/09/23	CO/CC ANNUAL RETURN (COMPANY / CLOSE CORPORATION AP FILING - WEB SERVICES : REF NO. : 5444481305)
2024/09/26	CO/CC ANNUAL RETURN (COMPANY / CLOSE CORPORATION AP FILING - WEB SERVICES : REF NO. : 5416861317)
2023/09/29	CO/CC ANNUAL RETURN (COMPANY / CLOSE CORPORATION AP FILING - WEB SERVICES : REF NO. : 5395449687)

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