



Pick n Play ESG REPORT 2024

SUSTAINABILITY REPORT 2024

PNP.CO.ZA

Welcome to our 2024 Sustainability Report

The Group is a retail business in the fast-moving consumer goods industry. We operate multiple store formats through an owned and franchise model, including supermarkets, clothing and liquor stores and an online platform. The Group trades under two banners – Pick n Pay and Boxer. Our late honorary life president and consumer champion Raymond Ackerman purchased the first four Pick n Pay stores in Cape Town, South Africa, in 1967. The Group purchased the Boxer business in 2002, then only 35 stores. Today, the Group has 2 279 stores across South Africa, Botswana, Eswatini, Lesotho, Namibia, Nigeria, Zambia and Zimbabwe.

We operate 2 279 stores across multiple formats (including an online platform), trading under two banners: Pick n Pay and Boxer. We have a presence in eight countries across Africa.

With our rich 57-year history, we benefit from strong brand loyalty and broad socio-economic appeal within the regions we serve. We provide our customers with a tailored range of high-quality food, grocery, clothing, liquor, and general merchandise products at competitive prices.

Our purpose statement

We serve

With our hearts we create a great place to be

With our minds we create an excellent place to shop

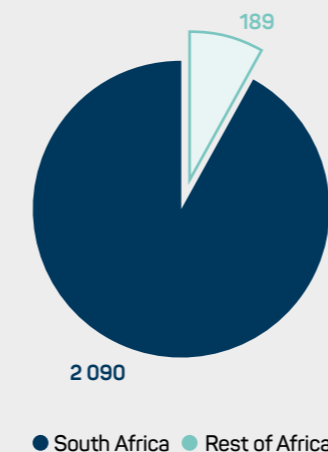
Our enduring values

- We are **passionate** about our **customers** and will **fight for their rights**
- We live by **honesty** and **integrity**
- We foster **personal growth** and **opportunity**
- We take **individual responsibility**
- We **care for** and **respect** each other
- We **support** and **participate** in our **communities**
- We **nurture leadership** and **vision**, and **reward innovation**
- We are all **accountable**

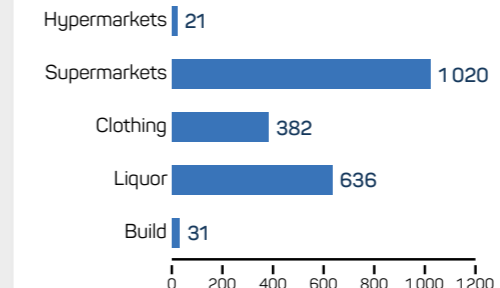


Key facts

Geographic split of our **2 279** stores



South African footprint



2 090 stores

South Africa's brand representation

1 622
Pick n Pay

468
BOXER

Turnover split

	South Africa Rbn	Rest of Africa Rbn	Total Rbn
Pick n Pay	71.3	3.6	74.9
Boxer	36.8	0.6	37.4
Total	108.1	4.2	112.3

Feedback

We remain committed to continuous improvement and value your feedback as we integrate environmental, social, and governance (ESG) considerations into our strategic decision-making processes and external reporting. Contact us at sustainability@pnp.co.za with any feedback or questions on this report.



Suzanne Ackerman
Non-executive director

"Amid heightened global economic, environmental and social challenges, such as climate change and social instability, 'business as usual' is no longer good enough. Businesses need to act now to solve complex problems while looking at longer-term solutions for sustainable and inclusive growth."

Our belief that doing good is good business has been at the heart of our business for 57 years. We have served communities by driving socio-economic transformation and taking steps to preserve our environment. We are proud of our legacy of environmental and social responsibility and community upliftment and while the 2024 financial year (FY24) was extremely challenging for our Group, we continued to progress on our sustainability journey.

I invite you to read more about our actions in FY24 as we work hard to deliver better outcomes and create long-term value for all our stakeholders."

This report's contents

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A mindful approach to external reporting



3 Our way of reporting

Our way of reporting

Our 2024 Sustainability Report is part of our integrated reporting approach, which aims to tell a meaningful story about how we define, create, and maintain value for stakeholders. In this report, we outline the financial and operational challenges of the FY24 year, our material sustainability-related impacts on the environment, society and the economy and provide our stakeholders with an overview of our ESG strategy and performance.

We produce a suite of publications tailored to meet our stakeholders' specific information requirements. All our reports are available online on the Group's investor relations website at www.picknpayinvestor.co.za.

Sustainability Report

This report details our ESG performance against indicators aligned with investor and analyst expectations and provides a high-level overview of our impact on the environment, society, and economy.

Annual Financial Statements (AFS)

The audited Group and Company AFS for Pick n Pay Stores Limited for FY24. The report includes our Audit, Risk and Compliance Committee Report and Directors' report.

Corporate Governance Report (CGR)

A review of the Group's commitment to good corporate governance in implementing its strategy and governance framework. The report also includes our Annual General Meeting (AGM) notice and the Board committee reports.

Notice of Annual General Meeting (AGM)

Notice of the 2024 AGM to be held on 27 August 2024 and the proxy voting form.

Integrated Annual Report (IAR)

A review of the Group's strategy, material matters, risks and opportunities, and our operational and financial performance for the financial year. The report includes extracts of the FY24 Annual Financial Statements (AFS), disclosure on environmental and social sustainability, our governance structures and our remuneration report.

We consider relevant and credible international reporting frameworks when compiling this report, with a particular focus on the data supplied in our ESG performance data matrix (page 49). These frameworks include the Global Reporting Initiative's (GRI) Standards, the Sustainability Accounting Standard Board's Standards, and the Johannesburg Stock Exchange's Sustainability and Climate Change Disclosure Guidance.

In addition, we are on a journey to align our reporting with the International Financial Reporting Standard's Sustainability S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures (which consolidate the Sustainability Accounting Standard Board's Standards and the recommendations of the Task Force on Climate-related Financial Disclosure). We also consider the Johannesburg Stock Exchange's Sustainability and Climate Change Disclosure Guidance.



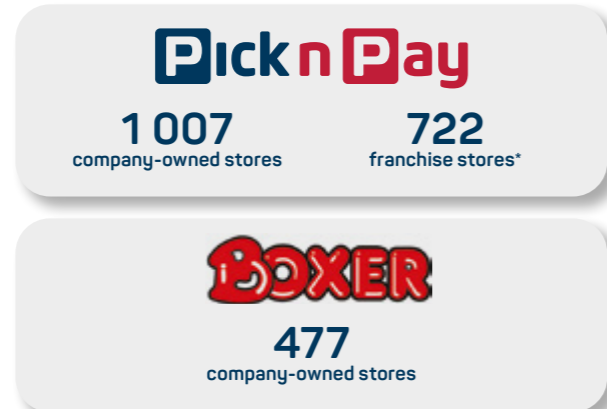
This report's scope and boundary

This report covers the non-financial performance of Pick n Pay Stores Limited and its major trading subsidiaries for the 52 weeks ended 29 February 2024. It contains relevant comparisons to previous periods and is consistent with information and performance indicators included in internal management reporting.

This report includes details on social and environmental opportunities and risks that could materially impact our stakeholders or influence our ability to create and preserve value over the longer term.

For the purposes of this ESG report, it is important to note that majority of the data presented is sourced from Pick n Pay company-owned stores. Boxer is currently in the process of collating their data and is making significant progress in this regard.

Our non-financial reporting boundary includes:



* Franchise stores sustainability reporting is limited to electricity included in Group Scope 3 emissions.

Improving the integrity of our ESG data

ESG data falls within the scope of the Group's data management practices. We are increasingly digitising our data processes and have developed an automated online performance management dashboard that tracks carbon, electricity and waste. We are developing a real-time packaging database and have increased the accuracy of our reporting on food waste. The increased availability and frequency of accurate ESG data gives us greater operational control and oversight of our sustainability journey.

Approval of our 2024 Sustainability Report

The Board acknowledge responsibility for the integrity of this report. The directors have applied their minds to the report and believe that the information is reliable and fairly presents the Group's sustainability practices, performance and outlook. The Board reviewed and approved this report for release to our stakeholders on or about 9 July 2024.

Gareth Ackerman Chair	Sean Summers Chief Executive Officer	Lerena Olivier Chief Finance Officer	Jonathan Ackerman Non-executive director	Suzanne Ackerman Non-executive director	David Robins Non-executive director
Haroon Borhat Independent non-executive director	James Formby Lead independent non-executive director (LID)	David Friedland Independent non-executive director	Aboubakar Jakoet Independent non-executive director	Audrey Mothupi Independent non-executive director	Annamarie van der Merwe Independent non-executive director

Ensuring an accurate and balanced report

Assurance on report content

- Sustainability Report: Doing Good is Good Business**
 Reviewed by the directors and management, but not externally assured.
- Selected non-financial performance metrics**
 An accredited service provider verified 27 non-financial performance metrics contained in this report. We indicate these metrics in our ESG performance data matrix using the following icon . In addition, our carbon footprint and broad-based black economic empowerment (BBBEE) rating are externally verified.
- Our Independent Assurance Statement is available online on the Group's investor relations website at www.picknpayinvestor.co.za.
- All other non-financial performance information**
 Management has verified the accuracy and completeness of the processes for measuring all other non-financial information.

Reflecting on FY24



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Our CEO and CFO look back on a difficult year

Sean Summers
Chief Executive Officer

Lerena Olivier
Chief Finance Officer



Our Chief Executive Officer, Sean Summers, and our Chief Finance Officer, Lerena Olivier, reflect on the challenges of the past year, and celebrate the successes where we have achieved them, like Boxer and Pick n Pay Clothing.

The Group faced significant financial and operational challenges during FY24, driven by substantial losses incurred in Pick n Pay. The action taken under the Group's previous Ekuseni strategy to address sustained underperformance in Pick n Pay supermarkets did not yield the required results, leading to a sharp deterioration in this part of our business, with lower sales volumes, gross profit margin contraction and higher operating costs. Our high-performing Boxer business delivered a market-leading sales performance in FY24 and strong earnings growth, but it could not shield the Group from the financial impact of a substantially weaker Pick n Pay.

Recognising the severity of the Pick n Pay situation, the Board took rapid and decisive action to change and strengthen the executive leadership team, simplify and streamline the Group's operating structures and develop a comprehensive new strategy which prioritised the turnaround of Pick n Pay supermarkets, while accelerating the positive trajectory of the Group's highly successful, Boxer, Clothing and Online businesses.

The Pick n Pay turnaround is grounded on a return to the retail basics of efficiency, execution and exceptional customer service. The major priorities of the Pick n Pay strategy are set out in detail in the Integrated Annual Report and target significant improvements in the quality of the Pick n Pay store estate, the depth of its product range and the efficiency of its operating model. The strength of our partnerships with our stakeholders is critical to our long-term success and sustainable value creation and we remain absolutely committed to responsible retail and business practices, transparent and constructive engagement, the prioritisation of employee welfare and the winning back of customer trust and confidence.

A key component of our strategy is a two-step Recapitalisation Plan, which comprises a R4 billion Rights Offer to existing shareholders and the listing of our Boxer business on the Johannesburg Stock Exchange. The Recapitalisation Plan is critical to the long-term sustainability of our business - it will reduce our debt, stabilise our balance sheet and provide the capital required to fund the Pick n Pay turnaround and the growth ambitions of our Boxer, Clothing and Online businesses. We are particularly excited by the transformation of Boxer into a strong national brand and the further growth potential that its planned listing provides.

The Group's long-term strategy and Recapitalisation Plan have been supported by important corporate governance changes and commitments made by our controlling shareholder to reduce its influence on the Board, increase the independence of key Board committees and balance the interests of all our shareholders. The changes are detailed in our Corporate Governance Report and will be implemented in a phased and responsible manner over the next 12 to 18 months, prioritising management support and Board stability.

The financial challenges within the Pick n Pay business required a reduction and reprioritisation of capital spend and greater control over operating costs. The stringent financial discipline required to protect Group liquidity and secure its long-term sustainability had an impact across all areas of the Pick n Pay business, including the funds available for ESG investments and initiatives. Our more prudent and considered ESG spend was evident in the reduction in Pick n Pay's annual Corporate Social Investment (CSI) and in our waste diversion initiatives. These remain important elements of our overall ESG strategy and our investments will grow as our profitability is restored.

Notwithstanding the financial constraints within the business, Pick n Pay remained keenly focused on managing its largest environmental impacts including its carbon emissions and packaging waste, and we continued to invest in initiatives that would have an immediate positive impact on the business, including reductions in our energy and water intensity, improvements in plastic and other recycling and increased spend on employee skill development and welfare. ESG spend in our Boxer business was not constrained over the year, with significant ongoing investment in community-based upliftment projects.

We are taking an increasingly integrated approach to ESG across our business and are including more departments in our formal sustainability engagements and oversight committees, to drive broader accountability for the effective management of the material ESG-related risks and opportunities along our value chain. To facilitate this integration, we strengthened our ESG management structure this year. Vaughan Pierce, who was appointed as Group Company Secretary on 14 March 2024, continues to oversee the

effective integration of ESG across our operations, and is now supported by individual managers who lead the key ESG functions across Pick n Pay and Boxer. In his capacity as Group Head of ESG, Vaughan now reports directly to the CFO, an important change that provides an enterprise-wide view of sustainability and greater strategic alignment between our sustainability and financial performance. This is essential to deliver long-term value for our stakeholders.

Pick n Pay and Boxer are at different stages of their respective ESG journeys. Environmental and social responsibility is firmly embedded in the DNA of each business, however Boxer is not yet as advanced as Pick n Pay in its collation and reporting of non-financial ESG data. Advancement in ESG reporting is a key priority for the Boxer management team, particularly in light of its planned Johannesburg Stock Exchange (JSE) listing, and excellent strides were made over the FY24 year, including in its reporting of waste and in its setting of credible emission reduction targets through the Science Based Targets Initiative. Our strengthened management structures will facilitate greater collaboration going forward, while allowing Boxer to focus on the ESG matters that are most important to their business and to their customers and other stakeholders. Our Sustainability Report focuses on our Group ESG performance wherever possible, alternatively we have indicated where the performance measures relate specifically to Pick n Pay or Boxer.

The turnaround of the Pick n Pay business will be a multi-year journey. It won't be easy and the management team are realistic about the challenges that lie ahead, including the political and socio-economic challenges of our South African operating environment. However, we have a clear plan and a highly skilled and motivated team, with a strong set of core values, and we are confident in our ability to restore the Pick n Pay business to its rightful place in the South African retail landscape.

We will work with energy and passion to get things right, we will future-proof our business for long-term value creation and will cement our position as a leading retail Group in South Africa in terms of operational excellence, ethical sustainability and care and generosity for the communities we serve.

Sean Summers
Chief Executive Officer

Lerena Olivier
Chief Finance Officer

9 July 2024



A word from our Head of ESG



Vaughan Pierce
Head of ESG

Our Head of ESG, Vaughan Pierce, shares his views on FY24, reflects on how the Group performed against its ambitious ESG targets and addresses the heightened focus on sustainability by all stakeholders.

Unpack the consumer environment for the past financial year. Are you seeing significant shifts in how customers engage with the Group on ESG issues?

The retail environment in FY24 was tough. Our Pick n Pay and Boxer customers are struggling with high debt levels and rising living costs, which have dampened consumer sentiment. Affordability is a key concern, emphasising the importance of a strong customer value proposition and offering our customers the right products at the right prices.

In the face of these challenges, one might assume that customers would deemphasise sustainability considerations in their purchasing decisions. However, we have found the opposite to be true. In fact, we are seeing greater engagement on ESG issues across our broad customer base, including within our lower- and middle-income communities. Our customers experience the effects of climate change daily, including devastating floods and storms, wild fires, and soaring temperatures. They see the impact of poorly managed waste in their communities and feel the impact of unsafe products or poor ethical business practices.

Our priority is always to serve our customers, including stepping up to demonstrate what we are doing to address environmental challenges, engage in community development and drive positive change through initiatives that focus on food security, access to education, and social empowerment.

Unpack the Group's progress against its ESG commitments. What went well, and where can we do more?

We constantly strive to minimise our ecological footprint and have a Group commitment to be net zero carbon (scope 1 and 2) by 2050. Making a material dent in our scope 1 and 2 emissions this year was challenging, and our emissions increased by 5% due to store expansion in Boxer and Pick n Pay Clothing. However, the Group has decreased its emission intensity over the same period by 11%. This has primarily been driven by increased energy efficiency. Additionally, Pick n Pay has maximised its investment in renewable energy at our own sites and distribution centres and must now turn its focus to pursuing partnerships with landlords and others to scale the Group's renewable energy transition. This will be a key priority going forward. We also chose to pursue revenue from carbon credits from our renewable energy installation, as opposed to banking the emissions savings. This resulted in an increase in scope 1 and scope 2 emissions.

Refrigerant gases constitute 81% of our scope 1 emissions, and we increased the percentage of company-owned Pick n Pay and Boxer stores using a form of natural refrigerant from 9.5% in FY23 to 12.9% in FY24. The cost of converting to 100% natural refrigeration is significant, which has impacted uptake. Considering the Group's current financial constraints, we will need to manage this carefully.

While Pick n Pay diverted 56% of its general waste from landfill this year, progress was slower than we hoped due to waste budget cuts. To address this going forward, we have partnered with new waste management service providers and are working with them to identify and set clear waste reduction targets.

Reducing our water usage is another area where we need to do more. This year's highlight was using the WWF Water Risk Filter to better understand our water-related risks. This will help us develop targeted water reduction strategies in the year ahead.

Alongside being a strategic growth engine for the Group, Boxer is a cornerstone in many communities we serve. It is exciting to see projects focused on positively impacting our customers' lives gaining momentum. Boxer has assisted more than 272 farmers in the Eastern Cape through its innovative small-scale farming initiative by helping them scale their businesses and gain market access. Boxer is looking to extend this initiative to another four provinces in FY25. Boxer also launched a new recycling programme this year, hiring previously unemployed individuals from surrounding communities to help them sort and manage recycling in-stores.

Food security remains a critical issue in South Africa and globally. I am proud that we have reduced food waste in Pick n Pay by nearly 32% against our 2019 baseline and are working steadily towards our target of 50% by 2030. Pick n Pay also donated more than 900 tonnes of edible surplus food to FoodForward SA this year, valued at more than R40 million (using average of R44.50 per kg).

The past year has been challenging for our Pick n Pay employees, as many have felt the uncertainty of leadership change and the various employee restructuring programmes we undertook in FY24. We implemented each of these programmes in line with our values and will continue to provide employees with support through wellness programmes that cover mental, physical and financial well-being.

I have only highlighted a few areas that kept us busy this year. I invite you to read more about how we performed under each pillar of our strategic ESG framework in the dedicated chapters within this report.

As the Group shifts its strategic focus under the leadership of your new Chief Executive Officer, Sean Summers, do you anticipate any changes to the Group's strategic ESG framework or how ESG is integrated into the Group's business strategy and planning?

The Group has long embraced the belief that doing good is good business, and ESG is deeply embedded into our DNA. In fact, we have been quietly first to market in many sustainability arenas. Presently, the Group is introspecting and redefining what we need to do to win our Pick n Pay customers back. This will mean a greater focus on trade, our Pick n Pay customer value proposition, and in-store delivery, among other things. But it does not mean we will stand still or lose focus on doing good.

The four pillars of our strategic ESG framework remain in place. However, the Group's new strategy is more regionally focused, giving us greater flexibility and adaptability in responding to ESG matters.

In the face of an increasingly difficult economic environment, we will strategically reallocate our resources to maximise the impact of our community-focused initiatives, focusing on food security, access to education, and social empowerment. This may result in us supporting fewer organisations, but it aligns with our ambition to foster long-term partnerships that drive lasting and positive change.

What will you and your team focus on in the year ahead?

We will focus rolling out the revised Sustainable Impact Framework in Pick n Pay. In addition, we will work on enhancing the integrity of our ESG data, which is critical to ensure we have the information we need to make accurate and informed investment decisions. Increasing the frequency and improving the scale of our engagement with our suppliers will be essential in this regard.

Ongoing integration of ESG considerations into our management systems and decision-making will remain critical. I am pleased with our progress while continuing to strengthen our ESG culture across the Group. As mentioned, there are a few areas where we want to improve performance, such as carbon emissions, waste and water, and these matters will receive greater attention in FY25. There will also be an increasing focus placed on Boxer's data collection and improved reporting in light of the pending Boxer listing on the JSE.

Ultimately, our focus remains on aligning our business objectives with sustainable practices to drive long-term value creation and positively impact society and the environment.

Vaughan Pierce
Head of ESG

9 July 2024

As announced on SENS, Vaughan Pierce was appointed as Company Secretary, effective 14 March 2024. He will continue to oversee the integration of ESG across the Group's operations.



“ We will work with energy and passion to get things right, we will future-proof our business for long-term value creation and will cement our position as a leading retail Group in South Africa in terms of operational excellence, ethical sustainability and care and generosity for the communities we serve.”



Introducing our ESG framework

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- 20 Integrating ESG considerations

In recent years, there have been fundamental shifts in business and society. Global issues such as climate change and biodiversity loss, geopolitical and social tensions, inequality, and rapid technological and scientific advancements have placed increasing pressure on businesses to recognise that their success is interconnected with the well-being of society and the environment.

The Group has long believed that doing good is good business and we have embedded ESG considerations into our decision making processes since the 1970s. Over time, the lens through which we have viewed our responsibility to do good has evolved from philanthropic to strategic.

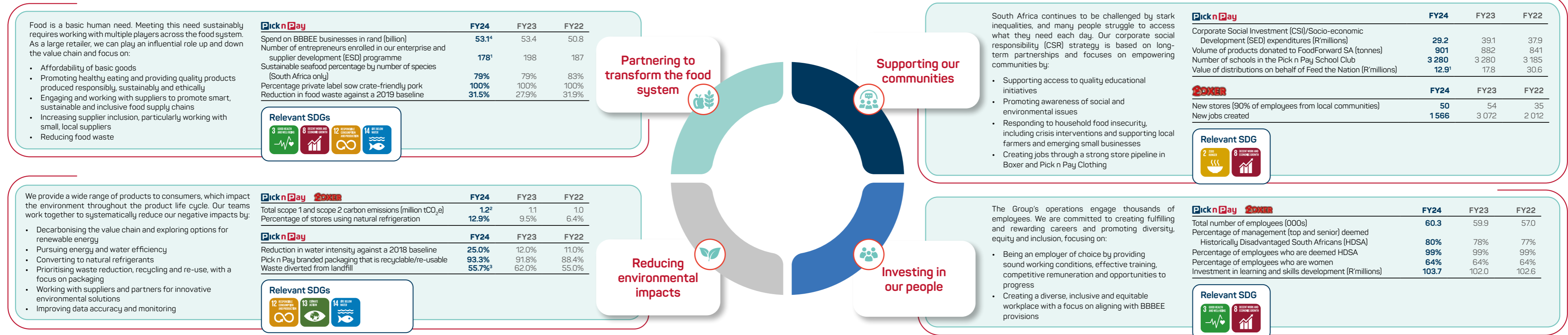
Our belief that doing good is good business has enhanced our ability to mitigate environmental risks such as climate change, social risks such as labour disputes, and governance risks such as regulatory noncompliance. It has helped us identify and capitalise on opportunities such as expanding our store and customer footprint to cater to all demographics and customer segments, and strengthening our relationships with employees, customers and communities.

Ultimately, our belief that doing good is good business enables us to minimise our negative impacts on society and the environment, build stakeholder trust, and create long-term sustainable value.

Our strategic ESG framework

Our strategic ESG framework focuses our decision-making and action across the Group, aligned with the six Sustainable Development Goals (SDGs) where we believe we can have the biggest impact.

ESG spend in Pick n Pay declined year-on-year in line with the division's prudent and careful capital and operating expense control in all areas to protect its sustainability over the longer term. ESG spend and investment in Boxer was not curtailed and remains a critical priority for that business. The following graphic outlines the four pillars of our strategic ESG framework and indicates our performance. We unpack progress against our ESG commitments on page 17, with more detail available in our ESG performance data matrix.





Group memberships and partnerships

We participate in national and global industry associations and voluntary initiatives to advance ESG best conduct in our business activities:



Including being a member of South Africa's Food Loss and Waste Voluntary Agreement.



Including all packaging producer responsibility organisations such as PETCO, Polyco, eWASA, Lightcycle, and MetPacSA.

In FY24, we participated in the United Nations Global Compact Voluntary National Review for South Africa. Countries present progress in achieving the SDGs, with a particular focus on the private sector's efforts to collectively respond to the national and global challenges of poverty, inequality and environmental degradation.

Independent ESG rating and research agencies recognise our ESG practices:



Integrating our strategic ESG framework into business strategy and planning

We will continue to evolve our ESG strategy to support a move away from pure philanthropy to value creation through sustainability. Read more about the Group's pathway to profitability in the Integrated Annual Report

We have positioned this evolution in our sustainability strategy in Pick n Pay as The Shift, which will take us forward into FY25 and beyond.

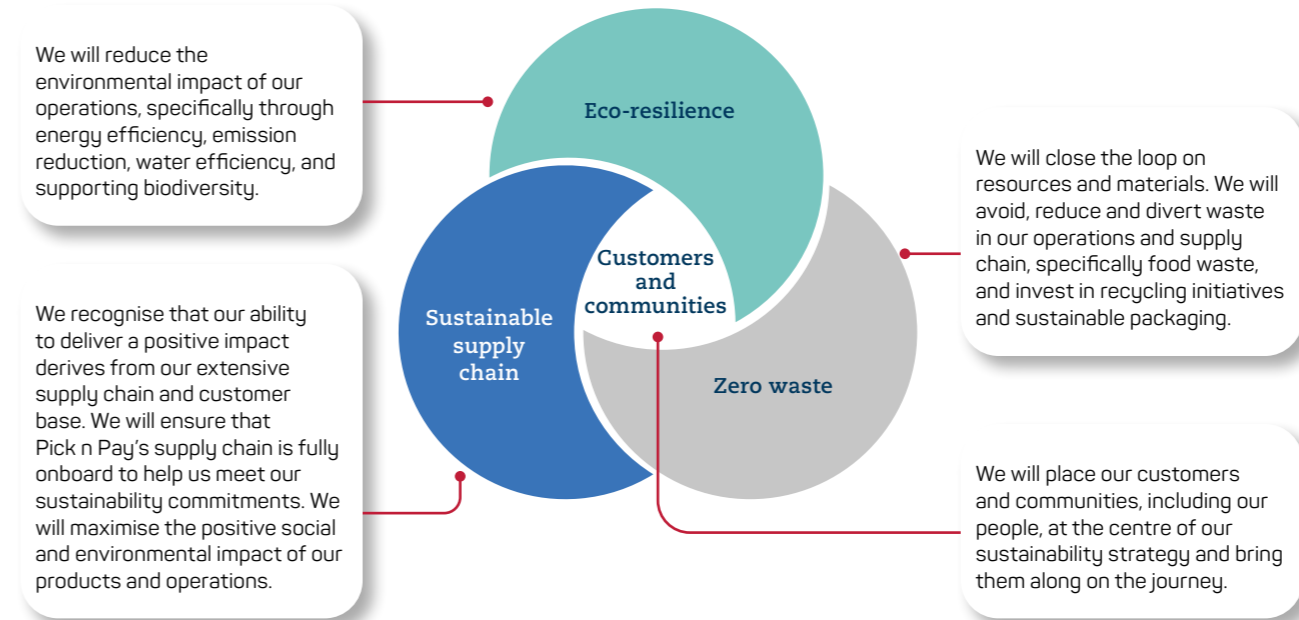
The Shift encapsulates our ambition to create value by unlocking and scaling profit-enabled, customer-focused sustainability projects that drive revenue, reduce costs or create a material and measurable positive impact within key business functions. Our new ESG strategy aims to increase Pick n Pay's adaptive capability in the face of environmental and social stress. It will further support the Group's back to basics strategy to re-establish business sustainability and operational excellence, with a vision of returning Pick n Pay to profitability.

Read more about Pick n Pay's pathway to profitability in the Integrated Annual Report.

Introducing Pick n Pay's Sustainable Impact Framework: The Shift

Pick n Pay's revised Sustainable Impact Framework, The Shift, builds on the four pillars of our strategic ESG framework. It was approved in the first quarter of FY25 and is in the early stages of integration into the business. We have clear objectives and will report on progress in the FY25 report. Importantly, The Shift puts our Pick n Pay customers and communities at the centre of our sustainability ambitions. Building on lessons we have learned in prior years, the revised framework focuses on the critical areas of our Pick n Pay business that represent significant sustainability-related risks and opportunities. We position this focus alongside areas where we see the most potential for scale, value creation, and innovation.

Pick n Pay



Pick n Pay's existing public ESG targets will remain in place (page 17). We will identify and invest in new and existing projects to achieve these targets, supported by a comprehensive set of internal targets to drive performance.

As Pick n Pay starts integrating and rolling out its Sustainable Impact Framework in FY25, we will rely on the following enablers:

- The Pick n Pay turnaround strategy
- Governance
- Data-driven reporting
- Customer centricity
- Resilient partnerships
- Active and adaptive learning

The Shift requires us to leverage the existing skills and capabilities within Pick n Pay, which necessitates strengthened collaboration between key business functions. To support strategy implementation, we are relooking the oversight and implementation of sustainability initiatives.

Certain existing governance and management functions, such as our Sustainability Steering Committee and Head of ESG, will remain in place. We will supplement these functions by appointing Sustainability Champions in Pick n Pay, who will act as the engine room for the innovation and integration of profit-enabled impact projects while maintaining sustainability compliance. A new Operational Sustainability Co-ordinating Committee will support our Sustainability Champions by activating our Sustainable Impact Framework and ensuring effective co-ordination across our sustainability initiatives.





Significant capital trade-offs we anticipate making in FY25

While non-negotiable, the cost of replacing harmful refrigerants with natural refrigerants is significant. We remain committed to converting to 100% natural refrigeration in Pick n Pay company-owned and Boxer stores by 2040.

However, we will need to carefully manage the pace of investment alongside the Group's financial and operational performance.



Burning diesel generators to mitigate the impacts of load-shedding adds significant costs and negatively impacts the environment. While we continue to invest in our energy resilience plan, expanding renewable energy usage at stores and distribution centres depends on our landlords installing solar solutions.

In FY25, we will continue negotiating with landlords to maximise solar installations.



In the face of an increasingly challenging economic environment, we need to strategically allocate our resources to execute our sustainability ambitions and maximise the impact of community-focused initiatives. However, we will continue to invest in achieving our sustainability targets, including finding ways to optimise and enhance our sustainability approach and foster long-term partnerships that drive lasting and positive change.



Management's judgement in prioritising stakeholder needs and capital resources will be significant to ensure our business continues to grow, adapt and innovate without placing our stakeholders or the environment at undue risk.

Progress on our public ESG commitments

The Group has clearly defined KPIs and targets to support its ESG commitments. Below we set out the progress against the material targets we have committed to externally. However, we monitor all internal and external measures against targets.

Partnering to transform the food system



Reducing food waste

Reduce food waste by 50% by 2030

- We have reduced food waste by 31.5% against our 2019 baseline

Work with 20 of our largest suppliers to reduce food waste in our shared value chain by 50% by 2030

- We have partnered with 17 suppliers as part of the WRI's 10x20x30 initiative to collectively reduce food waste by 50% by 2030 in our shared value chains.



Ethical sourcing

Source 50% of our cotton as more sustainable cotton by FY25, which includes recycled cotton, organic cotton and Fairtrade cotton.

- 28.3% of our cotton is sustainably sourced, an increase of 21.8% since 2021¹

100% of cardboard and paper used for Pick n Pay packaging will be sourced from responsibly managed forests by 2025

- Achieved 97.7% against FY20 baseline



Reducing environmental impacts



Reducing our carbon footprint

Achieve net zero carbon across the Group by 2050 and -60% by 2040 (Scope 1 and 2)

- Scope 1 and 2 increased by 4% to 1.2 mil tCO₂e. The Group is finalising Science Based Targets initiative (SBTi) emission reduction verification in FY25.

Conversion to 100% natural refrigeration in Pick n Pay and Boxer company-owned stores by 2040

- 12.9% of our stores have been converted to natural refrigerants (up from 9.5% in FY23)



Reducing environmental impacts (continued)



45% improvement in energy efficiency across Pick n Pay's Energy Programme (322 company-owned stores) stores by 2030

- Achieved a 39% improvement against our FY10 baseline due to an ongoing focus on behaviour modification and technology and equipment upgrades. We have increased the amount of energy programmes at stores by 153 stores since FY10 (from 169 to 322 in FY24)

We are revising the target of 60% renewable energy use across the Group by 2040 due to changes in our property portfolio and the status of Eskom's renewable energy transition.

Conserving freshwater

Reduce water intensity by 20% by 2025 for Pick n Pay company-owned stores

- Reduced water intensity by 25% against 2018 baseline across company-owned stores. New target to be set in FY25.

Reducing and repurposing waste

Divert 75% of general waste produced at our Pick n Pay company-owned operations from landfill by 2025 through recycling and recoveries.

- Diverted 56% of waste from landfill in FY24.

Addressing packaging challenges

100% of Pick n Pay packaging will be re-usable or recyclable by 2025

- Achieved 93.3% against the FY20 baseline

30% average recycled content across all Pick n Pay packaging by 2025

- Achieved 35.5% against the FY20 baseline

30% reduction in average packaging weight of Pick n Pay branded products by 2025 (FY20 baseline)

- Achieved 33.1% against the FY20 baseline



Providing robust oversight



Board oversight and accountability

Our Board of directors has ultimate oversight of sustainability and ESG-related risks and opportunities pertinent to our business, including the process of integrating sustainability into our strategy, decision-making and governance practices.

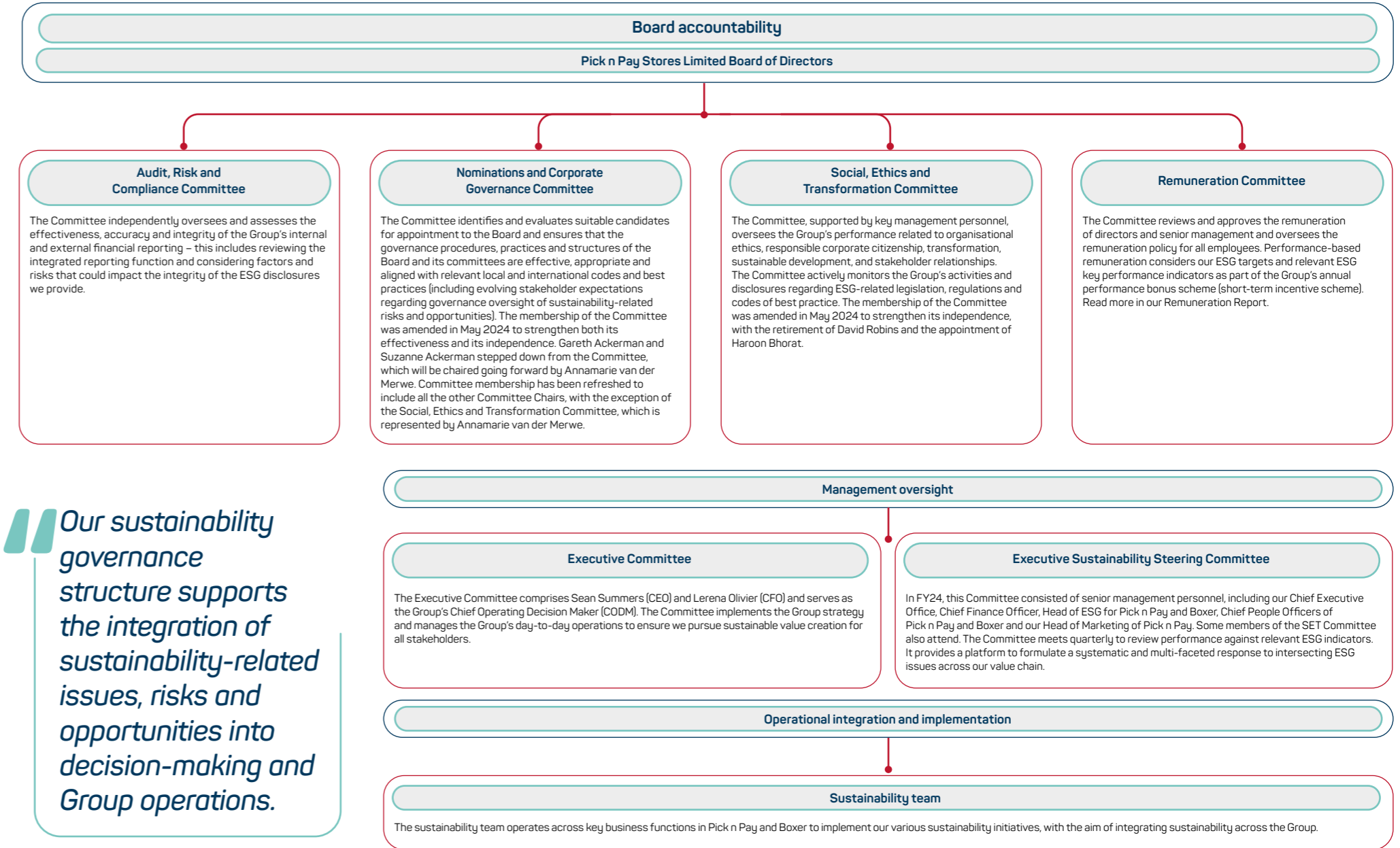
The Group's directors are diverse in gender, race and professional backgrounds. They are well-placed to consider the significant range of sustainability matters pertinent to our operations, value chain, and growth ambitions. Read more about our Board's composition in our Corporate Governance Report, which is available online.

The Board is supported by four committees, which are delegated specific oversight roles related to the Group's sustainability and governance performance. The Social, Ethics and Transformation (SET) Committee is the primary committee that oversees the execution of our strategic ESG framework and our sustainability performance and is tasked with ensuring that the Group's enduring values are applied daily in all areas of the business. The SET Committee reports back to the Board after every scheduled meeting.

The SET Committee met three times in FY24 to review performance in the areas pertinent to its mandate (see graphic on the following page). To deliver on this mandate, the Committee undertook cross-functional engagement with the Audit, Risk and Compliance Committee and other Board committees, as relevant. The Committee was assisted by the Company Secretary, executives responsible for strategy and human resources, senior managers and technical experts.

The SET Committee focused on all four areas of our strategic ESG framework across Pick n Pay and Boxer, as well as Pick n Pay's new Sustainable Impact Framework. The Committee's report is available in the Corporate Governance Report.

Sustainability governance structures



Our sustainability governance structure supports the integration of sustainability-related issues, risks and opportunities into decision-making and Group operations.



Integrating ESG considerations

The Group recognises the interconnectedness of ESG matters and the need to consider these as part of our management processes. Understanding these matters enables us to test the resilience and agility of our strategy and take an integrated view of our rapidly evolving operating environment.

We are seeing an increasingly integrated and holistic approach to sustainability across the business. This includes a pleasing uptick in engagement between our sustainability team and the various departments within the Group. A key driver of this increased engagement was ensuring that the relevant departments across the business are represented at our quarterly Executive Sustainability Steering Committee, creating opportunities to shape a collective response to sustainability matters along our value chain.

We also looked at how we manage sustainability within the Group. In FY23, we appointed a Head of ESG with individual managers for the different functions within our ESG department across Pick n Pay and Boxer. This has been critical to achieving greater clarity and accountability when executing our strategic ESG framework.

Determining our material ESG considerations

Senior management, our Risk Management function, the Social, Ethics and Transformation Committee, Audit, Risk and Compliance Committee, and the full Board collaborate to identify and prioritise matters that could significantly impact our ability to create and sustain value. This process enables us to sense-check the relevance of identified ESG matters, potential risks to enterprise value and our ability to turn these risks into opportunities. Our materiality review is primarily driven through the Group's comprehensive, enterprise-wide risk management and combined assurance programme.



Policies

We continue to develop and refine policies that govern our management approach to material ESG matters. These include policies for climate and energy, sustainable packaging, seafood, palm oil, water and waste, human rights and a broad range of employee, governance and ethics-related policies.

This year, we reviewed all our governance and ethics-related policies to ensure these remain fit for purpose and aligned with the latest legislation and best practice.

Read more about these policies on page 46.

Our key sustainability-related impacts, risks and opportunities

Our strategic ESG framework is based on an analysis of ESG impacts and dependencies critical to our business, including:

- Access to affordable, quality, nutritious food
- Carbon emissions (including carbon disclosure)
- Natural refrigeration conversion (CO₂ and ammonia)
- Energy use (fuel and electricity)
- Waste, in particular, plastic and food waste
- Water usage
- Promoting products with sustainability attributes
- Supplier ESG practices and ethical sourcing
- Localised supply chain
- Transformation
- Employee training and development
- Employee health and wellness
- ESG data and data accuracy

In response to the matters, we identify key sustainability-related risks and opportunities, which we address through our strategic ESG framework.

- Partnering to transform the food system
- Reducing environmental impacts
- Investing in our people
- Supporting our communities

The Group's key sustainability-related risks

Climate risk is pervasive and highly interconnected, with extreme weather events posing a risk to our store network and vehicle fleets. Given the strong investor focus on climate risk, our response to these risks may impact our cost of capital going forward.

Our strategic response:



Read more on page 31.

Packaging waste, mainly plastic, can be a significant environmental problem when not re-used or recycled. Our customers continue to hold us accountable for excessive and non-recyclable packaging, and failure to work effectively with key stakeholders along our value chain to manage this risk could result in reputational damage or erode brand loyalty.

Our response:



Read more on page 35.

We have a large **supply chain** and depend on suppliers being committed to ethical and sustainable practices aligned with our Group ESG ambitions. Failure to bring our suppliers and other key stakeholders on board could result in reputational damage and decreased investor confidence if we fail to achieve the ESG targets we have communicated to the market.

Our response:



Read more on page 28.

There are significant risks associated with **unsafe food** and improper operational health and safety standards, particularly putting our customers or people at risk of ill health or injury.

Our response:



Read more on page 42.

Food waste is a multi-faceted issue with significant environmental, social and financial impacts. Regulation around food waste is increasing, and there is mounting pressure to demonstrate the effectiveness of our food waste management practices. An insufficient response to food waste may impact our cost of capital going forward and result in reputational damage.

Our response:



Read more on page 26.

Risks to **systems stability and security** are increasing due to the frequency of global cyber and ransomware attacks and the acceleration in digitisation across our business. Ineffective cybersecurity management could result in failure to protect confidential information, leading to financial losses, reputational damage, and legal liabilities while undermining the credibility of our governance systems and controls.

Our response:




Read more in our Integrated Annual Report.

The Group's key sustainability-related opportunities

Our strategic focus on partnering to **transform the food system** requires awareness of South Africa's social dynamics and trends. Related to this, we have a significant opportunity to reduce (and avoid) food waste as much as possible. Other opportunities revolve around providing affordable essentials in underserved markets and expanding our sustainability-related product ranges.


Our response:



Read more on page 26.

Our commitment to **reducing environmental impacts** continues to create opportunities for electricity conservation at stores and distribution centres, natural refrigeration conversions, renewable energy installation, water efficiency and improved efficiencies in our distribution operations.


Our response:



Read more on page 31.

Our supply chain presents an opportunity to scale positive ESG practices, with a particular focus on **advancing responsible sourcing and procurement**. Investing in people and communities further enhances the social ecosystems that underpin our success.


Our response:




Read more on page 28.

Our CSI efforts support our strategic focus areas, at times enabling us to pilot scalable interventions that **address social challenges** such as high unemployment, food insecurity and poverty.

Our response:



Read more on page 36.

-  Partnering to transform the food system
-  Reducing environmental impacts
-  Investing in our people
-  Supporting our communities

We continually monitor trends in ESG reporting, including the publication of IFRS S1 and S2 and the European Sustainability Reporting Standards (ESRS). These standards are being positioned as a comprehensive global baseline for sustainability-related disclosure, with the ESRS recommending that companies undertake a 'double materiality' assessment¹ when determining significant sustainability-related issues, risks and opportunities.

¹ IFRS S1 and S2 focus on financially material ESG risks and opportunities, in other words social and environmental risks and opportunities that impact financial performance – 'financial materiality'. 'Double materiality' requires that companies also consider and disclose how its operations impact its broader ecosystem and stakeholders.



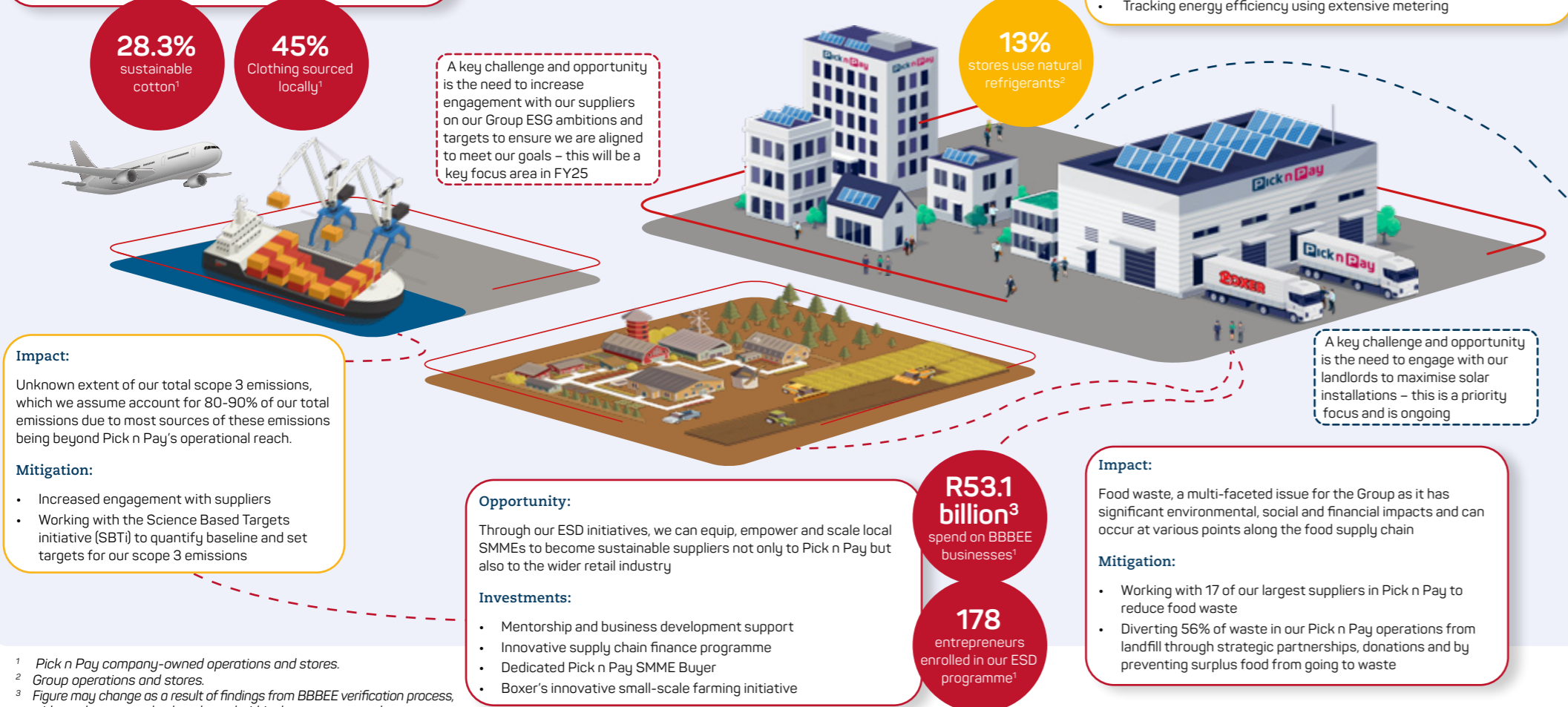
- 24 An overview of our value chain
- 26 Partnering to transform the food system
- 31 Reducing environmental impacts
- 36 Supporting our communities
- 41 Investing in our people

Impact:
Lack of visibility of environmental and social risks along our international supply chains – particularly for Pick n Pay Clothing

Mitigation:

- Localising our supply chain to replace previously international sourcing practices
- Investment in tracking tier 1, 2 and 3 suppliers
- Sourcing sustainable cotton through the Better Cotton Initiative

An overview of our value chain

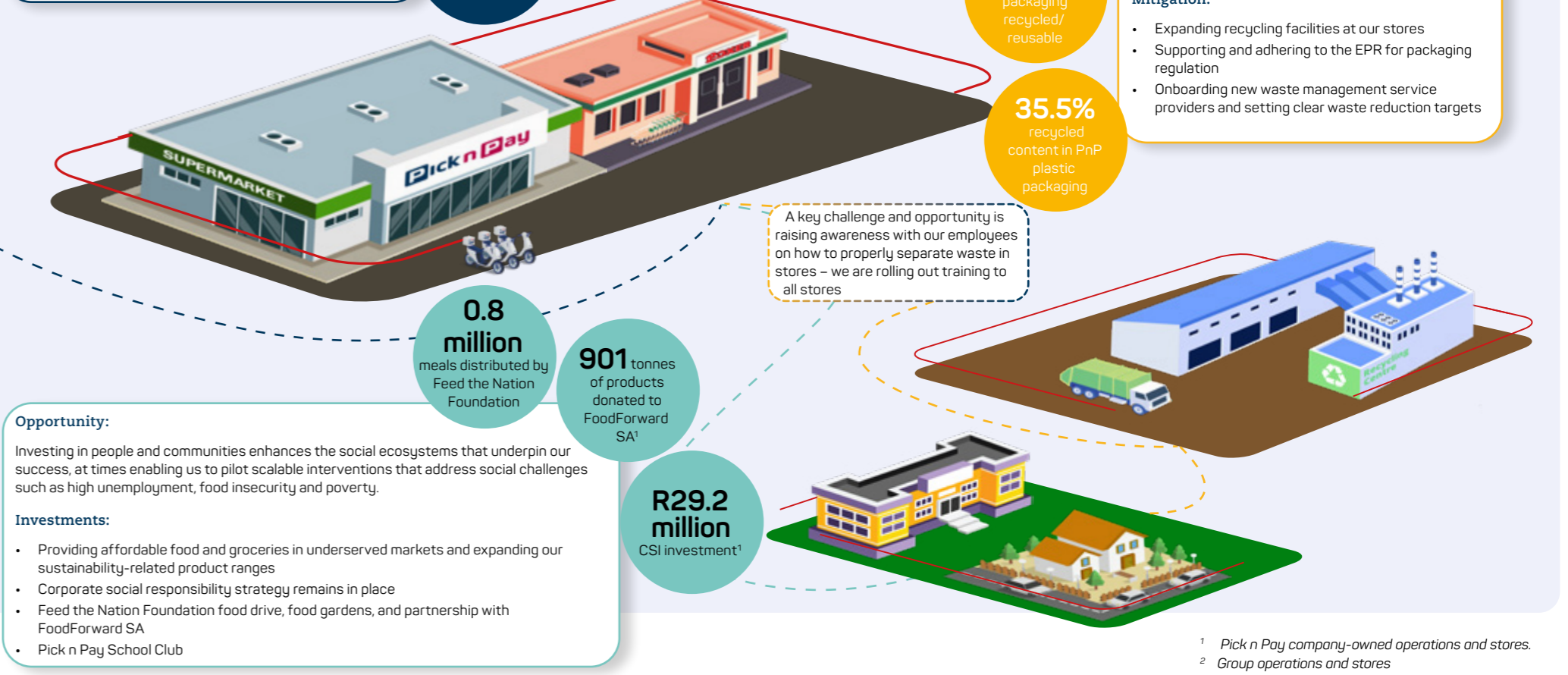


¹ Pick n Pay company-owned operations and stores.
² Group operations and stores.
³ Figure may change as a result of findings from BBBEE verification process, with results expected to be released within the next two months.

Opportunity:
Being an employer of choice by providing sound working conditions, effective training, competitive remuneration and opportunities to progress

Investments:

- Health and safety training
- Employee wellness programme
- Employment equity plan and targets
- Ongoing investment in training and development
- Ongoing talent management and succession planning



¹ Pick n Pay company-owned operations and stores.
² Group operations and stores

Partnering to transform the food system



As part of our commitment to alleviating food insecurity, promoting equitable access to nutritious food, and supporting a resilient local economy, we focus on promoting smart, sustainable and inclusive food, grocery and clothing supply chains.

Reducing food waste

Food waste is a critical issue due to its significant environmental, economic, and social impacts.

Pick n Pay aims to reduce food waste by 50% by 2030, aligned with the World Resource Institute's (WRI) 10x20x30 target¹. We are working with 17 of our biggest suppliers to help them measure and demonstrate their progress.

We quantify our food waste data in line with the WRI's Food Waste and Loss Protocol. As reported last year, we changed our reporting metric to refer to tonnes of food waste rather than the number of products. We believe this is a more transparent and accurate way to report food waste and aligns with the WRI's Food Waste and Loss Protocol and 10x20x30 target. We have also improved our internal reporting capabilities to better record and measure food waste, displaying weekly food waste figures across our stores.

We eliminate unsold food going to waste by optimising our forecasting, prioritising better buying and procuring, investing in shelf-life extension projects, and implementing "reduced to clear" processes to reduce food surplus. We continue to reinforce training at stores on cold storage protocols and minimising food waste.

A key focus area is identifying organic waste diversion alternatives, and we are exploring partnerships to enable us to repurpose organic waste and divert expired food to local farmers, composters or waste-to-energy facilities. These partnerships will enable us to close the loop on waste generation and consumption.

Pick n Pay has reduced food waste in its operations by 31% over the past five years.



When disposed of incorrectly, such as poured down drains or into water bodies, used cooking oil can cause pollution and harm ecosystems. Boxer has partnered with vendors to collect used cooking oil and process it into biodiesel, a clean-burning, renewable substitute for petroleum diesel.

In FY24, three vendors collected approximately 45 500 litres of used cooking oil, generating income of around R160 000.

This year, Boxer launched an initiative to reduce the impact of used cooking oil (a by-product from its delis and bakeries) on the environment while creating sustainable, income-generating opportunities for local entrepreneurs.

¹ 10x20x30 is a WRI initiative bringing together 10 of the world's biggest food retailers and providers to each engage with 20 of their priority suppliers to halve rates of food loss and waste by 2030.

As part of our commitment to optimise our ESD approach and improve how we engage with and support SMMEs, we appointed a dedicated Pick n Pay SMME Buyer from 1 April 2023. Our priority is to align the performance of our SMMEs with our business objectives, which we discussed during our inaugural 'Aligning our Business to Succeed' conference in July 2023. Topics included guidelines for developing new products, and the benefits of aligning their business objectives with broader societal goals, such as accessing funding. Other benefits of appointing a dedicated Pick n Pay SMME Buyer include improved communication and more frequent supplier engagement.

Engaging with our suppliers on our sustainability ambitions remains critical to achieving our targets. This is particularly relevant for understanding and reducing our scope 3 emissions. This year, a key focus area was finalising our supplier sustainability handbook, which guides our suppliers on how they can reduce their environmental impacts. Additionally, we are updating our SMME Toolkit to increase market access and assist in retail-ready support.

Another important initiative this year was our monthly SMME Connect sessions, which provide a virtual platform for our suppliers to engage with the Group, unpack common challenges, and promote awareness and engagement on key sustainability issues and opportunities.

Increasing our engagement with suppliers will remain a critical focus area in FY25.

Spotlight | Boxer's innovative small-scale farming initiative

Working alongside the Wholesale and Retail Sector Education and Training Authority (W&RSETA), Boxer has assisted 584 farmers living and working on rural farms as part of its small-scale farming initiative.

Launched in 2022, the initiative aims to upskill and train small-scale farmers in retail-ready farming methods and techniques, helping them increase their productivity and reduce their reliance on labour-intensive farming methods. This is critical to ensure that the farmers have the necessary knowledge and skills to improve and sustain their businesses while creating opportunities to gain market access.

In addition to training, farmers receive a smartphone, a Yoco payment device to facilitate cashless transactions, personal protective equipment, and a R2 000 voucher that they can use at any Boxer Build to purchase equipment and tools.

Once a farmer completes the programme, they may be onboarded as a Boxer supplier. As this initiative aims to contribute to broader economic participation and food security, farmers can also supply their products to other large and small-scale retailers.

584 Farmers have joined the programmes since launch	272 Farmers have completed the programme	60% Of the participating farmers are women	90 Farmers supply Boxer stores with fresh produce
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Looking ahead, Boxer plans to extend this initiative to Limpopo and KwaZulu-Natal by FY25. Boxer aims to further support the small scale farmers with the resources to understand the principles and the requirements of the Good Agricultural Practice (GAP). They will benefit from access to resources, training, technology and market opportunities essential to building resilient and inclusive food systems that benefit rural communities and foster environmental sustainability.



Supporting ethical and sustainable sourcing

We are committed to ensuring that our own brand products are grown, sourced and produced responsibly and sustainably. This includes promoting animal welfare, healthy oceans and fish stocks, sustainably manufactured clothing, and tracking ingredients with high environmental and social impacts.

100%

sow crate-friendly pork in all Pick n Pay branded products since 2019

90%

sustainably sourced palm oil in Pick n Pay branded products

79%

of all seafood sales meet our sustainable seafood commitment²

97%

of our direct Pick n Pay Clothing suppliers are registered on the Supplier Ethical Data Exchange (SEDEX)

This year, suppliers of sustainably sourced palm oil in Pick n Pay branded products decreased (achieving 90%, down from 100% in FY23). This decrease is largely driven by the complexity of the palm oil supply chain and the cost of certification schemes. Pick n Pay is committed to procuring sustainably sourced palm oil for Pick n Pay branded products, and we will continue to work with our suppliers to achieve 100%.

Pick n Pay has been one of the most influential retailers driving sustainable seafood in South Africa. In working toward our sustainable seafood commitments, 79% of our seafood products by species comply with our commitments. All seafood products are checked by the South African Sustainable Seafood Initiative (SASSI) to ensure these products are sustainably sourced and on SASSI's green list¹. Pick n Pay continues to work closely with SASSI to increase our procurement of green listed species.

Ensuring ethical supply chains

Pick n Pay's sourcing policies provide clear guidelines on the employment practices and social and environmental standards we expect suppliers to maintain when supplying products to our stores. We require all business partners to comply with our Code of Ethics and ensure that their subcontractors and secondary suppliers comply. 268 suppliers completed and responded to an environmental survey.

Pick n Pay is a member of SEDEX, a leading ethical trade membership organisation, and the Sustainability Initiative of South Africa (SIZA), a platform to ensure ethical and environmentally sustainable trade. In FY24, 97% of our tier 1 clothing suppliers were registered as members of SEDEX.

In FY24, Pick n Pay Clothing conducted an internal audit to ensure the legitimacy of local co-operatives within our downstream supply chain. The results indicated that all co-operatives involved in locally manufacturing clothing for Pick n Pay are successfully verified.

We control food traceability through food health and safety audits.

Expanding Pick n Pay Clothing's range of sustainable products

We have increased sustainability in our product lines, with 44.9% of our clothing products having one or more sustainability attributes. These attributes include waterwise (factory makes use of water treatment methods, recycled water, ozone washing and/or waterless dyeing methods), recycled fabric, sustainably sourced cotton, or viscose. We also sent out surveys to our second tier suppliers to shed more light on our value chain.

Through the Better Cotton Initiative (BCI), we are growing our clothing ranges that use sustainably sourced organic cotton. In FY24, we increased our percentage of sustainably sourced cotton to 28.3% of our total cotton consumption.

In our Pick n Pay Clothing stores, the paper and cardboard used for footwear hangers are certified by the Forest Stewardship Council (FSC). 97.7% of cardboard and paper used for our own brands and packaging is FSC-certified, and we are committed to reaching 100% by 2025. Plastic hangers are made from 100% recycled materials.

Building an inclusive supply chain

Increasing local products in our Pick n Pay Clothing stores

Pick n Pay Clothing continues to innovate to increase the number of local products in our stores. In FY24, 51% of clothing was sourced from the Southern African Development Community (SADC), including South Africa (44%), and we remain on track to increase the percentage of clothing sourced from the SADC to 60% within the next four years. We saw steady growth in our localisation drive:



We incorporated recycled fabrics into our local manufacturing processes, replacing a previously international sourcing practice

We transitioned the import of 200 000 footwear units locally.

We increased the local procurement of children's clothing from 58% in FY23 to 73% in FY24.

We now procure approximately 90% of our ladies' Sleepwear locally.

We increased local production of our Schoolwear clothing range by 50% year-on-year.

We onboarded two new local denim suppliers and transitioned two offshore programmes to the SADC.

We initiated a trial to localise one of our largest imports of socks.

We support the local clothing industry by collaborating with local designers and entrepreneurs to curate limited-edition collections of on-trend pieces at accessible prices. These collections are produced under our "Made in South Africa" range, which we launched five years ago. We continue to support the Clothing Intern Programme and hosted 10 interns in FY24. This programme provides opportunities for young designers to gain practical skills, equipping them to be commercially successful.

Supporting local innovation and entrepreneurship

Through our ESD initiatives, we equip, empower and scale local small, medium and micro-enterprises (SMMEs) to become sustainable suppliers – not only to Pick n Pay and Boxer but also to the wider retail industry.

We hand-pick entrepreneurs with innovative product concepts or start-up enterprises to actively grow our diverse pool. We provide them with mentorship and business development support. We support 460 SMMEs and produce 94% of Pick n Pay own brand food and groceries locally.



This year, we launched our first upcycled clothing range in collaboration with Sari for Change.

Sari for Change is a local, black-women-owned supplier that transforms used saris into new garments. This initiative supports sustainable fashion while empowering underprivileged women with skills and opportunities to earn an income.



Promoting healthier food choices

Over the past five years, we have reformulated many products to reduce calories, fat, salt and sugar and increase fruit, vegetable and fibre content as well as vitamins and minerals. We have removed over 1 000 tonnes of salt and 2 500 tonnes of sugar and reduced sugar in many Pick n Pay products by a third. Other products are free from gluten, wheat, dairy and lactose. We have steadily increased our healthier snacking lines and options developed for children, focusing on minimising salt and sugar content and using only natural colourants.

We provide clear nutritional labelling on our own brand products to help customers make better choices for themselves and the planet. We distribute nutritional education posters and curriculum-aligned worksheets to 2 500 South African schools through Pick n Pay School Club. We share weekly health tips via Pick n Pay School Club's social media platforms.

We maintain stringent standards across our supply chain to ensure we provide customers with quality products that meet food safety requirements. We work with suppliers to ensure they meet regulatory requirements and help them improve the quality of their products and internal food safety processes.

Our in-house team of food technologists ensures our own brand products comply with local legislation and standards. All food suppliers are audited by a third party, and all stores undergo stringent food safety audits.

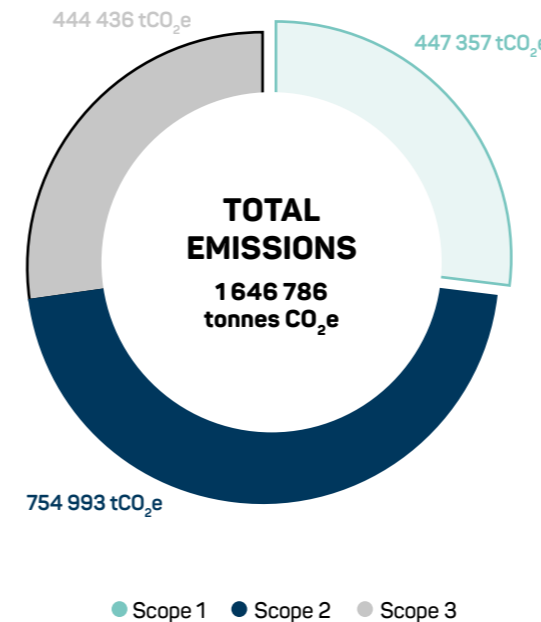


Reducing environmental impacts



We are committed to reducing our negative impacts on the environment while building the resilience of our operations.

Understanding our impacts: the Group's GHG emissions footprint



Key drivers of our footprint

SCOPE 1	<p>447 357 tCO₂e</p> <p>Our direct emissions are driven by emissions from refrigerants and aircons, as well as emissions from onsite combustion of fuels, diesel for backup generators, and fuel used in company cars and aircraft.</p>
SCOPE 2	<p>754 993 tCO₂e</p> <p>Our indirect emissions are related to purchased electricity used to power our stores, distribution centres, and offices, and energy used for heating, ventilation, and air conditioning systems.</p>
SCOPE 3	<p>444 436 tCO₂e</p> <p>Our indirect emissions from our value chain activities, including upstream and downstream transportation and distribution costs, franchise electricity, business travel, waste generated in operations. We are aware that this is a limited scope 3 assessment and are working with the Science Based Targets initiative (SBTi) to conduct an exhaustive baseline assessment of our scope 3 emissions and set relevant reduction targets.</p>

Refer to page 24 for an overview of our ESG impacts and opportunities along our value chain.



Reducing our carbon footprint

In 2022, we set a Group commitment to be net zero (scope 1 and 2) by 2050, with a 60% reduction by 2040. These targets focus on our direct climate change impacts where we have the most control and include emission reduction, renewable energy, energy efficiency, and natural refrigeration targets.

We are targeting net zero (scope 1 and 2) across the Group by 2050, with a 60% reduction by 2040.

To ensure that our efforts are aligned with the latest climate science, we are working with the SBTi* to verify our climate change-related targets and set targets for our scope 3 emissions. We anticipate that we will complete this verification in FY25. Based on the outcome of this verification process, we may update our climate change-related targets.

Energy resilience

Ensuring continuous access to sustainable energy sources while reducing our reliance on fossil fuels is a critical issue for our business, compounded by the ongoing and severe escalation in electricity outages in South Africa.

To tackle this challenge, we continue to engage with landlords to install solar solutions on store rooftops or tap into renewable energy already being generated. We have solar installations at 3 Pick n Pay distribution centres, 8 Pick n Pay stores, and 10 Boxer stores and facilities. This represents the majority of the stores and facilities owned in the Group property portfolio. This year, we invested in solar installations at two new stores, and invested in additional solar capacity at our Eastport distribution centre. We anticipate the facility will have 6 600 solar PV panels by Q2 FY25, occupying 16 900 m² of the roof. These panels will have an annual electricity output of 6 GWh, saving 5 900 tonnes of CO₂ emissions annually.

We have installed inverter and battery backup power solutions at 222 company-owned clothing stores to minimise our reliance on diesel generators. We are targeting an additional 50 stores in FY25.

We track energy efficiency in Pick n Pay using extensive metering to measure real-time consumption. We continue to roll-out LED lighting to Pick n Pay stores, including back of house and trading floors. 100% of Boxer stores use LED lighting systems.

* Science Based Targets Initiative

“ We target a 45% improvement in energy efficiency across Pick n Pay’s energy programme (322 company-owned stores) by 2030 and 100% conversion to natural refrigeration in Pick n Pay company-owned and Boxer stores by 2040. ”

Reducing our environmental impacts

We focus on reducing refrigeration emissions and converting to climate-friendly natural refrigerants. In FY24, we converted 18 Group company-owned stores to climate-friendly natural refrigeration systems, bringing the total to 77. All our distribution centres run natural refrigeration systems.

An additional focus area includes refurbishing our water chillers and air handling units, which are connected to our stores’ refrigeration systems, to ensure these offer high-performance, energy efficient and sustainable cooling solutions. In addition to delivering a cost benefit, these refurbished units help reduce our environmental impact. At the end of FY24, we had refurbished the water chillers and air handling units at 14 company-owned stores.

Spotlight | Eastport distribution centre

We invest in various systems, processes and technologies at our Eastport distribution centre to minimise environmental impacts.

These investments include:

Leasing a fleet of low-emission, fuel-efficient vehicles and piloting a gas-powered truck with solar-cooled refrigeration. These vehicles delivered a 17% reduction in GHG emissions, equating to 3 300 kg less than a diesel vehicle over the same period.

Process improvements and load optimisation, including implementing a yard management system that helps to eliminate waste, optimise vehicle flow and enhance vehicle trip allocation.

A state-of-the-art automated truck wash, which significantly enhances fleet turnaround time and a 50% decrease in vehicle wash time. The environmentally conscious design enables up to 70% of the grey water used for external washing to be recycled.

The rapid escalation in our online shopping deliveries requires increasing levels of transportation, predominantly using motorcycles. We are partnering with on-demand logistics company Picup and our partner Takealot to trial electric motorcycles to reduce transport emissions. We have also partnered with Green Riders to roll-out electric bicycles that can be used for our online shopping deliveries.



Reducing environmental impact at Boxer

BOXER

90

Solar installations

95%

of stores on LED light systems

100%

plastic waste collected at Boxer distribution centres recycled and used in shopping bags

15

stores converted to natural refrigeration (CO₂)

Our Eastport distribution centre is certified as an EDGE Green Building¹ and incorporates various environmentally friendly initiatives:

The buildings are designed to maximise daylight harvesting and have LED lights that automatically adjust their brightness levels according to natural daylight.

Multiple initiatives are in place to conserve water, including waterwise gardens, rainwater harvesting, and harvesting excess water and grey water. These initiatives save approximately 90 million litres of water annually.

We outsource onsite waste management to a company committed to sustainable practices. All excess packaging material is locally recycled for use in the packaging industry. Organic waste is processed into compost.

¹ EDGE is an international green building certification system focused on making buildings more resource efficient.

Innovating for more sustainable buildings in Pick n Pay Clothing

We design our Pick n Pay Clothing stores with a strong focus on sustainability. In addition to using solar inverter-lithium battery power solutions and more sustainable technology such as LED lighting and energy-efficient printers and till points, the stores have a strong reduce and reuse ethos. Most fixtures are made from recycled materials, including hangers, mannequins, wooden tables and aluminium entrance doors, and we use second-hand shelves and railings.

New stores also feature “plant walls”, which act as natural air filters. We plant 100 trees at Platbos Nature Reserve for every new store opened. At the end of FY24, we had planted more than 5 000 trees.

We achieved a 5-star Green Star rating from South Africa’s Green Building Council at our recently-opened store in Sandton, Johannesburg. We are committed to attaining 5-star ratings for every new store we open from March 2024. We have fitted 180 additional stores to a 4-star level.





Conserving freshwater

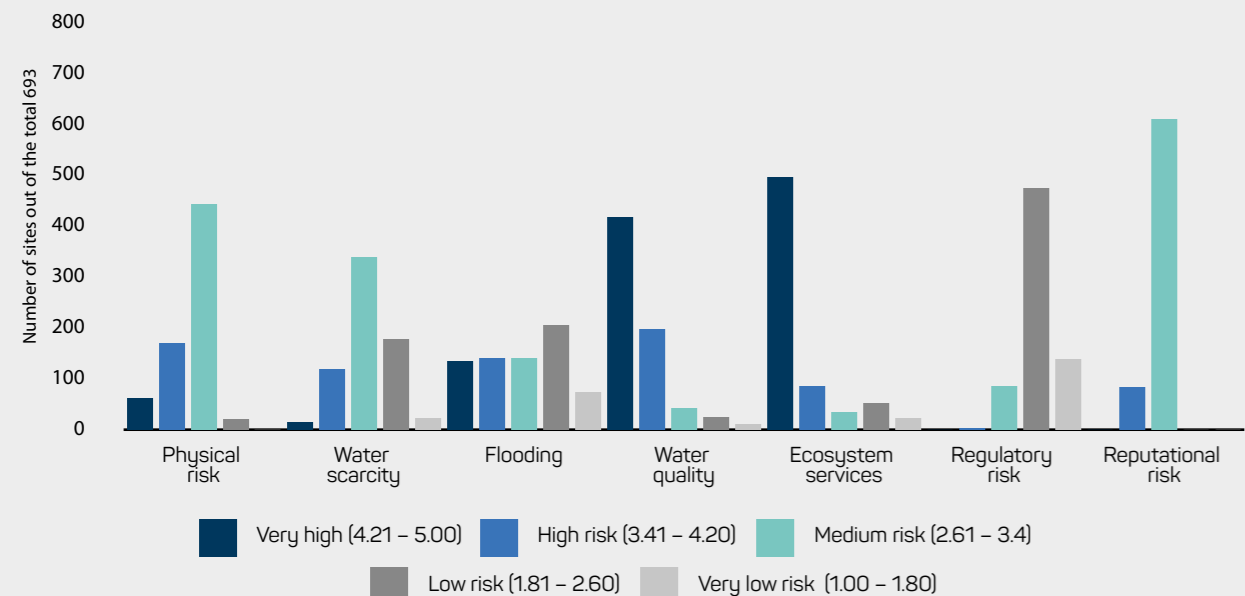
The Group's water consumption is primarily at stores for sanitation, cleaning, cooking and baking. The Group relies predominantly on municipal supplies. We continually monitor and manage our water usage, focusing on identifying and addressing leaks.

We have water efficiency measures and online water metering with real-time alerts installed at most of our Pick n Pay company-owned stores, distribution centres and offices. We are rolling out metering at Boxer stores, with real-time alerts installed at 10 Boxer facilities and stores. This enables us to timeously address leaks and take corrective action. These initiatives have helped us increase our water efficiency by 25% from an FY18 baseline for Pick n Pay company-owned stores.

Our water stewardship policy guides our approach to reducing our water usage and working collectively with our stakeholders to safeguard this valuable resource and mitigate the risks associated with water scarcity.

This year, we used the WWF Water Risk Filter to understand and map our water-related risks across our stores and distribution centres. We will use the outcomes of this assessment to develop water reduction strategies, prioritising action and investment in high-risk areas of our operations.

This exercise highlighted that physical risk is the bigger concern as the location of our stores means water quality and ecosystem services can be impacted by our operations.



Reducing and repurposing waste in Pick n Pay

Pick n Pay introduced a waste management dashboard in 2021 to help us track our progress towards targets, including improving recycling levels, increasing waste resource donations and reducing waste to landfills. Pick n Pay company-owned stores and operations generated 21 000 tonnes of general waste in FY24 and diverted 56% from landfill through recycling and composting initiatives.

Our key focus area for the past year was onboarding our new waste management service providers and working with them to identify and set clear waste reduction targets. This is an important step to deliver on our strategic ambition to reduce waste (including food waste) along our value chain, which we recognise as a material impact. We are also focusing on reducing food waste in our stores through more efficient planning and forecasting, as well as innovative product design to extend shelf-life.

We raise awareness with our employees on properly separating waste in stores. In FY24, we piloted a training programme on waste separation for regional store managers, which we filtered into our stores through training materials and site visits. We will roll this training out to the remainder of our stores in FY25.

In supporting the principles of a circular economy, our progress is underpinned by promoting the "avoid, reduce, re-use and recycle" waste management hierarchy.

Boxer recycling programme

Boxer launched an innovative new recycling programme to manage waste while creating income-generating opportunities for local entrepreneurs.

Each year, Boxer collects more than 7 000 tonnes of recyclable materials. Through this new recycling programme, Boxer recruits previously unemployed individuals from surrounding communities to assist with sorting the recyclable material in its stores.

Boxer has recruited more than 250 local community sorters since launching this programme in 2018. Each sorter services an individual store and earns a monthly income based on the volume of materials they sort and recycle, with all materials sent to Boxer's distribution centres. Boxer has paid R4 million to these community sorters and is looking to expand the programme as it grows its store footprint.

Spotlight | Scaling recycling initiatives for Pick n Pay's customers

Pick n Pay is at the early stages of our recycling initiatives and it will remain a focus in the coming years to ensure it can meaningfully contribute to limiting the negative impact waste has on the environment.

The following are some of our key recycling initiatives:

We partnered with Polyco to build recycling centres at three Western Cape stores in FY25.

Each centre will be equipped with the tools and technology to weigh and value the recyclable materials customers bring to the centre. Customers will then be reimbursed through cash back or with vouchers they can redeem in-store. This project will be rolled-out in FY25 and has plans to scale to other regions should it be a success.

Pick n Pay partnered with eWASA to launch one of South Africa's first multi-layer plastic recycling facilities.

This is significant, as multi-layer plastic (such as pet food packaging, frozen food packaging and chip packets) is extremely challenging to recycle as it consists of multiple layers of different materials that require varied recycling techniques.

As multi-layer plastic is currently not recycled in South Africa, this facility, which launched for testing in June 2024, presents a significant opportunity to minimise plastic's negative impact on the environment. It could also open a new revenue stream for South Africa's extensive network of informal waste pickers, who play an integral role in the country's waste industry.

Scaling Pick n Pay's reverse vending machine initiative

Our reverse vending recycling machines in stores have helped customers recycle over 53 tonnes of recyclables since inception in FY19. These units reward customers for recycling waste products by loading points on the Imagined Earth App which customers can redeem as digital vouchers such as airtime. We aim to expand the roll-out of recycling vending machines across the country in FY25 by launching an additional 35 machines through supplier partnerships.

Pick n Pay has partnered with E-Waste Africa and the E-waste Recycling Authority to roll-out e-waste recycling bins at stores.

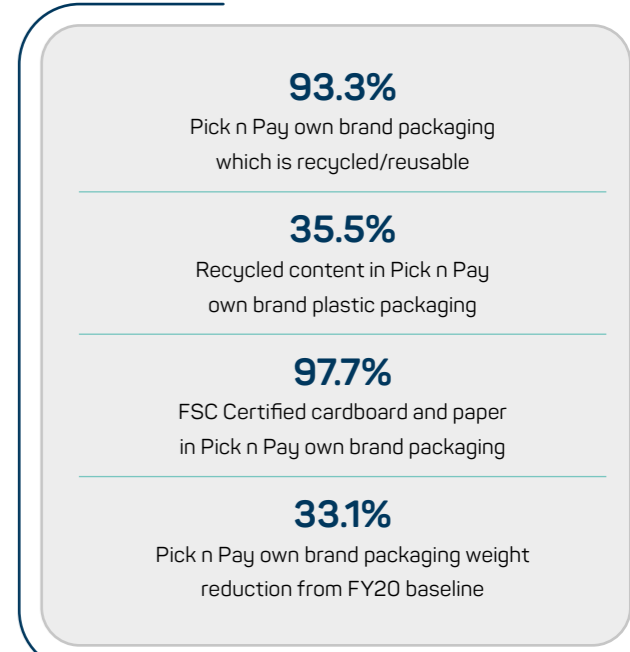
These e-waste recycling bins will be rolled-out in 50 stores across Gauteng, KwaZulu-Natal and the Western Cape during FY25. We will also design and roll-out smaller e-waste recycling bins that are more suitable for our smaller stores. By encouraging our customers to recycle electronic devices, we are helping prevent the release of harmful materials into the environment.

Finding solutions to the packaging challenge in Pick n Pay

As of FY24, over 93% of Pick n Pay's own brand packaging is recyclable, with over 35% average recycled content across own brand packaging. Pick n Pay has also reduced the average packaging weight of own brand packaging by 33% against a FY20 baseline.

Pick n Pay was a founding member of the SA Plastics Pact and continues to work closely with the Pact to increase packaging recyclability and phase out harmful unnecessary packaging and plastic. The Pact guides Pick n Pay on target setting and strategic plastic packaging decisions.

We support and adhere to the Extended Producer Responsibility (EPR) for packaging regulation as a key policy instrument to address the increasing volumes of plastic pollution. Pick n Pay belongs to relevant Producer Responsibility Organisations (PROs) and submits data quarterly. The sustainability team is also working with Boxer to develop a packaging database for Boxer's own brand products as part of its commitment to promoting sustainable production and consumption patterns.





Supporting our communities



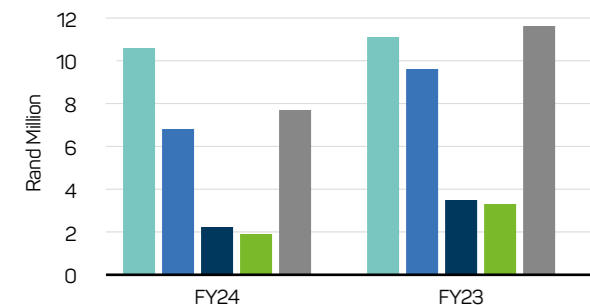
Customers support businesses that give back to the communities they serve. As customers reward us with their loyalty, we can grow, serve more customers, generate more jobs and help build resilience in our communities.

Our CSI strategy emphasises the importance of taking an inclusive and collaborative approach, which we tailor to meet the diverse requirements of the communities we serve. We prioritise knowledge sharing among our cross-regional teams to drive collective action and accountability and leverage best practices and innovative solutions.

Through our CSI strategy, we support sustainable development by:

- Investing in education, healthcare and infrastructure projects to enhance community well-being
- Fostering environmental stewardship through community-based programmes
- Supporting local businesses and entrepreneurs

Pick n Pay CSI



■ Basic needs and social development, including nutrition and feeding programmes
 ■ Education
 ■ Environmental management programmes
 ■ Skills development programmes, including adult basic education and training
 ■ Small business development projects

Pick n Pay CSI spend was reduced in line with the prudence exercised across all categories of operating spend as a result of the losses incurred in the business. CSI remains a priority for Pick n Pay but needs to be managed carefully within available resources, and will increase once profitability is restored. CSI spend in our Boxer business was not constrained over the year, with significant ongoing investment in community-based upliftment projects.

Boxer's Ubuntu Projects

Launched in 2002, Boxer's Ubuntu Projects programme supports thousands of individuals and organisations in communities that need it most.

Examples of initiatives include, among others:


- Collaborating with the Smile Foundation, which provides life-changing reconstructive surgery to children. Since launching this partnership in 2002, Boxer has sponsored surgeries for 19 children.
- Boxer has a long-standing relationship with the South African Police Service (SAPS) and assists police stations in surrounding communities with refurbishing their victim-friendly rooms. SAPS makes these rooms available to any child or adult who requires counselling and support. Boxer has refurbished nine victim-friendly rooms in all nine provinces across South Africa.
- The Boxer Athletics Club was established in 2005 and supports professional and amateur athletes across South Africa.

Read about Boxer's educational initiatives on page 38 and how Boxer supports small businesses on page 36.

Boxer's Ubuntu Projects programme focuses on four key areas:

- Education, including assisting the youth and promoting career-defining paths through opportunities that include Boxer's Youth Leadership Programme.
- Small business assistance, including supporting, uplifting and creating opportunities to empower local individuals and organisations across southern Africa.
- Communities, including benefitting customers through job creation, food parcels, school support, and partnerships with community organisations.
- Sports development, recognising sport's important role in empowering and bringing communities together.

Supporting our Boxer communities



90%
of new store employees from local communities

90
small scale rural farmers supplying Boxer Eastern Cape stores

1 100
learners benefitted from Boxer's Youth Leadership Programme

250
permanent jobs created through recycling projects

Targeting hunger

Food insecurity is a significant problem in South Africa, with many people living in poverty and struggling to access enough food to meet their basic needs.

We contribute towards alleviating hunger in South Africa by keeping essential items affordable. We support income-generating rural and urban food community gardens, develop small-scale farmers through Boxer, donate excess food from our stores, and support the Feed the Nation Foundation's hunger relief efforts.

Read more about Boxer's small-scale farming initiative on page 27.

Food gardens

Working closely with Pick n Pay, the Ackerman Pick n Pay Foundation (APF) partners with organisations nationally to train communities on establishing and maintaining income-generating rural and urban community food gardens.

APF sponsors 200 emerging and smallholder farmers at the Buhle Farmers' Academy, which establishes viable farming businesses through effective skills training and support. Farmers receive theoretical and practical training covering vegetable, livestock, grain and poultry production. They also receive training in business management and life skills alongside support services.

APF partnered with A Spring of Hope, a community development organisation, to install shade netting and design and develop organic vegetable gardens at 20 schools in Mpumalanga and Limpopo. In addition to providing students with food for lunches, additional income is earned by selling excess yield to the community. FY24 highlights include:

- 658 Food garden projects supported in FY24
- 245 Total number of active community food gardens
- 413 Total number of active home gardens
- 6 269 Individuals supported in FY24
- 5 Early childhood development centres supported in FY24
- R10 000 Average monthly income generated

Distributing excess food

Pick n Pay

FoodForward SA



Pick n Pay is one of FoodForward SA's largest retail partners. During FY24, we contributed 901 tonnes of edible surplus food from our stores to FoodForward SA to the value of R40 million. FoodForward SA distributed this food to 2 451 beneficiary organisations, which helped provide 3.6 million meals in FY24.

In FY24, we increased the scale of our partnership with FoodForward SA to include more stores and by steadily including excess food in our supply chain. We onboarded all stores in the Western Cape with FoodForward SA and aim to extend our partnership with FoodForward SA to our KwaZulu-Natal and Gauteng stores in FY25.

Looking ahead, we are confident this will enable us to increase our food waste diversion and surplus food donations considerably.

FY24 Impact:

R40 million
value of food distributed

3.6 million
meals distributed

901 tonnes
of edible surplus food donated

Pick n Pay

Feed the Nation Foundation



Pick n Pay supports vulnerable communities through the Feed the Nation Foundation's sustained national food drive. We also provide hampers to support child-headed households within Pick n Pay School Club through the Feed the Nation Foundation.

Impact since inception:

R189 million
value of food distributed

44.2 million
meals distributed

242 079
hampers distributed

Boxer

SA Harvest



This year, Boxer partnered with SA Harvest to increase surplus food donations to vulnerable communities across South Africa while reducing food waste to landfills. To help measure the impact of this partnership going forward, Boxer is working with our sustainability team to improve how the business measures and tracks its food waste alongside setting clear food waste reduction targets.

Through its partnership with Boxer, SA Harvest has contributed R11 million worth of food towards hunger relief efforts in FY24.



Targeting education

Spotlight | Showcasing Pick n Pay School Club

Access to quality education enables individuals and communities to break the cycle of poverty by increasing their earnings potential, fostering economic growth, and promoting social mobility.

Established in 2003, Pick n Pay School Club is South Africa's largest brand-funded educational resource programme. Through Pick n Pay School Club, we strive to meaningfully and sustainably impact the lives of educators and learners by providing a wide range of free, curriculum-compliant educational materials that help students reach their full potential. Educational materials include workbooks, with lesson plans and worksheets, activity books, posters, certificates, recognition badges and other support materials, available on a central online platform.

Pick n Pay School Club has distributed 410 tonnes of educational materials to 2 500 primary schools since 2003.

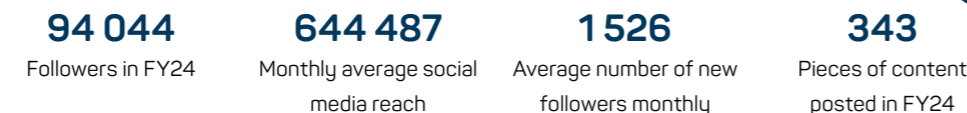
Pick n Pay School Club expands its reach and impact through social media platforms, which provide a powerful educational channel for health and environmental-related issues.

Social media campaigns in FY24 included sharing health tips to encourage our followers to opt for healthier and more sustainable food choices (such as our Live Well brand), showcasing our small business partners, promoting environmental causes, and distributing additional educational materials.

Pick n Pay School Club's reach across South Africa



Expanding our reach through a growing social media presence



Spotlight | Showcasing Pick n Pay School Club (continued)

A focused approach to ensuring we are making a sustainable impact

In FY22, Pick n Pay School Club embarked on a three-year study to monitor the programme's impact on learners and educators, aligned with international standards and the SDGs. We concluded this assessment in FY24, and it provided valuable insights into how we can improve our service to schools and communities.

98.6% of schools feel that the educational material provided by Pick n Pay School Club increases learners' understanding of the content covered in the curriculum. 99.3% feel it improves learners' general knowledge. 98.1% feel it improves learners' marks.

99% of schools feel that the educational material provided by Pick n Pay School Club supports educators in their specific teaching field. 92% of educators feel that the material provided has empowered them in the classroom.

While we received an average rating of 89% for the educational material supplied to schools, we noted demand for content to be available in other languages and greater diversity in the content we supply.

Our contribution to the SDGs

The outcome of the study demonstrated a meaningful contribution to the following SDGs (with a particular focus on SDG 4 and SDG 16):

	Goals
	<ul style="list-style-type: none"> Improve learners' understanding of prescribed content. Improve learners' general knowledge.
	<ul style="list-style-type: none"> Develop, support and encourage recycling projects.
	<ul style="list-style-type: none"> Provide a formal programme to foster leadership and teamwork at schools.
	<ul style="list-style-type: none"> Acknowledge schools as sustainable development partners. Present new partnerships that support education.

We will continue to expand the reach of Pick n Pay School Club in the year ahead. We will also focus on developing new and diverse content, with a specific focus on recycling, the environment and health and well-being.

Find out more about Pick n Pay School Club at www.schoolclub.co.za.

Our Pick n Pay School Club Hero Awards programme is a popular ongoing initiative in primary schools, celebrating everyday acts of bravery, kindness and tolerance among learners who are rewarded with Pick n Pay store vouchers. In FY24, we recognised 981 learners and 216 schools through our Hero Awards programme.

Fostering environmental stewardship

We raise awareness of simple ways people can reduce their environmental impacts.

- In partnership with Clover Danone, we collected 287 273 yoghurt tubs from Pick n Pay School Club members – diverting 1 235 kg of waste from landfill. The tubs were upcycled into envirocrete bricks and used as part of a multi-year project to build a library at Nageng Primary School in Vosloorus. This library was completed in FY24, using one million yoghurt tubs.
- Pick n Pay School Club distributed 35 000 pencil bags made from recycled PET plastic bottles to 200 schools.
- In partnership with Albany Bakeries, we collected 293 678 bread packets from 80 schools.
- In collaboration with PETCO, we have created and provided educational, curriculum-aligned, grade-specific content focusing on plastic recycling to 500 schools each year over the past three years.
- In partnership with Polyco, 85 schools received a share of 320 recycle bins. In addition, 2 500 primary schools received educational materials on how to start a school recycling programme.

Spotlight | Pick n Pay Clothing

Pick n Pay Clothing donates damaged and returned items to Taking Care of Business (previously The Clothing Bank). Taking Care of Business is a non-profit social enterprise focused on empowering unemployed South Africans by repurposing unwanted fashion and other products and creating self-employment opportunities within the circular economy. In FY24, we donated clothing to the retail value of R15.5 million.

Pick n Pay has collaborated with the Sunflower Fund for 20 years. In FY24, we sold 21 988 “tope” bandanas during the Sunflower Day campaign, raising R450 700 towards fighting blood diseases like leukaemia.

The designs of our reusable shopping bags create awareness and funding for local non-profit organisations as proceeds from these bag sales go to selected charities.

- Pick n Pay School Club members regularly participate in community clean-ups to encourage our youth to positively impact the environment. We hosted eight community clean-ups in FY24. Boxer also undertakes community clean-ups in and around the communities we serve. This included a beach clean-up in Durban, with more than 600 kg of waste collected, and a community clean-up initiative involving 117 unemployed youth.
- Pick n Pay continued its partnership with Waste-ED to create awareness about improper waste disposal and provide communities with practical solutions and the right tools to use waste as a resource.

Spotlight | Boxer: growing tomorrow's leaders today

Boxer launched its annual Youth Leadership Programme in 2002. This five-day programme targets disadvantaged youth and creates an opportunity for them to acquire essential leadership and teamwork skills through workshops and engaging, practical challenges. Each year, up to 50 learners from across the country and Eswatini join the programme.

Boxer has supported over 1 100 learners from under-resourced schools and communities across South Africa through its Ubuntu Projects programme since inception. Boxer supplies these schools with various goods and services, including gardening equipment to encourage schools to grow fresh produce and sports equipment to ensure learners benefit from physical activity. Boxer further helps schools refurbish their existing facilities.



Investing in our people



Our people are the heart of what we do. In striving to be an employer of choice, we are committed to providing our employees with rewarding jobs, effective training and development opportunities, competitive pay, good working conditions and an opportunity to progress.

Our people strategy

Future focused

Rather than focusing on today, we are building for the future.

Purpose driven

We behave with clarity, consistency and passion, guided by our values.

Talent cultivator

Cultivating our talent is a key part of how we will win.

Value adding

Human resources should be an enabler for business growth.

Leading for change

We are building a future-focused, agile human resources function.

Data-led insights

Reliable, relevant data guide all of our decisions.

- Ensuring that we offer our employees a dynamic workplace experience whether they work in our stores or corporate office.
- Expanding our focus on remuneration to ensure it is more holistic and considers elements of recognition, development and reward.
- Relooking our approach to talent and development to ensure we consider each aspect of an employee's career journey.
- Driving automation and efficiency in our employee practices.



In May and June 2024, Boxer and Pick n Pay successfully concluded and signed three-year wage agreements for their non-management bargaining unit employees, this follows the successful conclusion of a two-year wage agreement with the Joint Affirmative Management Forum (Jamafo) in FY24.

Health, safety and well-being

Health and safety

Employees receive health and safety training as part of their induction, and we provide specific training where required.

We have a team of occupational health and safety (OHS) practitioners who co-ordinate our health and safety activities and provide health advice and referrals when needed.

We conduct monthly internal OHS audits to ensure compliance with the OHS Act and identify and address areas for corrective action or improvement.

This year, we launched a series of in-store campaigns to communicate the importance of workplace safety and to advise our employees on how to prevent injuries on duty. Communication channels included posters, email newsletters, safety meetings, and face-to-face training. As an outcome of these campaigns, injuries on duty for the Group reduced from 1 490 in FY23 to 1 402 in FY24.

We established an operations centre in December 2023 to manage security-related risks at our stores. This centre leverages advanced technologies such as data analytics and remote monitoring capabilities to improve threat detection and response. We also strengthened collaboration with external stakeholders, including law enforcement agencies, to ensure a co-ordinated response to security incidents and better sharing of information and resources.

Employee well-being

Our wellness programme covers mental, physical and financial well-being. Key activities for the past year included:

- Hosting in-person and online wellness days in Pick n Pay, with talks and workshops focused on the five pillars of our wellness strategy, mental, physical, financial, benefits & loyalty and cyber wellness.
- Introducing pre-retirement seminars to assist employees within five years of retirement.
- Partnering with PayMeNow, a platform that enables employees to instantly access a portion of their net salary. As part of this initiative, employees receive free training on managing their money responsibly and reaching their financial goals.
- Conducting health awareness campaigns to encourage employees to complete wellness screenings, including blood pressure, glucose, cholesterol, body mass index and HIV tests.
- Appointing a full-time nurse for Boxer to oversee all in-store wellness screenings.
- Partnering with ICAS (Independent Counselling and Advisory Services) to provide our employees with 24/7/365 counselling services. These services are freely available to employees and their families and cover all aspects of wellness, including mental, physical and financial well-being.

Survey results indicated that our employees feel more productive and engaged when together. We suspended our hybrid working policy for office-based employees, with all employees returning to the office full-time from FY25.

Pick n Pay conducts quarterly employee engagement surveys (eNPS¹) to assess the drivers of morale, motivation and productivity and address areas of dissatisfaction. This has provided us with key insights and learnings while we navigate change and uncertainty within our operations.

Diversity, equity and inclusion

The Group's Code of Ethics and enduring values set out the behaviours we expect of all our colleagues, supported by various anti-discrimination policies.

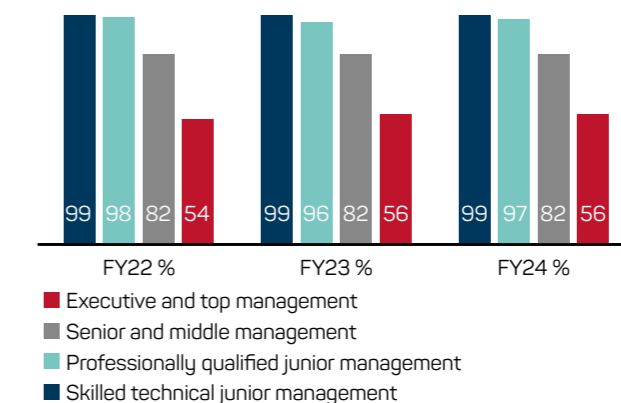
We have a zero-tolerance approach to bullying, harassment, gender-based violence (GBV) and victimisation.

A toll-free, confidential reporting service operated by an independent whistleblowing service provider enables employees to raise concerns about potentially unethical, unlawful or unsafe conduct or practices.

To foster our desired culture, we are implementing a multi-year campaign to deepen awareness of the Group's values and ethics through behaviour-based initiatives.

Our five-year employment equity (EE) plan sets progressive EE targets and commitments, supported by our diversity and inclusion strategy, which the Board approved in FY24.

We have consistently exceeded our EE targets for the past five years.



We retained our level 5 BBBEE rating as at the date of publishing this report. We expect the updated rating to be released within the next two months. Women represent 64% of our workforce and 32% of top and senior management.

We continue providing opportunities for people with disabilities through our retail operations learnership programme. As of FY24, we employ 809 people living with disabilities, with 27 in managerial positions. Boxer continues to apply its policy of employing two people living with disabilities at every new store it opens.

Training and development

Programmes to ensure ongoing talent pipeline progress include our 12-month training and work experience programme for graduates, Chartered Accountant (SA) programme, retail business performance management programme for middle management, and learnership programmes. In addition, Boxer funds bursaries for 38 employees in association with W&RSETA, as well as a bursary scheme to subsidise the cost of higher education for employees and their children.

This year, we invested R103.7 million across the Group (FY23: R102 million) in learning and skills development. HDSA employees accounted for 98.5% of those trained, of who 67% were women.

Our cloud-based system, Workday, continues to improve our human resources capability in Pick n Pay and delivery through digitalisation. The platform maintains our people data on one core system and empowers our employees and line managers to manage their working lives better through self-service and personal development tools. Boxer uses Yobic, which offers similar functionality. In FY24, we launched Workday Recruitment, an automated end-to-end solution that streamlines and manages all aspects of employee recruitment and onboarding.

Pick n Pay uses the Udemy for Business platform for skills development as a responsive and flexible way of providing a broad range of courses to employees in our corporate functions, as well as managers in company-owned store operations. Employees can access high-end courses that deliver relevant skills on demand and complete them when convenient.

¹ The Employee Net Promoter Score (eNPS) measures how likely employees are to recommend the Group as a good place to work.





In 2023, Boxer was recognised at the W&RSETA Good Practice Awards for its exceptional dedication to skills development. Boxer was named the best super large retailer in skills development.

Advanced e-learning in Pick n Pay

+8 000

The number of training courses offered through Udemey for Business

61 261

The number of e-learning courses completed in FY24

Talent management and succession planning

The past year was one of the most challenging in the Group's trading history. Our people experienced intensified competitor trading, significant leadership changes, and continued increased cost of living realities.

The Board and senior management team responded swiftly, announcing a new Chief Executive Officer and restructuring and appointing a new leadership team. 80% of these appointments were internal and leveraged the Group's deep skill and experience. The remaining appointments were former employees, who were able to quickly apply their knowledge and experience within the business without lengthy induction periods.

This challenging period, and the need for a quick and effective response, highlighted the importance of ensuring well-defined talent pipeline, succession and development plans.

As part of our human capital strategy we conduct talent mapping to identify and fill talent gaps in the Group. We train and develop skills and provide adequate support and mentoring to ensure progression and succession in the business.

We are committed to a talent and succession that creates a diverse workforce, encompassing a wide range of backgrounds, perspectives, and experiences. We strive to create an inclusive environment where every employee feels valued, respected, and empowered to contribute to their fullest potential. Our initiatives include comprehensive training programmes, equitable hiring practices, and employee resource groups that support and celebrate the unique contributions of our team members. By embracing diversity and inclusion, we not only enhance our organisational culture but also better serve our customers and communities, driving sustainable success for all.

Group ESG/sustainability performance data





Key sustainability policies

Code of Ethics	Climate Change and Energy Policy	Sustainable Seafood Policy
<p>Our Code of Ethics encapsulates our values, sets out our ethical commitment, and details ethics for everyday events that occur in the business. It provides a basic compliance framework to ensure we behave with honesty and integrity and respect the rights of all stakeholders and the laws of the countries in which we operate.</p> <p>https://www.picknpayinvestor.co.za/pdf/governance/2022/pick-n-pay-ethics-policy.pdf</p>	<p>Pick n Pay is committed to playing its role in creating sustainable and resilient food systems across our operating landscape. Our Climate Change and Energy Policy sets out our climate commitments and our approach for improving our energy efficiency and reducing our carbon emissions.</p> <p>https://www.picknpayinvestor.co.za/pdf/sustainability-reports/2023/climate-change-and-energy-policy.pdf</p>	<p>Pick n Pay acknowledges our responsibility to safeguard our marine ecosystems. This policy details our commitment to remove or improve all seafood and fish-related products identified as unsustainable, underpinned by a clear set of guiding principles to help us achieve our sustainable seafood commitments.</p> <p>https://www.picknpayinvestor.co.za/pdf/sustainability-reports/sustainable-seafood-policy.pdf</p>
Privacy Policy	Waste Management Policy	Employment Equity Policy
<p>We acknowledge and support the right to privacy. This policy outlines the principles we will apply to ensure that personal information is collected and handled transparently and lawfully.</p> <p>https://www.picknpayinvestor.co.za/pdf/governance/2022/pnp-investors-privacy-statement.pdf</p>	<p>Reducing waste is a core component of Pick n Pay's sustainability strategy. This policy details our ambition to reduce food waste, increase diversion of waste from landfill, and increase recycling.</p> <p>https://www.picknpayinvestor.co.za/pdf/sustainability-reports/2023/pick-n-pay-waste-policy.pdf</p>	<p>We are committed to delivering a workplace in which all employees can reach their full potential. This policy defines the principles and practices to uphold equal opportunity and fair treatment, and ensure that unfair discrimination does not exist in the workplace.</p> <p>https://www.picknpayinvestor.co.za/pdf/sustainability-reports/pick-n-pay-employment-equity-policy.pdf</p>
Harassment Policy	Palm Oil Policy	Human Rights Policy
<p>This policy sets out the guiding principles to combat all forms of harassment in the workplace. This includes providing a work environment in which harassment is unacceptable and in which dignity and respect are upheld.</p> <p>https://www.picknpayinvestor.co.za/pdf/sustainability-reports/pick-n-pay-harassment-policy.pdf</p>	<p>Pick n Pay is committed to sourcing with integrity. This policy sets out our commitment to work with suppliers to ensure they become certified members of the Round Table for Responsible Palm Oil.</p> <p>https://www.picknpayinvestor.co.za/pdf/sustainability-reports/palm-oil-policy.pdf</p>	<p>We are committed to respecting human rights. This policy details our commitment to follow international standards, including the United Nations Guiding Principles on Business and Human Rights, and outlines how we implement human rights across the business.</p> <p>https://www.picknpayinvestor.co.za/downloads/policies/human-rights-policy.pdf</p>
Water Stewardship Policy	Sustainable Packaging Policy	
<p>This policy recognises the right to safe and clean drinking water and sanitation as a basic human right. Pick n Pay's policy aims to reduce water usage, and to increase its value as a resource throughout our supply chain and consumer base.</p> <p>https://www.picknpayinvestor.co.za/pdf/sustainability-reports/water-policy.pdf</p>	<p>Pick n Pay aims to reduce and mitigate the environmental and social impact of the packaging we use, while ensuring that our ability to deliver quality products to customers is not compromised. This policy provides a framework to guide our decision-making in the journey toward more sustainable packaging solutions.</p> <p>https://www.picknpayinvestor.co.za/pdf/sustainability-reports/packaging-policy.pdf</p>	

All our policies are available online on the Group's investor relations website at www.picknpayinvestor.co.za.

Financial value-added statement

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023* Rm	52 weeks to 27 February 2022* Rm
Turnover	112 294.8	106 562.0	97 872.8
Other income	2 653.5	2 265.3	2 505.1
Amounts paid for goods and services	(105 010.1)	(96 997.5)	(89 155.5)
Finance income (excluding IFRS 16)	227.4	260.3	319.6
Total value created	10 165.6	12 090.1	11 542.0
Distributed as follows:			
Employees			
Salaries, wages and other benefits	9 000.0	8 347.9	7 836.3
To providers of capital	1 523.1	1 403.0	1 536.3
Distributions to shareholders	686.9	881.5	1 081.1
Share purchases	-	90.1	114.2
Finance costs (excluding IFRS 16)	836.2	431.4	341.0
Government			
Taxation paid	453.5	458.4	403.9
(Utilised)/retained for growth	(811.0)	1 880.8	1 765.5
Total value distributed	10 165.6	12 090.1	11 542.0

* Prior period disclosures restated.





Climate-related disclosures

We primarily cover our response to the risks posed by climate change in our submissions to the CDP, which we regard as a leading measure of a business's carbon strategy, disclosure and performance. Pick n Pay performed well in the 2023 CDP for Climate, Water and Forest, achieving scores above the global average (including Africa) for convenience retail in each category:

CDP Climate, focusing on measurement and disclosure to demonstrate effective management of carbon and climate change risk.

Pick n Pay received a B rating in 2023 (2022: B rating). We have identified key areas to improve our measurement and disclosure, including setting targets using SBTi (underway), engaging with our suppliers on our sustainability strategy and targets (underway), and unpacking our scope 3 emissions (which will form part of our engagement with SBTi).

CDP Water, focusing on measurement and disclosure to demonstrate effective management of water-related risks.

Pick n Pay received a B rating in 2023 (2022: B rating). A key focus area going forward is improving disclosure around our water pollution management procedures.

CDP Forest, focusing on disclosure to demonstrate the measures a company has in place to avoid deforestation, minimise negative impacts on land under management and the procedures in place to restore natural ecosystems.

Pick n Pay received a D/B-/D/B- rating in 2023 (2022: D/C/C/C rating). Our score improved this year due to increased transparency and reporting on our forest-related risks (specifically focused on palm oil and timber products).



ESG performance data matrix

The reporting boundary for all indicators is Group unless otherwise stated.

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Economic								
1	Rand million value of total turnover generated	Rand million	112 294.8	106 561.8	97 872.8	93 078.8	201-1	S2.4a
2	Rand million value of total turnover generated in South Africa	Rand million	108 084.5	102 721.3	94 535.2	89 919.2	201-1	
3	Percentage of turnover generated in South Africa	%	96.3	96.4	96.6	96.6		
4	Rand million value of total turnover generated per employee, including full time and variable time employees	Rand million	1.8	1.8	1.7	1.7		
5	Rand million value of net profit/(loss) after tax generated	Rand million	(3 190.1)	1 169.9	1 214.5	967.1	201-1	
6	Rand value of net profit/(loss) after tax per employee, including full time and variable time employees	Rand	(52 854.7)	19 557.5	21 310.4	17 524.1		
7	Rand million value of total compensation paid to employees, including wages and benefits	Rand million	9 000.0	8 347.9	7 836.3	7 959.0	201-1	S2.4a
8	Average compensation paid to employees, including wages and benefits of full time and variable time employees	Rand	149 115.2	139 552.7	137 500.7	144 218		
9	Total rand million value of compensation paid to executive directors – excluding gains realised from LTI awards	Rand million	41.6	38.6	46.7	68.8	2-19	
10	Total rand million compensation paid to executive directors and key management personnel –excluding gains realised from LTI awards	Rand million	121.8	108.9	143.7	174.1		
11	Ratio of net profit/(loss) after tax per employee to average compensation per employee		(0.4)	0.1	0.2	0.1		
12	Rand billion value of total discretionary/measured procurement spend	Rand billion	92.0	85.6	79.5	74.7	204-1	S2.4c
13	Rand million value of total taxes paid	Rand million	453.5	458.4	403.9	425.2	201-1	G5.1a & S2.4a
14	Payments to providers of capital*	Rand million	1 523.1	1 403.0	1 536.3	1 172.3		S2.4a
15	Dividends paid to shareholders	Rand million	686.9	881.5	1 081.1	876.0	201-1	

Comments FY24: Year-on-year increase in amounts paid to senior management reflects an increase in the short term performance bonuses paid to the Group's high performing businesses.

External Assurance Reported for the first time in FY24 * PnP company-owned # Boxer + Historical data updated - Figure not historically reported



ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Economic (continued)								
16	Retained earnings	Rand million	756.0	4 685.2	4 717.3	4 573.5	201-1	
17	Ratio of payments to employees relative to dividends paid to shareholders		13.1	7.5	7.2	9.1		
18	Ratio of payments to government relative to dividends paid to shareholders		0.7	0.4	0.5	0.6		
19	Current assets – total	Rand million	20 268.6	17 495.6	19 250.8	16 648.5		
20	Current liabilities – total	Rand million	25 730.7	23 529.1	22 972.3	20 107.6		
21	Capital expenditures (capex)	Rand million	3 751.3	3 963.1	2 133.9	1 484.7		
Governance¹								
22	Number of Board members		13	14	14	14	2-9	
23	Number of Board members who are deemed non-executive		11	12	10	10	2-9	
24	Percentage of Board members who are deemed non-executive	%	84.6	85.7	71.4	71.4	2-9	
25	Number of Board members who are deemed executive		2	2	4	4	2-9	
26	Number of Board members who are deemed 'independent'		7	8	8	7	2-9	G1.3
27	Percentage of non-executive Board members who are deemed 'independent'	%	63.6	66.7	70.0	70.0	2-9	G1.3
28	Number of Board members who are deemed 'HDSA'		4	5	5	5	2-9	G1.1
29	Percentage of Board members who are deemed 'HDSA'	%	30.8	35.7	35.7	35.7	2-9	G1.1
30	Number of Board members who are women		5	5	5	5	2-9	G1.1
31	Percentage of Board members who are women	%	38.5	35.7	35.7	35.7	2-9	G1.1
32	Average length of executive director service (in years)		2.5	2.5	9.6	8.7	2-9	G1.3

ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Governance¹ (continued)								
33	Average length of non-executive director service (in years)		12.0	11.4	13.9	12.4	2-9	G1.3
34	Average length of director (full Board) service (in years)		10.5	10.1	12.5	11.3	2-9	G1.3
35	Average age of directors (in years)		59.5	58.6	60.2	59.2	405-1	G1.3
36	Overall board and committee meeting attendance	%	94.0	100.0	100.0	100.0		
37	Name of financial auditor		Ernst & Young Inc.	Ernst & Young Inc.	Ernst & Young Inc.	Ernst & Young Inc.		
38	Auditor remuneration: % of non-audit fees	%	0.0	0.0	0.0	2.2		
39	Length of current auditor's service (in years)		9	8	7	6		
40	Independence of Board Chair	Yes/No	No	No	No	No	2-11	
41	Does the Company have a publicly available policy on Board conflicts of interest and politically exposed persons (PEP)?	Yes/No	Yes	Yes	Yes	Yes	2-15	
42	Does the Company provide public disclosure on any/all Board member politically exposed persons (PEP)?	Yes/No	n/a	n/a	n/a	n/a		
43	Does the Board sign off on publicly available climate-related financial disclosures, as per TCFD?	Yes/No	Yes	Yes	Yes	Yes	2-5a	
44	Does the Company have a publicly available human rights policy?	Yes/No	Yes	Yes	Yes	Yes	2-23a	
45	Does the Company include ESG into service level agreements with suppliers?	Yes/No	Yes	Yes	Yes	Yes	308-1 & 414-1	FB-FR-430a.3
46	Does the Company formally audit suppliers and contractors for ESG compliance (including human rights)?*	Yes/No	Partial	Partial	Partial	Partial	308-1 & 308-2 & 414-2	S5.1c
47	Are shareholders given the right to vote on executive remuneration, and is the vote binding?	Yes/No	Partial	Partial	Partial	Partial	2-20 & 2-21	
48	Are shareholders given the right to vote on sustainability-related resolutions, and are the votes binding?	Yes/No	No	No	No	No		

Comments FY24:
Attendance at standard Board meetings was 100%. The Board held a large number of ad hoc meetings at short notice which saw overall attendance fall slightly.

External Assurance Reported for the first time in FY24 * PnP company-owned # Boxer * Historical data updated - Figure not historically reported

¹ Mariam Cassim resigned as independent non-executive on 5 July 2024.

External Assurance Reported for the first time in FY24 * PnP company-owned # Boxer * Historical data updated - Figure not historically reported

¹ Mariam Cassim resigned as independent non-executive on 5 July 2024.



ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Governance¹ (continued)								
49	Does the Company publicly disclose its voting record on sustainability-related resolutions and are the votes binding?	Yes/No	n/a	n/a	n/a	n/a		
50	Is executive remuneration linked to ESG (i.e., is a proportion of remuneration/bonuses linked to health, safety and/or environmental performance)?*	Yes/No	Yes	No	No	2-19b		G2.1
51	Is the Company's policy on Board gender diversity and Board race diversity publicly available?	Yes/No	Yes	Yes	Yes			G1.1
52	Does the Company publicly provide targets with respect to Board gender and race diversity?	Yes/No	Yes	Yes	Yes			G1.1
53	Does the Company publicly provide progress against these targets?	Yes/No	Yes	Yes	Yes			G1.1
54	Does the Company publicly disclose AGM minutes?	Yes/No	Yes	Yes	Yes			
55	Does the Company's publicly disclosure of AGM minutes include the Q&A session?	Yes/No	Yes	Yes	Yes			
56	Does the Company disclose its positions on key policy positions (e.g., wage gap disclosure, min wage, carbon tax)?	Yes/No	Partial	No	No			
57	Does the Company have significant Board sustainability expertise (i.e., % with measurable sustainability qualifications)?	Yes/No	No	No	No	2-9c		G1.2
58	Does the Company have significant Board climate change expertise (i.e., % with measurable climate change qualifications)?	Yes/No	No	No	No	2-9c		G1.2
59	Does the Company have a whistle-blower programme in place? HOTLINE	Yes/No	Yes	Yes	-	2-26		G3.1c
60	Does the Company have a whistle-blower programme in place? POLICY	Yes/No	Yes	Yes	-	2-26		G3.1c
61	Number of whistle-blower incidents reported		25	-	-	2-26		G3.1c
62	Number of whistle-blower incidents leading to disciplinary hearing		4	-	-	2-26		G3.1c

ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Governance¹ (continued)								
63	Total amount of political contributions made to political parties	Rand	0	0	0	0	415-1	G3.2b
64	Is there a breakdown of political contributions per political party provided?	Yes/No	n/a	n/a	n/a	n/a	415-1	G3.2
65	Rand value of losses resulting from legal proceedings (including fines) due to fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or violations of other industry laws or regulations	Rand	0	0	0	0	2-27	FB-FR-270a.2 & FB-FR-310a.4
66	Number of allegations and incidents of discrimination and/or human rights violations		3	-	-	-		S1.1b
67	Total number and/or percentage of operations that have undergone a human rights assessment		0	0	0	0	409-1, 409-1, 410-1, 205-1	S2.1a
68	Does the Company have formal stakeholder engagement policies in place, including mechanisms for stakeholders to raise issues?	Yes/No	Partial	No	No	No		
Labour								
69	Number of employees – permanent		59 965	59 540	56 719	-	2-7b	S1.5a
70	Number of employees – fixed term (>90 days)		391	279	272	-	2-7b	S1.5a
71	Number of employees – temporary (<90 days)		0	0	0	-	2-7b	S1.5a
72	Total number of employees		60 356	59 819	56 991	55 187		
73	Total number of employees and contractors		60 356	59 819	56 991	-	2-7a & 2-8a	
74	Total number of employees and contractors operating in South Africa		59 851	59 350	56 558	-	2-7a & 2-8a	S1.5a
75	Percentage of employees and contractors operating in South Africa	%	99.2	99.1	99.2	-	2-7a & 2-8a	
76	Percentage of management (top and senior) deemed 'HDSA'	%	80.0	78.0	77.0	-	405-1	

Comments FY24: Discrimination cases identified through whistle-blower hotline, appropriate disciplinary action taken in line with ethics policy

Comments FY24: Historic data changed to reflect outcomes of ESG assurance process to align to AA1000AS standards

Comments FY24: Employees in company-owned stores and operations

External Assurance Reported for the first time in FY24 * PnP company-owned # Boxer * Historical data updated - Figure not historically reported

¹ Mariam Cassim resigned as independent non-executive on 5 July 2024.

External Assurance Reported for the first time in FY24 * PnP company-owned # Boxer * Historical data updated - Figure not historically reported

¹ Mariam Cassim resigned as independent non-executive on 5 July 2024.

ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Labour (continued)								
77	Percentage of management (top and senior) who are women	%	32.0	32.0	31.0	-	405-1	
78	Percentage of employees who are deemed 'HDSA'	%	99.0	99.0	99.0	-	405-1	S1.5a
79	Percentage of employees who are women	%	64.0	64.0	64.0	-	405-1	S1.5a
80	Percentage of employees who are 'permanent'	%	99.4	99.5	99.5	-	2-7b	S1.5a
81	Number of employees who are deemed 'disabled'		809	869	896	-	405-1	
82	Disabled persons rate	%	1.3	1.5	1.6	-		
83	Percentage of employees who belong to a trade union	%	45.0	44.0	-	-	2-30	FB-FR-310a.2
84	Employee turnover (i.e., number of persons who departed relative to the total number of employees at year-end)	%	23.0	19.0	16.0	15.0	401-1	S2.3b
85	Total number of person hours worked	PHW	110 293 784	108 049 863	103 951 584	-	403-9a	
86	Total number of employees trained for skills, including internal and external training interventions		27 463	23 088	23 534	-	404-1	S2.2
87	Total number of employees with disabilities trained for skills, including internal and external training interventions		427	402	-	-	404-1	
88	Percentage of employees trained in South Africa	%	99.5	99.5	-	-	404-1	
89	Rand million value of employee training spend	Rand million	103.7	102.1	102.6	-	404-1	S2.2
90	Percentage of training spend in South Africa	%	99.5	99.5	-	-	404-1	
91	Total number of person days lost due to absenteeism		390 404	357 385	321 371	-	403-9b	
92	Percentage of total person days lost due to absenteeism	%	2.8	2.7	2.5	-		
93	Total number of person days lost due to industrial action (i.e., strike action)		1.0	5.0	0.0	-		FB-FR-310a.3
94	Percentage of total person days lost due to industrial action	%	0.0	0.0	0.0	-		S1.4c
95	Percentage of employees under the age of 30	%	33.0	33.0	-	-	405-1	S1.1a
96	Percentage of employees aged between 30 and 50	%	58.0	59.0	-	-	405-1	
97	Percentage of employees over the age of 50	%	9.0	8.0	-	-	405-1	
98	The total rand million annual remuneration of the highest paid employee	Rand million	25 314.9	24 690.3	22 974.0	37 128.5	2-21	S1.2c

Comments FY24: Employee turnover in FY24 driven by voluntary severance packages

ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Health and Safety								
99	Number of fatalities (i.e., injuries on duty leading to death... excluding the deaths of workers not occurring 'at work')		1	0	0	0	403-9a	S3.1a
100	Number of medical treatment cases (MTCs, i.e. injuries on duty leading to medical treatment, but no lost days)		215	167	375	102	403-9a	S3.1b
101	Number of lost time injuries (LTIs, i.e. injuries on duty leading to at least one lost day)		1 187	1 214	1 247	1 157	403-9a	S3.1b
102	Total number of recordable injuries, including MTCs, LTIs and fatalities		1 402	1 490	1 622	1 259	403-9a	
103	Fatal injury frequency rate (FIFR, i.e. number of fatalities per 200 000 person hours worked)		0.0	0.0	0.0	0.0	403-9a	
104	Lost time injury frequency rate (LTIFR, i.e. number of LTIs per 200 000 person hours worked)		1.8	2.3	2.5	2.3	403-9a	
105	Total recordable injury frequency rate (TRIFR)		2.2	2.8	3.3	2.5	403-9a	
106	Does the Company report a LTIFR and/or TRIFR target?	Yes/No	No	No	No	No	403-9a	
107	Does the Company's safety data include contractor injuries?	Yes/No	No	No	No	No	403-9b	
Food safety								
108	Number of high-risk food safety violations*		1	0	-	-	FB-FR-250a.1	
109	Number of product recalls*		10	7	-	-	FB-FR-250a.2	S4.1b
110	Number of supplier site visits by PnP food technologists*		645	508	769	789		
111	Number of food safety store audits*		7 725	6 132	6 648	6 480		

Comments FY24: Car accident in company-owned vehicle

Comments FY24: The Group's injury data is skewed due to over reporting and classification issues

Comments FY24: National peanut butter recall due to higher levels of Aflatoxin

External Assurance | Reported for the first time in FY24 | * PnP company-owned | # Boxer | * Historical data updated | - Figure not historically reported

External Assurance | Reported for the first time in FY24 | * PnP company-owned | # Boxer | * Historical data updated | - Figure not historically reported



ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Value chain								
112	Percentage of clothing suppliers registered on SEDEX*	%	97	83	90	77		
113	Percentage of Pick n Pay clothing sourced from the Southern African development community (SADC) suppliers*	%	51	54	46	43		
114	Percentage of clothing products with one or more sustainability attributes*	%	44.9	-	-	-		
115	Percentage clothing from local suppliers*	%	44	44	41	39		
116	Number of suppliers part of the WRI 10x20x30 Food Waste Initiative*		17	19	20	20		
117	Number of entrepreneurs enrolled in enterprise and supplier development programme*		178	198	187	112		
118	Percentage sustainable palm oil in Pick n Pay branded products*	%	90	100	100	30	430	SS.1d
119	Sustainable seafood percentage by sales value for Pick n Pay company-owned stores*	%	79	89	91	95		
120	Sustainable seafood percentage by number of species sales value for Pick n Pay company-owned stores*	%	79	79	83	78		
121	Percentage of Pick n Pay branded products procured locally*	%	94	85	95	95		
122	Percentage sustainably sourced cotton clothing*	%	28	22	11	6.50		
123	Percentage private label sow crate friendly pork*	%	100	100	100	100		
124	Rand billion spend on BBBEE businesses*	Rand billion	53.1 ¹	53.4	50.8	54.5		
125	Rand billion spend on black-owned businesses*	Rand billion	8.1	6.3	8.3	7.7		
126	Rand billion spend on black women-owned businesses*	Rand billion	1.2	4.8	6.1	5.2		
127	Rand billion spend on black-owned SMMEs*	Rand billion	1.2	0.9	1.9	2.6		
128	Rand billion spend on SMMEs*	Rand billion	6.2	3.1	4.3	4.5		

Comments FY24: Two suppliers dropped out of programme due to their minimal food waste

Comments FY24: Some suppliers were no longer able to use 100% sustainably sourced palm oil due to increased cost of sourcing

Comments FY24: Increased spend on SMME service providers

ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Property								
129	Total number of stores		2 279	2 204	2 081	1 994		
130	Number of stores in South Africa		2 090	2 018	1 910	1 828		
131	Number of company-owned stores		1 484	1 385	1 244	1 172		
132	Number of franchise stores		722	747	773	761		
133	Number of associate-owned stores		73	72	64	61		
134	Number of new stores opened		128	175	139	112		
135	Total store floorspace – all (company-owned and franchise stores)	m ² million	2.8	2.8	2.7	2.7		
136	Total store floorspace – company-owned stores	m ² million	2.1	2.1	2.0	1.9		
137	Total store floorspace – Pick n Pay company-owned stores	m ² million	1.5	1.5	1.5	1.5		
138	Total store floorspace – Boxer company-owned stores*	m ² million	0.6	0.6	0.5	0.4		
139	Total store floorspace – franchise stores	m ² million	0.7	0.7	0.7	0.8		
Loyalty and customer satisfaction								
140	Number of active Smart Shopper loyalty members (million)*	million	11.3	11.0	9.5	8.5		
141	Percentage of sales transactions through Smart Shopper loyalty cards*	%	81.0	80.0	80.0	75.0		
142	Rand billion value of loyalty savings provided*	Rand billion	6.7	6.5	5.5	3.5		
Energy								
143	Total direct energy consumption – all fuels	Gigajoules	1 131 536	1 033 300	316 747	-	302-1	
144	Direct energy efficiency: total direct energy consumed per general letting area	Kj/m ²	0.45	0.48	0.15	-		
145	Total MWh of electricity consumed – purchased (ex. renewable sources)	MWh	771 827	758 907	791 886	773 025	302-1	FB-FR-130a.1
146	Total MWh of electricity consumed – renewable sources (solar)	MWh	9 664	8 579	7 791	7 773	302-1	

Comments FY24: Prior year reporting updated to align to current year methodology

Comments FY24: Restated FY23 figure to include Boxer



ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE	
Energy (continued)									
147	Total MWh of electricity consumed – purchased and renewable	MWh	781 491	767 486	799 677	780 798			
148	Percentage of electricity consumed that was renewable energy	%	1.2	1.1	1.0	1.0			
149	Electricity efficiency: average electricity consumed per GLA	kWh/m ²	0.30	0.36	0.39	0.43			
150	Total indirect energy consumption (i.e., electricity) in gigajoules	Gigajoules	2 786 235	2 762 950	2 878 837	2 810 872.8			
151	Total direct and indirect (i.e., electricity) energy consumption in gigajoules	Gigajoules	3 917 771	3 796 250	3 167 537	-			
152	Total energy efficiency: total direct energy and indirect energy consumed per GLA	MJ/m ²	1.55	1.76	1.55	-			
153	Total energy efficiency improvement from FY10 baseline*	%	39.0	37.0	35.1	34.3			
154	Does the Company report a target for direct energy consumption, or reductions, and is it against a specific denominator (e.g. per PHW)?*	Yes/No	No	No	No	No			
155	Does the Company report a target for indirect energy consumption (i.e., electricity), or reductions, and is it against a specific denominator (e.g. per PHW)?	Yes/No	Yes	Yes	Yes	Partial			
156	Does the Company report a target for TOTAL energy consumption, or reductions, and is it against a specific denominator (e.g. per PHW)?*	Yes/No	No	No	No	No	302-4		
Carbon footprint									
157	Carbon emissions – scope 1	Tonnes CO ₂ e	447 357	381 435	183 614	123 421	305-1	FB-FR-110b.1	E1.1a
158	Carbon emissions – scope 2	Tonnes CO ₂ e	754 993	761 910	816 944	766 174	305-2		E1.1a
159	Carbon emissions – total scope 1 and scope 2	Tonnes CO ₂ e	1 202 350	1 143 345	1 000 558	889 595			
160	Carbon emissions – scope 3	Tonnes CO ₂ e	444 436	452 280	475 222	482 615	305-3		E1.1a

Comments FY24: Prior year reporting updated to align to current year methodology

Comments FY24: Prior year reporting updated to align to current year methodology

Comments FY24: 322 energy programme sites within PnP company-owned portfolio. Prior year reporting updated to align with current year methodology

Comments FY24: Increased Group store footprint led to higher absolute emissions but lower emission intensity

Comments FY24: Partial scope 3, not including Purchased Goods and Services

External Assurance Reported for the first time in FY24 * PnP company-owned # Boxer * Historical data updated - Figure not historically reported

ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Carbon footprint (continued)								
161	Total carbon emissions (scope 1, scope 2 and scope 3)	Tonnes CO ₂ e	1 646 786	1 595 625	1 475 780	1 372 210		
162	Carbon emissions target reported against a prior baseline?	Yes/No	Yes	Yes	Yes	Yes	305-5	
163	Baseline year for carbon reduction targets	Year	2022	2022	2013	2013	305-5	
164	Target for carbon emissions, or reduction, against a specific denominator	Yes/No	Yes	Yes	Yes	Yes	305-5	E1.3
165	Carbon emission targets are Science-Based Target initiative (SBTi) approved	Yes/No/In Progress	In Progress	No	No	No	305	E1.3
166	Percentage of stores using natural refrigerants	%	12.9	9.5	6.4	5.0		
167	Volume of carbon emissions offset via the purchase of carbon credits and/or company-owned carbon offset projects (tonnes)	Tonnes	0.0	0.0	0.0	0.0	305-5	
168	Volume of carbon emissions offset via company-owned carbon offset projects (tonnes)	Tonnes	0.0	0.0	0.0	0.0	305-5	
169	Rand value of spend on carbon offset projects	Rand	0.0	0.0	0.0	0.0		
170	Scope 1 emission intensity: average volume of scope 1 carbon emissions per GLA	Tonnes CO ₂ e/m ²	0.18	0.17	0.09	0.07	305-4	E1.1c
171	Scope 2 emissions intensity: average volume of scope 2 carbon emissions per GLA	Tonnes CO ₂ e/m ²	0.30	0.35	0.40	0.42	305-4	E1.1c
172	Carbon intensity: average volume of scope 1 and 2 carbon emissions per GLA	Tonnes CO ₂ e/m ²	0.47	0.53	0.49	0.49		
173	Does the Company have a just transition plan to meet decarbonisation targets?	Yes/No	No	No	No	No		E1.4a
174	Does the just transition plan include stakeholder engagement for workers and communities?	Yes/No	N/A	N/A	N/A	N/A		E1.4a

Comments FY24: Prior year reporting updated to align to current year methodology

Comments FY24: Prior year reporting updated to align to current year methodology

External Assurance Reported for the first time in FY24 * PnP company-owned # Boxer * Historical data updated - Figure not historically reported



ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Water								
175	Total volume of water consumed – new purchases and/or abstractions (excluding recycled water used)*	Kl	1 099 982	1 108 223	1 019 918	1 006 000	303-5a	E2.1a
176	Water efficiency: average volume of water consumed per GLA*	l/m ²	0.39	0.51	0.50	0.55		
177	Water consumption target reported against a prior baseline*	Yes/No	Yes	Yes	Yes	Yes		
178	Baseline year for water reduction targets*		2018	2018	2018	2018		
179	Target for water consumption, or reduction, against a specific denominator (e.g. per GLA)*	Yes/No	Yes	Yes	Yes	Yes		
180	Water intensity reduction from FY18 baseline for Pick n Pay company-owned stores*	%	25	12	11	13		
181	Percentage of company-owned stores assessed for water-risk using WWF-water risk filter*	%	100.0	0.0	0.0	0.0		
Waste (Non-hazardous waste unless otherwise stated)								
182	Total volume of waste to landfill (excluding food waste)*	Tonnes	10 348.9	12 757.0	14 342.5	-	306-5	E4.1a
183	Total volume of waste recycled*	Tonnes	10 456.3	11 421.5	14 150.1	-	306-4	E4.1a
184	Total volume of waste disposed to landfill and recycled*	Tonnes	20 805.3	26 025.1	29 407.5	-		E4.1a
185	Waste intensity: Pick n Pay company-owned stores*	(kg/m ²)	15.6	15.5	14.6	14.1	306-3	E4.1c
186	Food waste intensity: Pick n Pay company-owned stores*	(kg/m ²)	16.3	16.0	15.3	14.7		
187	Percentage reduction in food waste against 2019 baseline*	%	31.5	27.9	31.9	37.8		
188	Percentage of waste diverted from landfill*	%	55.7	62.0	55.0	-		
189	Percentage of waste disposed of that is sent for recycling*	%	44.8	43.9	48.1	-		

Comments FY24: Increase in operational efficiencies surrounding leak detection

Comments FY24: Reduced budgets resulted in decreased waste management expenses, leading to lower waste diversion

ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Waste (Non-hazardous waste unless otherwise stated) (continued)								
190	Total tonnes of items collected for recycling through reverse vending machines*	Tonnes	5.3	5.1	4.7	-		
191	Volume of waste sent for recycling – plastic*	Tonnes	1 104.0	1 360.7	1 662.8	-		
192	Volume of waste sent for recycling – food waste recovered*	Tonnes	1 607.2	990.8	914.0	-		
193	Volume of waste sent for recycling – glass*	Tonnes	91.2	10.2	13.1	-		
194	Volume of waste sent for recycling – metal*	Tonnes	10.3	8.1	10.8	-		
195	Volume of waste sent for recycling – excess food products donated*	Tonnes	900.5	882.0	847.9	-		
196	Volume of waste sent for recycling – cardboard and paper*	Tonnes	9 241.2	10 019.6	13 500.0	-		
197	Total volume of waste recycled (Boxer)#	Tonnes	7 277.0	-	-	-		
198	Total volume of cardboard recycled (Boxer)#	Tonnes	7 198.0	-	-	-		
199	Total volume of plastic recycled (Boxer)#	Tonnes	797.0	-	-	-		
Packaging (PnP own brand unless otherwise stated)								
200	Percentage own brand packaging which is recyclable/reusable*	%	93.3	91.8	88.4	87.3		
201	Percentage recycled content in plastic packaging*	%	35.5	27.7	22.3	13.7		
202	Percentage FSC-certified cardboard and paper in packaging*	%	97.7	88.0	25.3	34.8		
203	Packaging weight reduction from FY20 baseline*	%	33.1	27.6	31.9	10.2		
204	Total number of recyclable shopping bags sold*	million	1.3	-	-	-		
205	Total volume of recycled content used in recyclable shopping bags*	Tonnes	69.5	-	-	-		

Comments FY24: Increased recycling drives at stores and distribution centres lead to high volumes in FY24

External Assurance Reported for the first time in FY24 * PnP company-owned # Boxer * Historical data updated - Figure not historically reported

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ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
Environmental management								
206	Does the Company have a biodiversity action plan in place to minimise impacts on biodiversity and ecosystems?	Yes/No	No	No	No	304-3		E3.1c
207	Rand million value of investments in projects to improve energy efficiency	Rand million	261.4	-	-	201-2		
208	Rand million value of investments in projects to improve waste efficiency	Rand million	6.6	-	-	201-2		
209	Total number of environmental incidents (level 1, 2 and/or 3)		0	0	0	2-27a		G4.1
210	Total number of environmental fines and/or non-compliances		0	0	0	2-27b		G4.2
211	Total number of environmental complaints		0	0	0	2-27		G4.1
212	Rand value of carbon tax paid	Rand	190 665.0	143 909.0	82 293.0	69 505.0		
213	CDP climate		B	B	B	B		
214	CDP water		B	B	B	A-		
215	CDP forest (Cattle Products/Palm Oil/Soy/Timber)		D/B-/D/B-	D/C/C/C	C/D/ /C	C/D/ /C		
CSI/SED and enterprise development (ED) expenditures								
216	Rand million value of Boxer corporate social investment (CSI)/socio-economic development (SED) expenditures*	Rand million	7.6	-	-			
217	Rand million value of corporate social investment (CSI)/socio-economic development (SED) expenditures*	Rand million	29.2	39.1	32	41.5	203-1	S2.4a
218	CSI/SED spend as a percentage of total turnover generated	%	0.03	0.04	0.04	0.04		
219	CSI spend as a percentage of net profit after tax (NPAT)	%	(0.92)	3.34	3.12	4.28		
220	Percentage of total CSI/SED spend in South Africa	%	100.0	100.0	100.0	100.0	203-1	
221	Rand million value of CSI/SED spend on basic needs and social development, including nutrition and/or feeding programmes	Rand million	10.6	11.1	11.4	14.3	203-1	S2.4a

Comments FY24: Pick n Pay CSI spend declined year-on-year due to prudent capital and expense control to ensure long-term sustainability (same applies to 225-230)

ESG performance data matrix

	Unit	FY24	FY23	FY22	FY21	GRI	SASB	JSE
CSI/SED and enterprise development (ED) expenditures (continued)								
222	CSI/SED spend on education	Rand million	6.8	9.6	11.4	11.2	203-1	S2.4a
223	CSI/SED spend in environmental management projects	Rand million	2.2	3.5	2.1	1.5	203-1	S2.4a
224	CSI/SED spend on skills development, including adult basic education and training (ABET)	Rand million	1.9	3.3	3.3	3.3	203-1	S2.4a
225	CSI/SED spend on small business development projects	Rand million	7.7	11.6	9.7	11.1	203-1	S2.3a
226	Does the report include a comprehensive discussion of returns on CSI?*	Yes/No	Partial	Partial	Partial	Partial	203-1	
227	Are CSI/SED projects clearly aligned to the company's material issues? (yes/no)	Yes/No	Yes	Yes	Yes	Yes		
228	Are CSI/SED projects clearly aligned to the company's business strategy? (yes/no)	Yes/No	Yes	Yes	Yes	Yes		
229	Are CSI/SED projects aligned to government's national development plan (NDP)?	Yes/No	Yes	Yes	Yes	No		
230	Enterprise development spend (i.e. support for small business)	Rand billion	0.8	3.1	4.3	4.5		
231	Total volume of products donated to FoodForward SA*	Tonnes	901	882	841	840		
232	Distributions on behalf of Feed the Nation	Rand million	12.9	17.8	30.6	135.0		
233	Number of million meals distributed for Feed the Nation	million	0.8	5.2	9.1	27.9		
234	Number of schools in the Pick n Pay School Club		3 280	3 280	3 185	3 155		
235	Volume of educational content distributed through Pick n Pay and Boxer School Club	Tonnes	4.5	17.0	8.4	8.2		
236	Spent on bursaries	Rand million	3.3	3.3	3.3	3.3		
237	Clothing donated to Taking Care of Business (previously The Clothing Bank)	Rand million	15.5	11.6	10.3	8.0		

Comments FY24: Reduced sales in key SMME categories has resulted in reduced rebates for small businesses.

Comments FY24: Reduced public donations

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Corporate information

Pick n Pay Stores Limited

Registration number: 1968/008034/06
JSE and A2X share code: PIK
ISIN: ZAE000005443

Board of directors

Executive

Sean Summers (CEO)¹
Lerena Olivier (CFO)

Non-executive

Gareth Ackerman (Chair)
Suzanne Ackerman
Jonathan Ackerman²
David Robins

Independent non-executive

Haroon Borat
James Formby
David Friedland
Aboubakar Jakoet
Audrey Mothupi
Annamarie van der Merwe

Registered office

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Fax +27 (0)86 675 1475

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Claremont
Cape Town 7735

Registrar

Computershare Investor Services Proprietary Limited
Rosebank Towers
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Rosebank 2196
Tel +27 11 370 5000

Postal address

Private Bag X9000
Saxonwold 2132

JSE Limited sponsor

Investec Bank Limited
100 Grayston Drive
Sandton 2196

Transaction sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton 2196

Auditors

Ernst & Young Inc.

Principal transactional bankers

Absa Limited
Nedbank Limited

Corporate advisors

ABSA Bank Limited
(acting through its Corporate and Investment Banking division)

Rand Merchant Bank
(a division of FirstRand Bank Limited)

The Standard Bank of South Africa Limited
(acting through its Corporate and Investment Banking division)

Company Secretary

Vaughan Pierce³
Email address: CompanySecretary@pnp.co.za

Promotion of access to information act

informationofficer@pnp.co.za

Investor relations

Stephen Carrott
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Website

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Customer careline

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Boxer

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Pick n Pay Online



www.pnp.co.za | www.pnp-home.co.za | www.picknpayclothing.co.za

Engage with us on



¹ Sean Summers replaced Pieter Boone as CEO, effective 30 September 2023.

² Jonathan Ackerman retired as an executive director on 31 March 2023 and was appointed as a non-executive director on that date.

³ Vaughan Pierce was appointed as Company Secretary effective 14 March 2024.