



Suzanne Ackerman
*Outgoing Chair: Social, Ethics
 and Transformation Committee*

Report of the Social, Ethics and Transformation Committee

The Social, Ethics and Transformation Committee presents its report for the 2025 financial year. This report has been prepared in accordance with the Companies Act (including Regulation 43 of the Companies Regulations) and is aligned with the King IV Report on Corporate Governance. It outlines the Committee's key areas of oversight and progress in promoting ethical leadership, responsible corporate citizenship, sustainable development, and transformation across the Group.

Committee Chair statement

Pick n Pay continued to execute its turnaround strategy in an increasingly complex and challenging operating environment. Throughout this period, the Social, Ethics and Transformation Committee ("SETC" or "the Committee") played a vital role in ensuring that the Group's recovery efforts remained grounded in ethical conduct, stakeholder inclusivity and sustainability. Our work during the year focused on advancing our integrated ESG strategy, constructive stakeholder engagement and responsiveness, and driving transformation across the business.

During the first part of the year under review, the Committee exercised oversight over both Pick n Pay and Boxer. Following its separate JSE listing, Boxer now operates under a fully independent Board, with its own Social, Ethics and Transformation Committee. As a result, the focus of our Committee shifted more directly to Pick n Pay, particularly in terms of the development of an integrated ESG strategy within Pick n Pay. However, the alignment of ethical standards, corporate citizenship and transformation remains a shared priority. The two committee chairs will continue to meet regularly to stay abreast of relevant developments in both companies and to ensure alignment on shared values and principles.

In June 2024, we bade farewell to David Robins, who retired from the Committee after more than 10 years of dedicated service and over 30 years of remarkable contribution to the Group. I extend my heartfelt thanks to David for his wise counsel, steadfast integrity and unwavering support to both myself and the Group over the years.

In line with our ongoing commitment to governance best practice and independence, I elected to step down as Chair of the Committee, effective 26 May 2025. I am pleased to hand over the role to Professor Haroon Borat, who brings with him deep socio-economic insight and a long-standing commitment to inclusive growth and labour development in South Africa. Under his leadership, I am confident that the Committee will continue to guide the Group's ESG journey with a people-centred approach and analytical rigour.

As I step down from the Chair role, I want to express my sincere gratitude to every member of this Committee, past and present. Your shared commitment to our values of integrity, inclusion and impact has been the driving force behind our work. Together, we have made meaningful strides in embedding ethical leadership, social responsibility and sustainability at the heart of our business.

I am immensely proud of the progress we have made, particularly in championing transformation, building stronger community relationships and upholding the highest standards of ethical conduct. These achievements are the result of dedicated collaboration, thoughtful oversight and the support of our broader leadership team.

Thank you for the opportunity to serve, to learn and to contribute. I remain confident that this committee will continue to go from strength to strength, and I look forward to continuing to support its work in new ways.

As we look ahead, the SETC remains resolute in its mission to deepen stakeholder trust, advance ethical behaviour, and embed inclusive sustainability throughout the Group's value chain.

Transformation is not a choice. It is the only way to address historical inequality and build a better society. It is an imperative in the way we do business.

Committee mandate and scope

The SETC is mandated under the Companies Act to assist the Board in overseeing organisational ethics, responsible corporate citizenship, stakeholder engagement, and sustainable development. The Committee's work is guided by a formal Terms of Reference, reviewed and approved annually by the Board.

The SETC plays a central role in embedding the Group's values into long-term strategy and daily operations. It aligns the Group's sustainability efforts with relevant United Nations Sustainable Development Goals (SDGs) and oversees key ESG priorities, including transformation, employment equity, stakeholder and consumer relationships, labour practices, and health and safety.

Its responsibilities are informed by the Companies Act, JSE Listings Requirements, King IV, and other applicable legislation and codes. The Committee also approves the stakeholder engagement strategy and monitors ethical and sustainable business practices across the Group.

Committee governance

The SETC is constituted as a statutory committee in accordance with the Companies Act and operates under a Board-approved Terms of Reference. Its composition, powers, and responsibilities align with King IV, the JSE Listings Requirements, and other governance standards. The Committee comprises only non-executive directors, nominated by the Board and elected by shareholders at the AGM.

The Chair reports to the Board after each meeting, raising any key issues for consideration. The Chair also engages at least three times annually with the Chair of the Social and Ethics Committee of Boxer, the Group's majority-held subsidiary, to ensure alignment on material governance issues.

Committee composition and meeting attendance

The Committee met four times during the 2025 financial year. Meetings were attended by all members, as well as standing invitees, including the lead independent director and the senior executives responsible for ESG, Risk, Transformation, HR and Corporate Affairs. Committee work was supported by robust executive input and strong cross-functional Board committee collaboration, including particularly with the Remuneration Committee and Nominations and Corporate Governance Committee. All meetings followed the annual workplan and the procedural requirements outlined in the Committee's Terms of Reference. Minutes were prepared by the Company Secretary and shared via the secure online Board platform.

FY25 membership	Standard meetings	Additional meetings
S Ackerman (Outgoing Chair)	3/3	1/1
J Ackerman	2/3	1/1
H Bhorat (Incoming Chair)	3/3	1/1
D Robins ¹	1/1	-
A van der Merwe	3/3	1/1

¹ Retired 27 August 2024.



The Committee's key focus areas and activities in FY25

The Committee delivered on its approved workplan, providing strategic oversight across the Group's ethics, sustainability, stakeholder and transformation agenda, with key focus areas including:

Embedding ESG into business strategy

A key area of Committee oversight in FY25 was the ongoing development of an integrated ESG strategy in Pick n Pay. The Boxer ESG strategy will evolve from what was in place when it was a wholly owned subsidiary within the Group, under the guidance and oversight of the Boxer SETC, with formal feedback in terms of its mandate. The Committee guided the continued roll-out of Pick n Pay's ESG strategy, which is structured across four integrated pillars:

- Sustainable supply chain
- Reducing environmental impacts
- Investing in our people
- Supporting our communities

The ESG framework is embedded across Pick n Pay's operational and governance structures, with implementation driven by the management team and overseen by the Board and its committees. In FY25, the business transitioned from a purely philanthropic model to one focused on scalable, profit-aligned impact that reinforces long-term resilience and stakeholder value with philanthropy still at its core.

For details on the progress delivered during the year, please refer to pages 54 to 57 of the FY25 Integrated Annual Report.

Driving transformation and equity outcomes

The Committee monitored the Group's performance against its broad-based black economic empowerment (BBBEE) targets and employment equity plans. It oversaw initiatives aimed at advancing diversity and inclusion, closing income differentials and supporting transformation across leadership, workforce and procurement.

Strengthening responsible sourcing and supplier development

Oversight extended to the Group's ethical sourcing practices, local procurement, food waste reduction and enterprise development. The Committee reviewed progress in building an inclusive supply chain and ensuring integrity in sourcing and supplier partnerships.

Guiding environmental responsibility

The Committee assessed the Group's progress in reducing its environmental footprint through improved energy efficiency, emissions management, water stewardship, sustainable packaging and waste diversion. It also reviewed compliance with relevant environmental legislation and sustainability reporting obligations.

Overseeing labour practices and employee well-being

The Committee supported the execution of a Group-wide people strategy centred on employment equity, leadership succession, learning and development, and wellness. It reviewed internal health and safety audits and monitored measures to prevent discrimination and promote safe, inclusive workplaces.

Supporting community investment and stakeholder engagement

Pick n Pay's stakeholder engagement strategy was approved by the Committee. In addition, oversight was provided for community investment programmes focused on food security, education, youth development and disaster response, delivered through trusted partners.

Monitoring ethics and conduct

The Committee tracked reports received via the Pick n Pay and Boxer whistle-blowing hotlines, reviewed updates on organisational ethics and monitored the enforcement of key policies including anti-bribery and corruption, conflicts of interest and whistle-blowing. The aim was to uphold a culture of integrity across the Group.

Reviewing public health and safety compliance

The Committee assessed reports relating to occupational health and safety, customer incidents and product recalls. It ensured that appropriate controls and escalation mechanisms were in place to address risks ethically and effectively.



Committee evaluation and re-election

The Board is satisfied that the Committee members possess the appropriate skills and experience to fulfil their responsibilities and have discharged their duties effectively. The existing members of the committee will be put forward to shareholders for election at the 2025 AGM. Please refer to page 77 for further information.

The Committee is satisfied that it has fully complied with its statutory duties in terms of the Companies Act and the Listings Requirements, and that it has effectively discharged all responsibilities assigned to it by the Board under its Terms of Reference and formal mandate for FY25. It remains committed to supporting the Group's ethical, inclusive and sustainable growth.

Key focus areas for FY26

- Monitoring the ongoing development and integration of the ESG strategy
- Compliance with ethics policies and ongoing ethics training
- Transformation and employment equity, with a focus on improving the BBBEE scorecard
- Greater oversight over gender and race pay parity
- Promoting inclusive skills development and measuring learning impact
- Guiding community investment to maximise societal return
- Overseeing stakeholder engagement outcomes and reputational risk

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30 June 2025