

The board of directors of Foschini Limited remains fully committed to business integrity, fairness, transparency and accountability in all its activities. In support of this commitment, the board subscribes to the highest standards of corporate governance in all aspects of the business and the ongoing development of best practices.

Foschini fully endorses the principles incorporated in the Code of Corporate Practices and Conduct, as outlined in the second King Report (King II), and the Listings Requirements of the JSE Limited.

Foschini has, in all material respects, complied with King II and continually strives to enhance compliance. The application of King II continues to serve as a valuable guide to the entrenchment of strong governance principles throughout the group. A Board Charter has been finalised and awaits ratification and adoption by the board.

The Main Board of Directors of Foschini Limited

Role and composition

Foschini has a unitary board structure, which, as at its 31 March 2007 year-end, comprised 10 directors. The eight non-executive directors are all independent according to the King II definition, with the two executive directors being the CEO and managing director and the financial director. Detailed information on the directors and their credentials appear on pages 10 and 11.

At 31 March 2007, the board and its committees were constituted as follows:



Corporate Governance Report

The non-executive directors come from diverse backgrounds in commerce and industry. Their collective experience enables them to provide sound, independent and objective judgement in decision-making that is in the best interests of the group. They are ultimately responsible for the performance of the group, its long-term sustainable growth, and enhancement of shareholder value. They review and ratify the group's strategy in addition to monitoring and measuring its performance and executive management against key performance indicators. They provide opinion and advice regarding the group's financial, audit, governance and risk management controls. They review the succession planning at senior levels, group transformation, as well as provide input to the remuneration process to ensure sustainable leadership.

The chairman and deputy chairman are both independent non-executive directors. The roles of the chairman, Eliot Osrin, and the CEO and managing director, Dennis Polak, are separate, with a clear division of responsibilities. Both provide leadership and guidance to the company's board, and encourage deliberation on all matters requiring the board's attention, and obtain optimum input from the other directors. All directors exercise unfettered discretion in the fulfilment of their duties, resulting in constructive debate at meetings that continue to yield well-considered decisions.

Newly-appointed directors hold office only until the next annual general meeting, at which time they retire and become eligible for re-election as directors. Each year, one-third of the existing board are subject to retirement by rotation and are eligible for re-election as directors by the shareholders. Non-executive directors have no fixed term of employment, and the performance of all directors is subject to annual peer review.

An annual evaluation of the board is undertaken by the chairman by means of a questionnaire sent to each board member. The results of the questionnaire are collated by the chairman, and feedback provided to the full board.

An induction programme is in place in the event of the appointment of new directors, with the objective of maximising their understanding of the group, enabling them to provide immediate input and make well-informed decisions.

Board meetings

The board typically meets quarterly in Cape Town, and further meetings are scheduled at short notice should circumstances dictate.

The board and its committees are timeously supplied with comprehensive information to enable them to effectively discharge their duties. All directors have unrestricted access to the company secretary and all company records, as well as to independent professional advice at the company's expense in appropriate circumstances.

Directors' shareholdings

The direct and indirect holdings, share options and transactions of the directors of Foschini Limited at 31 March 2007 are set out in note 12.4. Non-executive directors do not participate in the share incentive schemes.

Personal share dealings

The board complies with the requirements of the JSE Limited in relation to the restrictions required in the trading of Foschini Limited shares by directors and employees during the defined closed periods. Restrictions may also be placed on share dealings at other times during the year should the group be involved in corporate activity or sensitive negotiations. The company secretary advises all directors and employees prior to the commencement of the closed trading periods of the prohibitions contained in the Insider Trading Act relating to share dealings whilst in possession of price-sensitive information. Details of directors' share dealings are disclosed to the Listings Division of the JSE Limited and communicated through its electronic news service, SENS. These dealings are also disclosed at board meetings. There is a process in place, in terms of the requirements of the JSE Limited, for directors to obtain prior clearance before dealing in the company's shares. All transactions are conducted at the ruling market price on the JSE Limited.

Succession

In line with the responsibilities as formalised in their charter, the nominations committee announced changes to directorships as part of the group's succession planning to ensure sustained leadership.

Main board:

D M Polak will retire from the positions of group managing director and chief executive officer with effect from 31 December 2007. His experience and expertise will be retained with his transition into the role of non-executive director on 1 January 2008.

His existing role will be split into two functions:

- S N Bowley, who previously held the position of managing director – Foschini Stores, was appointed chief executive officer designate on 2 April 2007, upon which date he was also appointed a member of the main board of Foschini Limited. He will assume the role of chief executive officer on 1 January 2008.
- A D Murray, who previously held the position of retail director – Jewellery division, Markham, Exact!, Sports division and @home, was appointed group managing director designate on 2 April 2007, upon which date he was also appointed a member of the main board of Foschini Limited. He will assume the role of group managing director on 1 January 2008.

Operating board:

B J Curry and G S Naidoo were appointed to the operating board with effect from 1 October 2006.

A R Bisogno and M Mendelsohn were appointed to the operating board with effect from 1 March 2007.

Furthermore, D Sheard was appointed as company secretary with effect from 15 February 2007 to replace R Stein, who continues his role as financial director.

Directors' interests

The directors had no interest in contracts as contemplated in section 234 of the Companies Act.

Board attendance

The attendance of the directors at board meetings and board committee meetings for the year was as follows:

	Board	Audit Committee	Remuneration Committee	Risk Committee	Nominations Committee	Transformation Committee
Number of meetings	5	2	3	4	2	2
Directors' attendance						
E Osrin	5	2	3	4	2	2
D M Nurek	5	2	3	4	2	n/a
F Abrahams	5	n/a	3	n/a	n/a	2
S E Abrahams	4	2	n/a	n/a	2	n/a
L F Bergman	5	n/a	n/a	n/a	n/a	n/a
W V Cuba	4	n/a	n/a	n/a	n/a	n/a
N H Goodwin	5	2	n/a	n/a	n/a	n/a
M Lewis	2	n/a	n/a	n/a	n/a	n/a
D M Polak	5	2*	3*	3	2	2
R Stein	5	2*	n/a	4	n/a	2

* by invitation

Main Board Committees

The main board of directors has delegated specific responsibilities to board committees, each with their own terms of reference that define their powers and duties. The board committees meet independently and report back to the board through their chairpersons. The composition of these committees is reflected earlier in this report.

Audit committee

The committee is governed by a formal audit committee charter that complies with the requirements of King II. This charter guides the committee in terms of its objectives, authority and responsibilities.

The role of the audit committee is, *inter alia*:

- to review the effectiveness of the group's systems of internal control, including internal financial control and business risk management, and to ensure that effective internal control systems are maintained;
- to ensure that written representations on internal control are submitted to the board annually by all divisional managing directors and general managers (these representations follow consultations with relevant line management and provide assurance on the adequacy and effectiveness of the group's systems of internal control);
- to monitor and supervise the effective functioning and performance of the internal auditors;

- to ensure that the scope of the internal audit function has no limitations imposed by management and that there is no impairment of their independence;
- to evaluate the independence, effectiveness and performance of the external auditors' and obtain assurance from the auditors that adequate accounting records are being maintained;
- to ensure that the respective roles and functions of external audit and internal audit are sufficiently clarified and co-ordinated; and
- to review financial statements for proper and complete disclosure of timely, reliable and consistent information and to confirm that the accounting policies used are appropriate.

The committee consists of four independent non-executive directors and meets at least twice annually. Executive directors, members of executive management, internal audit and the external audit partners and staff attend meetings at the invitation of the committee. Independent of management, members of this committee meet separately with the external auditors.

Remuneration committee

This committee is governed by a formal charter to ensure that there is a transparent procedure for developing policies on executive remuneration and determining remuneration packages of individual directors and senior executives, within agreed terms of reference and within the framework of good corporate governance.

Its key mandate is the compilation of emolument proposals in accordance with the group's remuneration strategy which are then considered by the board. These are designed and tailored to:

- continue to attract, retain and motivate executives of the highest calibre;
- enable the group to remain an employer of choice; and
- ensure a blend of skills that consistently achieves predetermined business objectives and targets.

Its powers regarding non-executive remuneration are limited to making recommendations to the full board.

This committee has access to independent surveys and consultants for best-practice advice and information concerning current and job-specific remuneration levels.

Its responsibilities include the making of recommendations to the board on remuneration structures, performance bonuses, conditions of appointment of the CEO and managing director, the CEO and managing director's remuneration, executive and non-executive directors' remuneration and fees, service contracts, restraints, senior executive management remuneration, the employee share incentive schemes and general salary guidelines across the group.

The committee, which met three times during the course of the year, comprises three independent non-executive directors and an external consultant. The managing director and the operating board group human resources director attended by invitation, but recused themselves upon deliberation of their own remuneration.

Risk committee

The board is responsible for risk management, while divisional and operational management are accountable to the board for this process.

The group has adopted an ongoing, systematic and documented risk management process that ensures that all material risks are identified, evaluated, effectively managed and where practical, quantified. This process is undertaken within each division as well as by the operating board. This has served to ingrain a sustainable risk awareness and culture at all levels. The assessments are aligned to the business objectives within each division as well as those of the group as a whole. All significant projects undertaken by the group are subject to formal risk assessments. Ongoing business sustainability is addressed as part of this process.

The risk committee is responsible for ensuring that:

- appropriate risk and control policies are in place and are communicated throughout the group;
- the process of risk management and the system of internal control are regularly reviewed for effectiveness;
- there is an ongoing process of identifying, evaluating and managing the significant risks faced by the group, and that this was in place throughout the year under review;
- a formal risk assessment is undertaken annually;
- there is an adequate and effective system of internal control in place to manage the more significant risks faced by the group to an acceptable level;
- there is a documented and tested process in place that will allow the group to continue its critical business processes in the event of a disaster, *inter alia*, the destruction of a distribution centre, head office, or computer facility, impacting its activities;
- a risk register is maintained and kept up to date; and
- appropriate insurance cover is placed for the group, and that all uninsured risks are reviewed and managed.

The risk committee comprises two independent non-executive directors, two executive directors, a director of the operating board, and by invitation, the heads of the internal audit and risk management departments. Meetings are held four times a year.

Nominations committee

This committee is governed by a formal charter to ensure that there is a process in place to fairly and thoroughly identify and assess new executive and non-executive directors. Their responsibilities include:

- reviewing the board structure, size and composition;
- succession planning;
- reviewing the balance between non-executive and executive directors;
- ensuring that the directors have the required blend of experience, skills and knowledge to guarantee the continued success of the group; and
- compliance with the principles of good governance and the code of best practice.

This committee met twice during the year under review, and comprises three non-executive directors and one executive director.

Transformation committee

This committee was formalised during the course of the previous financial year. Its scope of authority has been clearly defined in a formal charter, as have its objectives and responsibilities.

The committee has established a broad-based BEE strategy aligned to the Broad-based Black Economic Empowerment Act of 2003 and the Codes of Good Practice, including a BBEE-level contributor target with time-lines. Clear guidelines have been defined for each of the seven elements of BBEE, being equity ownership, management control, employment equity, skills development, preferential procurement, enterprise development and socio-economic development. The committee's ongoing responsibilities are to monitor and review all aspects of the group's BBEE strategies and to ensure the achievement of its stated targets.

In order to attain these targets, subcommittees for each of these seven elements have been established, which report directly to the transformation committee. The subcommittees meet at least quarterly.

The transformation committee, comprising two non-executive directors, two executive directors and the operating board group human resources director meets twice annually.

The Operating Board of Directors of the Group

The operating board is responsible for the group's strategy formulation, as well as the day-to-day management of all aspects of the trading and service divisions.

Currently the operating board is responsible for all operational matters in relation to the group's fashion retailing and financial services businesses and support functions, including but not limited to:

- merchandise sourcing, buying, planning, warehousing and distribution;
- store location, leasing, operations, design and architecture;
- human resource recruitment, training, development and remuneration;
- information systems acquisition, development and maintenance;
- credit management and customer relationship marketing and systems;
- financial management and administration;
- strategic plan formulation, development, execution and refinement;
- budget development, review and achievement in relation to sales, operating expenses and capital expenditure;
- risk identification, assessment, mitigation and management;
- business philosophy and value system development and refinement;

- internal control development, monitoring and audit;
- employment equity plan development, review and implementation;
- development and monitoring of operational policies and procedures;
- transformation strategy development, implementation and monitoring;
- approving investment, disinvestment, refinancing and restructuring transactions in accordance with parameters set by the main board; and
- adopting and implementing corporate governance practices, which are appropriate for the group, and meeting the standards set out in King II.

This board typically meets monthly and further meetings are scheduled at short notice should circumstances dictate.

Operating board of directors of the group

D M Polak (Chief Executive Officer and Managing Director)

R Stein (Financial Director)

S N Bowley (Chief Executive Officer Designate)

A D Murray (Group Managing Director Designate)

H B Godfrey (Managing Director – @home)

P S Meiring (Managing Director – Foschini Group Financial Services)

B J Curry (Managing Director – Foschinidata)

G S Naidoo (Managing Director – Group Human Resources)

A R Bisogno (Managing Director – Foschini division)

M Mendelsohn (Managing Director – Sports division)

Detailed information of the operating board and their credentials appear on pages 12 and 13.



Risk Management

Risk review

The primary identified risks to the group are listed below.

These major risks and their consequent opportunities, considering both impact and their management, are:

Customer base and credit management

Being a predominantly credit-based retailer, retaining our existing customers and attracting new customers are core to our sustainable growth. In addition, there are various factors that can lead to customers being unable to meet their obligations to the group.

We manage this risk by:

- ensuring that we provide exceptional customer service;
- the provision of keenly priced and exciting product ranges across all divisions to our wide-ranging market segments;
- continual staff training at all levels;
- the use of “mystery shoppers” to gauge levels of customer service;
- a state-of-the-art multi-media customer services callcentre to assist in the rapid resolution of customer enquiries;
- utilisation of an efficient point-of-sale system that enhances store efficiency and customer service;
- equipping our stores to be attractive, enticing and congenial;
- ensuring compliance with the National Credit Act regarding all policies, processes and systems;
- keeping updated on all developments regarding the Consumer Protection Bill;
- proactively engaging with the relevant regulatory and legislative authorities;
- utilising state-of-the-art systems and credit management disciplines to monitor and limit the impact of this risk; and
- offering customers an optional account protection plan.

Further discussion and quantification of credit risk can be found in the Foschini Group Financial Services section of “Review of Operations” section of this report and notes 6, 7 and 19.2.

Information technology (IT)

The ever-increasing reliance upon computer systems necessitates a stable, secure and uninterrupted computer infrastructure.

We manage this risk by:

- constant senior management review and updating of the IT strategic plan;
- maintaining a comprehensive, regularly-tested disaster recovery plan that should provide seamless computing capacity in the unlikely event of a disaster. Secure computer suites have been established in separate locations with adequate capacity to provide backup access to critical systems;
- strict change control procedures for all system enhancements;
- promoting the use of risk assessments for all significant projects;
- ensuring that access controls are implemented and enforced;
- an ongoing policy of consolidation and standardisation of applications and infrastructure technology;
- an ongoing upgrade and technology “refresh” programme to ensure that our applications and infrastructure are current and supported;
- instilling employee awareness of the need for responsible use of computer facilities (all employees are required to abide by a formal computer code of conduct);
- ongoing emphasis on enhancing IT security from all potential threats, both internal and external (this will continue to receive attention at all levels); and
- adopting strong IT governance policies as well as best-practice IT service-delivery models.

Supply chain

A key risk to the group is the inability to provide our customers with the desired merchandise at the right price and time, via an efficient and effective supply chain management process.

We manage this risk by:

- considering all possible occurring events and factors that can cause a disruption in a supply chain;
- examining possible scenarios from past experience and analysis of changing market forces;
- creating solutions culminating in improved stock turn and customer satisfaction; and

- implementing changes in the supply chain methodically within appropriate and achievable time frames.

A steering committee of 12 senior executives, chaired by the CEO designate, has been formalised to structure an agile and effective supply chain management process, with specific focus on optimising lead times, supplier conformance, replenishment and pipelines.

Crime

Crime, particularly armed and violent crime, has attained unprecedented and unacceptable levels, impacting on losses and in particular, trauma to our staff. In line with calls from government, it is now necessary that we partner with them in combating this scourge and ensuring arrests and convictions.

We manage this risk by:

- continually reviewing security at stores;
- providing staff training on how to deal with armed robberies;
- maintaining a strong focus on syndicated identity fraud via a dedicated forensics department;
- maintaining regular communication with other retailers and anti-crime fora to ensure that we minimise the impact of crime in all of its forms; and
- utilising an anonymous toll-free whistle-blowing facility for the reporting of criminal acts. Details of the impact of the whistle-blowing facility are contained later in this report.

Fluctuations in interest and exchange rates

Fluctuations in the interest and exchange rates impact upon margin stability and profitability. During the year under review, the prime overdraft rate increased by 19%, and the Rand depreciated by 17% against the US Dollar.

We manage this risk by:

- maintaining a strictly controlled and skilled treasury function, guided by formalised, documented policies and procedures;
- constantly reviewing our borrowings mix between fixed and floating rate instruments, and long- and short-term financing, as the direction of interest rates change;
- carefully monitoring the group debt-equity ratio;
- constantly monitoring the potential benefit of any other interest rate products, such as interest rate swaps and forward rate agreements; and
- taking forward cover on 100% of our merchandise imports.

Shortage of skills and expertise

Without insightful, specialised and talented staff at all levels, our continued success and growth through innovation would be impacted.

We manage this risk by:

- maintaining an effective nominations committee for succession planning and appointment of senior executives and board appointments;
- ensuring that processes are in place to attract, retain and develop high-quality staff within an environment that can satisfy ambition; and
- having access to a pool of skills in all key areas via our divisionalised structure, which lends itself to seamless resource transference.

Power outages

The risk of power outages can significantly disrupt our store trading ability.

We manage this risk by:

- having stand-by generators at all head office and distribution facilities, with sufficient capacity to continue all critical functions;
- having the ability to trade off-line at stores provided that there is sufficient lighting; and
- negotiating shared-cost backup power facilities in shopping malls.

Further details can be found in the group services section in the divisional reports.

The impact of HIV/AIDS upon our staff and customer base

Whilst the effect of HIV/AIDS upon our staff and customer base still indicates a limited impact upon the group to date, we are well aware of the need to better understand the future risks and consequences.

We manage this risk by:

- reviewing and taking cognisance of results of the external survey conducted by the Health Monitor Group during 2005;
- encouraging all employees to ascertain their HIV status;
- offering all employees in South Africa two free confidential HIV tests per annum at a network of external pharmacies;
- providing a free, comprehensive disease management service, including antiretrovirals where indicated, to all permanent staff members;
- offering optional account balance protection to customers, who have made extensive use of the facility. This has in large part contained the impact on bad debts. In addition, current experience indicates that accounts are continued by extended families.

Business continuity

The loss of a major head office facility or distribution centre could impact upon critical business functions.

We manage this risk by:

- maintaining separate head office buildings and distribution facilities, providing alternate backup facilities for critical functions;
- splitting the computing capacity over four server rooms in separate locations;
- maintaining current business continuity plans for all trading and service divisions;
- maintaining comprehensive physical protection measures; and
- maintaining appropriate insurance cover.

Internal control

The board of directors is responsible for the group's systems of internal control. Effective internal control systems have been implemented and are continuously evaluated:

- to provide reasonable assurance as to the integrity and reliability of the financial statements;
- to safeguard, verify and maintain accountability of its assets;
- to detect and minimise fraud, potential liability, loss and material misstatement; and
- to review compliance with applicable legislation and regulations.

The internal control systems are governed by a comprehensive internal control standards manual that is available to all staff via our intranet. Compliance with these laid-down standards rests within each division and is monitored via internal and external audit checks.

The board is not aware of any material breakdown in the functioning of these controls during the period under review.

Internal audit

The internal audit department is an independent appraisal and assurance function. Although it is responsible to the group financial director for administrative matters, the internal audit department reports to the audit committee of the board of directors. This structure does not impair the function's independence or objectivity. An internal audit charter, approved by the audit committee and conforming to the International Standards for the Professional Practice of Internal Auditing, determines the mission and scope of the function.

Further information on the internal audit function is separately contained in the divisional reports section of this annual report.

Code of ethics

The group has adopted a code aimed at creating a culture of the highest standards of ethics and uncompromising honesty among all employees. The code is founded on the principles of integrity, good faith, impartiality, openness and accountability. The code of ethics forms an integral part of the induction programme and all new employees agree to subscribe to the code. It is available to all staff on our intranet.

Whistle-blowing

An outsourced, anonymous whistle-blowing facility has been in place since February 1998 for the reporting of suspected fraud and unethical behaviour. Use is made of an outsourced, anonymous, toll-free hotline. All reports are submitted to the centralised risk management department, which ensures that all incidents are logged and resolved. The minimum reward, increased from R2 000 to R5 000 during the year, is payable for all instances where follow-up confirms evidence of fraud or unethical behaviour. There is a strong focus on staff awareness of this facility via regular distribution of laminated posters and wallet-sized cards.

An additional reward of R10 000 is paid twice annually to a randomly-selected staff member who has already been awarded the R5 000 reward in each six-month period.

During the year under review, 55 reports were received, resulting in 14 dismissals.



Legal Compliance

With the proliferation of increasingly complex and compliance-orientated legislation, the board views this function as essential to ensure compliance within the group. The purpose of this function is to provide the board with assurance that the group remains compliant with applicable legislation. The compliance function is currently split into two distinct areas – one focus area is compliance with laws that affect credit granting and the other on general compliance within the group.

The impact of the National Credit Act (NCA) is significant, and a group business review forum meets weekly to address all NCA issues within the group.

Similarly, there is a group forum monitoring the progress of the Consumer Protection Bill. This forum will ensure that the provisions relevant to the group will be implemented upon the finalisation and promulgation of the Bill.

The developments regarding the Companies Bill and the Protection of Personal Information (concept) Bill are also being closely monitored to ensure that the group is able to comply with this legislation once promulgated in final form.

The group compliance officer reports to the audit committee.

The responsibilities of the compliance function include *inter alia*:

- identifying and advising the group on existing and new legislation that is applicable to the group's business;
- facilitating compliance with relevant legislation and assigning responsibility for areas of compliance;
- facilitating compliance with internal policies, rules, guidelines and procedures;
- maintaining a register of internal policies, rules, guidelines and procedures; and
- monitoring of compliance.

Internal audit and the group compliance officer work closely together. Where significant compliance issues are identified, these are considered for independent review by outsourced experts.

Remuneration

The group's policy is to align the remuneration structure of the executive directors and staff with the interests of shareholders, and consequently a portion of their package is performance related. Share options and incentives are granted based upon both the performance of the individual as well as the performance of the group as a whole, based on specific business objectives and bottom-line absolute profits, the principle being that bonuses are self-funded out of profits in excess of targets.

In addition, it provides competitive market-related and benchmarked base salaries.

The executive directors have standard employment contracts with the group, which do not exceed two years.

Remuneration for executive staff comprises:

Base salary

- Base salaries are determined after a thorough market benchmarking exercise within the retail and related sectors.

These are set at competitive market rates, are subject to annual review and linked to performance. All divisions have established performance management systems in order that individual contribution can be measured and rewarded accordingly. External remuneration consultants assist with market surveys and benchmarks and internal parity is monitored by the human resources division.

Short-term incentives

- The trading divisions participate in an annual bonus scheme. Targets are set for each division at levels exceeding predetermined budgets, in order that the schemes are effectively self-funding. The level of the bonus is dependent upon the performance of the individual, the trading division and the group as a whole. Service division bonuses are related to the overall group performance. The levels of bonuses are capped.

Long-term incentives

- Share options provide a performance incentive that aligns remuneration with the interests of shareholders, and are therefore offered to senior staff at various intervals for delivery over a six-year period. These are allocated based upon individual contribution to the success of the group.

Other benefits

- The remuneration committee reviews additional benefits annually against market benchmarks for proposal to the board. These include pension and medical aid fund contributions, car allowances and other health and security services.

Service contracts

- Certain key executives have formal service contracts to ensure stability and continuity in management teams. These contracts include restraint of trade agreements.

Remuneration of non-executive directors and the chairman are reviewed annually by the remuneration committee for proposal to the board. Non-executive directors are paid a basic fee with additional fees payable for their level of responsibility and committee membership. They do not participate in any of the group incentive plans or share schemes. They are paid for their expenditure in attending meetings in Cape Town.

External consultants assist in providing market information relating to non-executive remuneration.

Payments made to directors for services during the year are set out in note 30.

Stakeholder Relations

Foschini acknowledges the importance of proactive engagement with all of its stakeholders and in particular, we strive to foster sound relationships between the company and the investment community as a whole. Regular meetings are held with institutional shareholders and investment analysts in order to provide them with timeous and relevant information regarding financial performance and prospects. Executive directors and senior management are accessible to investors and regular meetings are held with local and international shareholders, both current and prospective. Price-sensitive information is distributed via the JSE Limited's SENS and made available simultaneously via the Foschini group website.

A wide array of information is available to our staff via our intranet including our code of ethics, mission and values, HIV/AIDS policy, medical aid information, internal recruitment opportunities, environmental policy and initiatives, reporting of fraud and theft, sexual harassment policy and staff announcements.

Ongoing communication with our suppliers is vital to our sustained access to merchandise and services delivery. In addition, we need to convey to them our required standards regarding ethical conduct and legal compliance. Of increasing importance is our requirement to ascertain their BBEE-level contributor status in order to ensure that our BBEE-supplier database is current.

Our primary means of communication with our identified stakeholders is noted in the table below:

Stakeholder	Our most frequent means of communication.
Institutional shareholders and investment analysts	Regular local and international investor relations meetings with executive directors and senior management.
Shareholders	Via our annual report, SENS announcements, profit announcements, annual general meetings, general meetings, advertising, group website and e-mail.
Customers	Via our store and head office staff, customer care callcentre, website, e-mail, SMS, monthly statements, advertising, sponsorships, store promotions and competitions.
Suppliers	Via our store and head office staff, regular site visits, audits and meetings, video-conferencing, requests for general and compliance information and supplier fora.
Community	Via community social investment initiatives (by the group and by staff), meetings with social investment representatives, sponsorships, advertising, website and media releases.
Employees	Via regular staff dialogue and communication sessions, staff breakaways, team-building exercises, notice boards, newsletters, union meetings, training, intranet, e-mail, store visits by senior managers, staff meetings and a quarterly internal magazine.
Government and regulatory authorities	Via ad-hoc formal meetings and written and verbal submissions regarding relevant draft legislation.

Donations to Political Parties

No donations are made to political parties.