

SUSTAINABILITY STRATEGY

The Group's ESG framework prioritises sustainability-related issues that impact our ability to create, protect or enable value across a range of stakeholder groups.

Sustainability-related impacts, risks and opportunities

Our ESG framework is based on analysis of ESG impacts and dependencies critical to our business model. At a high level, these have remained consistent, although details and emphases shift in accordance with changing operational environments and stakeholder interests.

Key ESG issues material to our business model include:

- Access to quality, nutritious food at affordable prices
- Carbon emissions (including carbon disclosure)
- Energy use (fuel and electricity)
- Waste, in particular plastic and food waste
- Water intensity
- Promoting products with sustainability attributes
- Supplier ESG practices and ethical sourcing
- Local suppliers
- Transformation
- Employee training and development
- Employee health and wellness
- ESG data and data accuracy

Materiality determination

Selected executives and senior managers engage in a facilitated materiality process to reflect on a broad range of issues that could significantly impact on the Group's ability to create and sustain value. This process allows us to sense-check the relevance of identified ESG issues, potential risks to enterprise value and our ability to turn these risks into opportunities for value creation.

Our materiality review is primarily driven through the risk management process. It forms part of the Group's comprehensive, enterprise-wide risk management and combined assurance programme.

Strategic framework

The Group's ESG framework is informed by our key sustainability/ESG issues. It plays an important role in informing decision-making in relation to current and emerging social and environmental challenges and opportunities. It also helps to align our efforts with national and global sustainable development goals.

The following focus areas are addressed in the respective sections of this report. Key elements are summarised here.



Partnering to shift the food system



Reducing environmental impact



Supporting communities



Investing in our people

Increasing ESG integration across the Group's operations

Our key goals and targets



Partnering to shift the food system

Food is a fundamental need and South Africa's food system remains under strain, primarily impacting poorer households. By trading under three main customer-facing banners, our Ekuseni strategy has made it possible to deliver on specific customer ESG interests and needs. These include lower pricing on essentials (typically at Boxer and QualiSave stores) and a greater range of sustainability attributes (typically at Pick n Pay stores). Affordability is further enhanced by our Smart Shopper loyalty card, which continues to grow from 9.5 million in FY22 to 11 million active members in FY23. Spearheading our exploration of sustainable product innovation, the Pick n Pay Live Well range offers a green range for consumers who seek explicitly sustainable attributes. We remained focused on local procurement and are extending sound ESG practices across our supply chain. Our inclusive supply chain supports hundreds of emerging entrepreneurs and ensures that our supporting ecosystem is more resilient. By continuing to reduce food waste, we improve our productivity and assist in the fight against hunger through our partnership with FoodForward SA.



Reducing our environmental impact

We continue to invest in energy efficiency and the expansion of renewable energy. This commitment further supports route-planning optimisation and the reduction of product waste at our distribution centres and stores. It also drives packaging innovations in support of the SA Plastics Pact drive for reusable, recyclable or compostable plastic packaging. As awareness of environmental issues grows, environmental commitment and performance are integral to our brand equity. Evidence of our commitment and progress is now facilitating our ability to access finance that is increasingly tied to sustainability provisions.



Supporting communities

We are committed to an inclusive and transformed organisation, and to ensuring that all our employees are healthy and well-trained. Our focus is on providing good jobs and working conditions, effective training, competitive remuneration and opportunity to progress. Diversity, equity and inclusion are critical to effective decision-making, and we continue to make good progress on our broad-based black economic empowerment commitments. Stakeholder engagement and outreach is becoming increasingly important, given the systemic nature of many sustainability challenges and the need to work with our retail peers in advocating for positive change.



Investing in our people

Our people are at the heart of what we do. In striving to be an employer of choice, our commitment to employees is that we provide good jobs, effective training and development initiatives, competitive pay, good working conditions and an opportunity to progress. We created more than 4 000 jobs in Boxer, Clothing and Omnichannel and implemented a multi-skilling agreement essential to deliver higher store productivity and customer service. Our junior Store Management Modernisation will deliver greater efficiency and clarity and the Pick n Pay Voluntary Severance Programme (VSP) will enable us to accelerate savings while giving colleagues choice on participation.

We seek to ensure that the composition of our employee base at all levels accurately reflects wider society. We use our skills base and diversity as an advantage in building an engaged, innovative and successful business.

Collaborating for a nature positive food system

For well over a decade, WWF South Africa and Pick n Pay have collaborated in various forms.

This began in 2006 and was formalised in 2010 as a partnership to support WWF's then Sustainable Fisheries (now Marine) Programme. The Marine Programme aims to restore at least half of the country's over-exploited fish stocks to sustainably managed levels, while maintaining or improving the state of other commercially important stocks. This is done by applying an Ecosystem Approach to Fisheries (EAF) and reducing the impacts of destructive fishing practices to acceptable levels.

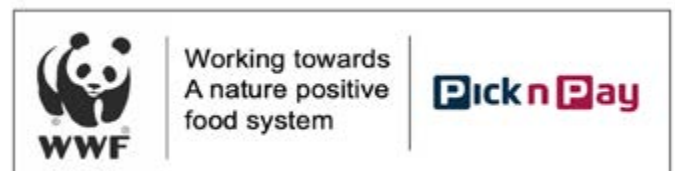
In 2011, Pick n Pay announced a commitment to transform its entire fresh, frozen and canned seafood operations to meet strict sustainability standards. The commitment was the first of its kind in Africa.

In 2023, WWF and Pick n Pay are continuing their marine work together. This includes not only supporting fisheries improvement projects that assist the continued development of the South African seafood sector, but also expanding the work to cover some key issues across the food system.

In particular, the partnership will focus on helping Pick n Pay suppliers to better understand water risk, improve measurement of food loss/waste and identify hotspots, and support suppliers in their own carbon emission reduction journeys.

This will also form part of Pick n Pay's Scope 3 target setting process in terms of the Science-Based Targets Initiative (SBTI).

The partnership will also aim to build awareness and understanding of key sustainability issues among Pick n Pay staff and customers, and engage with the Pick n Pay School Club.




Our ESG focus areas align with the Ekuseni strategy, as discussed further below. This ensures that our commitment, disclosure and transparency on hard ESG targets are sustainable for the organisation while delivering measurable stakeholder value in line with the global UN Sustainable Development Goals (SDGs).

Integration into business strategy and planning

Our strategic plan, Ekuseni, was launched in May 2022. Ekuseni's overall goal is to serve more customers better and create more jobs, while reducing our negative impact on the environment. Each element of Ekuseni opens opportunity for greater ESG integration and greater potential for positive ESG impact at scale:

Building on our core strengths, the strategy focuses on:

1. Refined and strengthened Pick n Pay customer value proposition
2. Accelerating the growth of Boxer
3. Building a market leading online offer
4. Funding our ambition through Project Future
5. Delivery through our people

ESG integration into our business strategy is covered in our  Chief Executive Officer's statement and summarised here.

1. A Refined and Strengthened Customer Value Proposition (CVP) for Pick n Pay

In the face of increasing social and environmental pressures, ESG integration is key to our refined and strengthened value proposition. Key areas of integration addressed by our teams include:

- Decoupling of our customer-facing brands into three banners, has enabled us to simultaneously increase affordability and introduce new sustainable product attributes
- Relentless focus on cost reduction, allowing us to maintain affordability of staples in the face of a highly volatile commodity market
- By reducing our environmental impact, we enhance efficient cash and capital management and operational excellence
- Firm environmental targets driving further savings through energy conservation, expansion of renewable energy and waste reduction

2. Accelerating Boxer Growth

Targeting the lower LSM market, Boxer is the leading limited-range discounter in Africa. Accelerating growth recognises the opportunity in underserved markets, and key areas of integration include:

- More affordable, quality nutrition
- Increased job opportunities
- The ability to address complex challenges such as the need to meet higher ESG standards while simultaneously increasing affordability and inclusion

3. Building a Market Leading Online Offer

Digital technology allows us to scale positive social and environmental impacts through multiple stakeholder networks. Key areas of integration include:

- An on-demand food grocery offering, with engagements underway to transition to e-bikes in the near future
- Improved inventory and returns management (waste reduction)
- Streamlined engagement and feedback channels (customer insights)
- Effective tracking of ESG impacts (data management)

4. Funding our Ambition through Project Future


Given the increasing ESG focus of the investment community and financial services sector, positive ESG performance is opening access to preferential terms and lines of funding. Key areas of integration include:

- Our modernisation and efficiency plan, which has incorporated energy, water and waste reductions
- A shift to science-based targets for greenhouse gas emissions and our commitment to disclose in terms of the Task Force on Climate-Related Financial Disclosures
- Our new lines and long-term borrowings include ESG targets for lower funding rates

5. Delivery through People

We are building a future-fit, high-performance team. By making management teams more diverse, we access critical business intelligence and networks informed by diverse experiences and backgrounds. Key areas of ESG integration include:

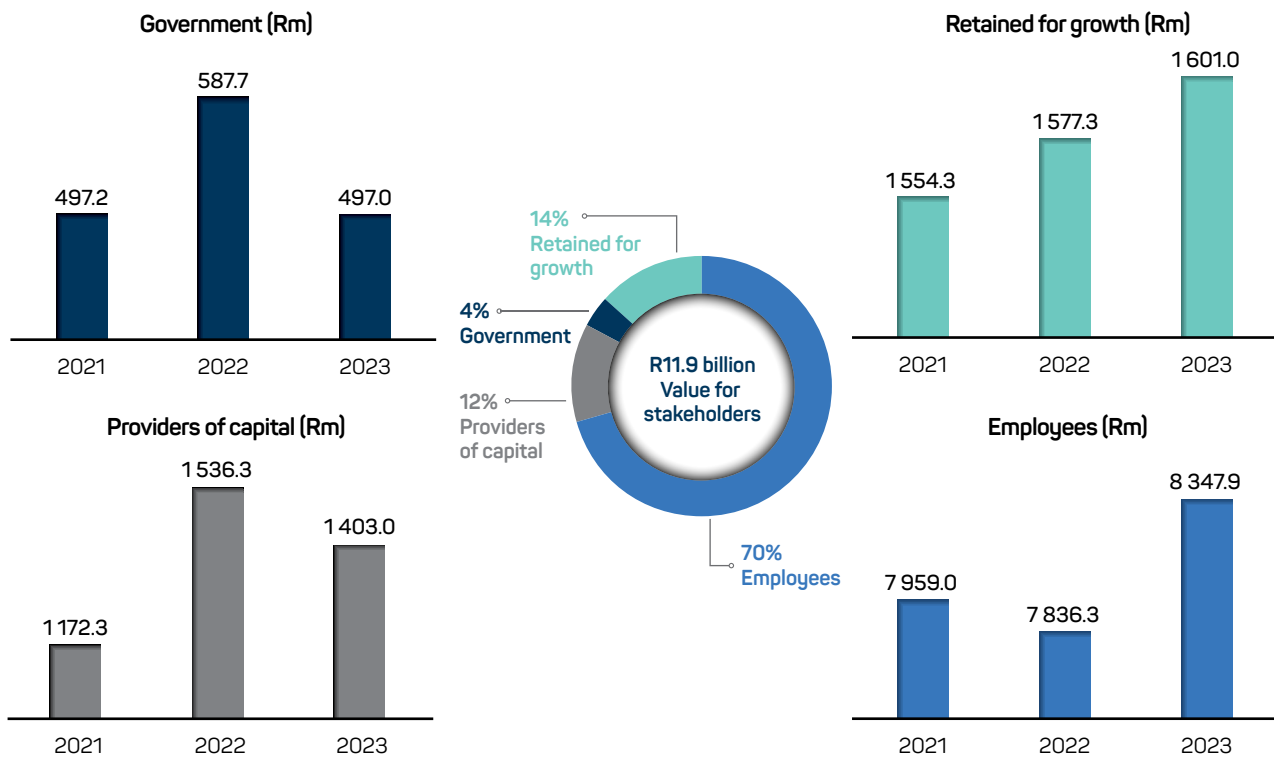
- Job opportunities and talent retention
- Diversity, equity and inclusion (DEI)
- Skills development and learning
- Effective hybrid working

We are committed to further pursue and scale positive sustainability impact through our core business and include data on all the above elements in the  ESG/Sustainability Databook.

Potential trade-offs

- Use of diesel (to counter load-shedding) vs carbon footprint – requires that we accelerate our transition to renewables
- Just in time to just in case (recognising supply chain disruption) – requires increasing agility of procurement teams and optimised stock management
- Building a future-fit, high performing team and extending employment opportunities vs Voluntary Severance Programme in the light of increased pressure and operational constraints
- Access in township areas vs safety and civil disruption – requires awareness on the ground and ability to respond quickly to signals
- Using local vs lower cost overseas – requires long-term investment in local capabilities, particularly relevant in clothing
- Personalisation vs keeping costs low – requires digitalisation
- Local suppliers vs high standards of ESG – requires supply chain support and tracking
- Packaging cost reductions vs commitment to reusable/recyclable/compostable content – requires packaging innovation (e.g. moving back to plastic as a result of customer feedback and cost)
- Speed to market vs route and load optimisation – requires smart logistics

Stakeholder value creation/erosion



The year-on-year fluctuations in the value distributed to stakeholders over the past three years reflect the financial impact of significant trade disruption over the period, including the Covid-19 pandemic (FY21), civil unrest (FY22) and more recently, elevated levels of load-shedding (FY23). Please refer to the CFO's report on page 68 of the IAR for each period for further information.



MANAGEMENT APPROACH

The Group recognises the interconnectedness of ESG issues and the need to integrate such considerations into the full spectrum of our management processes. We are informed by longer-term considerations, helping to orient our management practices to sustainable growth.

Integration into risk management

The Group's risk management process addresses all risks to the business, including ESG-related risks. Our ESG risks are focused in three areas:

- Climate risk is a pervasive and highly-interconnected risk, with extreme weather events posing a risk to our accessibility, store network and vehicle fleets. Given the strong investor focus on climate risk, our response to these risks may also impact our cost of capital going forward.
- We have a large supply chain and depend on many companies' commitment to ethical and sustainable practices. In support of our strong commitment to local suppliers, it is imperative that we build on current efforts to promote, track and support ethical and sustainable practices across our supplier network.
- We operate a large, highly distributed store network. Given that our stores must remain accessible to all our customers, civil unrest remains a key risk, both before and after mitigation.

Given South Africa's current challenges and a strong investor focus on anti-corruption, ethics is an important cross-cutting element of our risk culture.

Refer to the  Risk Management report in the IAR for further information.

Integration into opportunity identification and capture

Our strategic focus on partnering to shift the food system requires a keen awareness of South African social dynamics and trends. Integration into opportunity identification and capture includes:

- Affordable essentials in underserved markets (Boxer and QualiSave)
- Expansion of sustainability-related product ranges (Live Well)
- A steadfast reduction in food waste
- Advocacy opportunities, including the instrumental role we played in the Retail CEO letter to President Ramaphosa on the energy crisis

While the Group has limited opportunity to address national energy and climate challenge at scale, our commitment to reducing environmental impacts continues to open opportunities for:


- Electricity conservation at stores and distribution centres
- Renewable energy installation
- Improved efficiencies in our distribution operations

Investing in people and communities enhances the social ecosystems that underpin our success. Our large supply chain presents a significant opportunity for:


- Local supply chain support (85% of Pick n Pay private label products locally sourced)
- Small, medium and micro enterprise support
- Scaling positive ESG practices through our supplier network

CSI efforts continue to support our strategic focus areas, at times piloting scalable interventions.

- Our Feed the Nation food drive, food gardens, and partnership with FoodForward SA supports our commitment on partnering to shift the food system
- Our Pick n Pay and Boxer School Club environmental and recycling drives, as well as the social media platform, expands our environmental efforts to communities across South Africa

Please refer to our  **ESG/Sustainability Databook** for detailed information on how we are responding to these opportunities.

Integration into planning and decision-making

The Pick n Pay Group is committed to ESG integration into planning and decision-making across all its operations. Informed by an analysis of material sustainability issues, our ESG Framework provides direction and guidance and is taken into consideration during our strategy sessions, business planning cycles and relevant day-to-day decisions. Performance indicators for each focus area highlight initiatives already underway, helping decision-makers to align available skills and capabilities and draw on internal experience. We are developing targets that provide clarity on our strategic ambitions in relation to each of the focus areas. These are presented in the  **Metrics, Targets and Performance** section below.

Integration into management systems

Sustainability is a cross-cutting function. To achieve the transition we seek, we are reviewing existing management systems for integration opportunities and using digital platforms to enhance inter-operability. This supports our alignment with best practice and will increase our resilience into the future.

Our key sustainability-related management systems include:

- Risk management (see above)
- Safety, Health and Environment (SHE) management
- Quality management
- Data management
- Disclosure management

Integration into innovation



Sustainability thinking is becoming a part of our culture and will increasingly inform the innovative efforts of our teams. We believe everyone can make a contribution, no matter how small. Key innovation areas informed by our sustainability commitments include:

- Affordability
- New products (including sustainable product ranges such as Live Well)
- Packaging reduction
- Process improvements (including operational and logistics efficiencies)
- Supply chain development (including local, SMME and ESG support)

METRICS, TARGETS AND PERFORMANCE

The Pick n Pay Group recognises the importance of ESG metrics and targets to support our allocation of effort and enhance our communication with stakeholders.

ESG performance

We are progressing on each of our ESG focus areas, as indicated by reported performance trends. Please refer to our  **ESG Report** and  **ESG Databook** for further information on our performance.

ESG data

ESG data falls within the scope of the Group's data management practices. We are increasingly digitising our data process and have expanded the scope of our online waste management dashboard to include carbon, electricity and water variables. In addition to helping us collate and retain accurate ESG data, our data systems ensure that our Group and customer's rights to privacy and confidentiality are not breached. ESG data management has matured through the publication of a stand-alone Sustainability Report since 2008. Looking ahead, we anticipate further expansion of digital data platforms, as well as increased integration and inter-operability.

Verification and assurance

All ESG information in our integrated reporting suite has been approved by the Board. Accredited service providers have assured selected non-financial performance metrics, including the Group's broad-based black economic empowerment (B-BBEE) rating and carbon footprint. Management has verified the processes for measuring all other non-financial information.

Combined assurance refers to internal and external parties working together to assure information communicated to stakeholders. Our combined assurance model is the responsibility of the Audit, Risk and Compliance Committee and is designed to cover the organisation's significant risks and material matters.

Please refer to our  **Audit, Risk and Compliance Report** for further information.

GROUP ESG/SUSTAINABILITY PERFORMANCE DATA

All data contained in this databook is for the Group unless otherwise specified in the subheading of the specific section, or in the indicator itself.

ESG/Sustainability Databook		FY23	FY22	FY21
Economic				
1	Rand Million Value of Total Turnover Generated	106 561.8	97 872.8	93 078.8
2	Rand Million Value of Total Turnover Generated in South Africa	102 721.3	94 535.2	89 919.2
3	Percentage of Turnover Generated in South Africa	96.4%	96.6%	96.6%
4	Rand Million Value of Total Revenue Generated per Employee, including full time and variable time employees	1.8	1.7	1.7
5	Rand Million Value of Net Profit After Tax Generated	1 169.9	1 214.5	967.1
6	Rand Value of Net Profit After Tax per Employee, including full time and variable time employees	19 649.0	21 310.4	17 519.9
7	Rand Million Value of Total Compensation Paid to Employees, including wages and benefits	8 347.9	7 836.3	7 959.0
8	Average Compensation Paid to Employees , including wages and benefits of full time and variable time employees	139 553	137 501	144 184
9	Total Rand Million Value of Compensation Paid to Executive Directors – Excluding Gains Realised from LTI Awards	38 555	49 130	79 749
10	Total Rand Million Compensation Paid to Executive Directors and Key Management Personnel – excluding 'gains realised from LTI awards'	108.9	143.7	–
11	Ratio of Net Profit After Tax per Employee to Average Compensation per Employee	0.1	0.2	0.1
12	Rand Billion Value of Total Discretionary/Measured Procurement Spend (South Africa Only)	85.6	–	–
13	Rand Million Value of Total Taxes Paid, inclusive of VAT, income tax, royalties, rates & taxes, and all other payments to Government	2 035	2 571	2 669
14	Rand Million Value of Total Taxes Paid in South Africa	1 937	2 471	2 584
15	Percentage of Total Taxes Paid in South Africa	95.2%	96.1%	96.8%
16	Rand Million Value of Payments to Providers of Capital	1 416.0	1 521.6	1 231.0
17	Rand Million Value of Dividends Paid to Shareholders	881.5	1 081.1	876.0
18	Rand Million Value of Retained Earnings	4 685.2	4 717.3	4 573.5
19	Ratio of Payments to Employees relative to Dividends paid to Shareholders	9.5	7.2	9.1
20	Ratio of Payments to Government relative to Dividends paid to Shareholders	0.6	0.5	0.6
21	Rand Million Value of Current Assets – Total	17 495.6	19 250.8	16 648.5
22	Rand Million Value of Current Liabilities – Total	23 529.1	22 972.3	20 107.6
23	Rand Million Value of Capital Expenditures (Capex)	4 000.0	2 500.0	1 600.0

– Not reported in given financial year

* Prior years' data updated to reflect FY23 reporting methodology and/or due to more reliable data becoming available

FY20	GRI STANDARDS	SASB STANDARDS	JSE	COMMENTS
89 186.5	201-1		S2.4a	
85 628.3	201-1			
96.0%				
1.7				
1 194.7	201-1			
21 761.4				
7 368.2	201-1		S2.4a	
134 211				
30 070	2-19			
-				
0.2				
-	204-1			Reported for the first time in FY23
2 688	201-1		G5.1a & S2.4a	FY23 tax rate at 31% remains aligned with prior years
2 563	201-1			FY23 tax rate at 31% remains aligned with prior years
95.3%	201-1			
1 602.9			S2.4a	
1 039.4	201-1			Prior year reporting updated to align to current year methodology
4 303.2	201-1			
7.1				Prior year reporting updated to align to current year methodology
0.5				Prior year reporting updated to align to current year methodology
12 886.7				
16 303.6				
1 700.0				

ESG/Sustainability Databook		FY23	FY22	FY21
Governance				
24	Number of Board Members	14	14	15
25	Number of Board Members who are deemed Non-Executive	12	10	10
26	Percentage of Board Members who are deemed Non-Executive	85.7%	71.4%	66.7%
27	Number of Board Members who are deemed Executive	2	4	5
28	Number of Board Members who are deemed 'Independent'	8	7	7
29	Percentage of Non- Executive Board Members who are deemed 'Independent'	66.7%	70.0%	70.0%
30	Number of Board Members who are deemed 'HDSA'	5	5	5
31	Percentage of Board Members who are deemed 'HDSA'	35.7%	35.7%	33.3%
32	Number of Board Members who are Women	5	5	5
33	Percentage of Board Members who are Women	35.7%	35.7%	33.3%
34	Average Length of Executive Director Service (in years)	2.5	9.6	8.7
35	Average Length of Non-Executive Director Service (in years)	11.4	13.9	12.4
36	Average Length of Director (full Board) Service (in years)	10.1	12.5	11.3
37	Average Age of Directors (in years)	58.6	60.2	59.2
38	Overall Board and Committee Meeting attendance	100.0%	100.0%	100.0%
39	Name of Financial Auditor	Ernst & Young Inc.	Ernst & Young Inc.	Ernst & Young Inc.
40	Auditor Remuneration: % of Non-audit Fees	0.0%	0.0%	2.2%
41	Length of Current Auditor's service	8	7	6
42	Independence of Board Chairman	No	No	No
43	Does the company have a publicly available policy on Board Conflicts of Interest & Politically Exposed Persons?	Yes	Yes	Yes
44	Does the company provide public disclosure on any/all Board member Politically Exposed Persons (PEP)?	n/a	n/a	n/a
45	Does the Board sign off on publicly available Climate Related Financial Disclosures, as per TCFD?	Yes	Yes	Yes
46	Does the company have a publicly available human rights policy?	Yes	Yes	Yes
47	Does the company include ESG into service level agreements with suppliers?	Yes	Yes	Yes
48	Does the company formally audit suppliers and contractors for ESG compliance (including human rights)?	Yes	Yes	Yes
49	Are shareholders given the right to vote on executive remuneration, and is the vote binding?	Partial	Partial	Partial
50	Are shareholders given the right to vote on sustainability-related resolutions, and are the votes binding?	No	No	No
51	Does the company publicly disclose its voting record on sustainability-related resolutions and are the votes binding?	n/a	n/a	n/a
52	Is executive remuneration linked to ESG (i.e., is a proportion of remuneration/bonuses linked to Health, Safety and/or Environmental performance)?	Yes	Yes	Yes
53	Is the company's policy on Board Gender Diversity and Board Race Diversity publicly available?	Yes	Yes	Yes
54	Does the company publicly provide targets with respect to Board Gender and Race Diversity?	Yes	Yes	Yes
55	Does the company publicly provide progress against these targets?	Yes	Yes	Yes
56	Does the company publicly disclose AGM minutes?	Yes	Yes	Yes
57	Does the company's publicly disclosure of AGM minutes include the Q&A session?	Yes	Yes	Yes
58	Does the company disclose its positions on key policy positions (e.g., wage gap disclosure, min wage, carbon tax)?	No	No	No
59	Does the company have a Whistle-blower Programme in place? HOTLINE	Yes	Yes	-
60	Does the company have a Whistle-blower Programme in place? POLICY	Yes	Yes	-
61	Total amount of political contributions made to political parties	0	0	0
62	Is there a breakdown of political contributions per political party provided?	n/a	n/a	n/a
63	Rand value of losses resulting from legal proceedings (including fines) due to fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice or violations of other industry laws or regulations	0	0	0
64	Total number and/or percentage of operations that have undergone a human rights assessment	0	0	0
65	Does the company have formal stakeholder engagement policies in place, including mechanisms for stakeholders to raise issues?	Yes	Yes	Yes

- Not reported in given financial year

* Prior years' data updated to reflect FY23 reporting methodology and/or due to more reliable data becoming available

FY20	GRI STANDARDS	SASB STANDARDS	JSE	COMMENTS
13	2-9			
7	2-9			
53.8%	2-9			
6	2-9			
5	2-9		G1.3	
71.4%	2-9		G1.3	Jonathan Ackerman retired as exec director and appointed as non-exec director on 31 March 2023
4	2-9		G1.1	
30.8%	2-9		G1.1	
4	2-9		G1.1	
30.8%	2-9		G1.1	
7.7	2-9		G1.3	
15.9	2-9		G1.3	
12.7	2-9		G1.3	
59.6	405-1		G1.3	
88.5%				
Ernst & Young Inc.				
3.6%				
5				
No	2-11			
Yes	2-15			
n/a				
-	2-5a			
-	2-23a			
Yes	308-1 & 414-1	FB-FR-430a.3	S5.1c	
Yes	308-1 & 308-2 & 414-2		S5.1c	
Partial	2-20 & 2-21			
No				
n/a				
Yes	2-19b		G2.1	
Yes			G1.1	
Yes			G1.1	
Yes			G1.1	
Yes				
Yes				
No				
-	2-26		G3.1c	
-	2-26		G3.1c	
0	415-1		G3.2b	
n/a	415-1			
0	2-27	FB-FR-270a.2 & FB-FR-310a.4	G4.2	
0			S2.1a	
Yes				

ESG/Sustainability Databook		FY23	FY22	FY21
Labour				
Pick n Pay company-owned and Boxer data consolidated from FY22				
66	Number of Employees – Permanent	59 540	56 719	–
67	Number of Employees – Fixed Term (>90 Days)	279	272	–
68	Number of Employees – Temporary (<90 Days)	0	0	–
69	Total Number of Employees	59 819	56 991	–
70	Total Number of Contractor Employees	279	272	–
71	Total Number of Employees and Contractors	59 819	56 991	–
72	Total Number of Employees and Contractors Operating in South Africa	59 350	56 558	–
73	Percentage of Employees and Contractors Operating in South Africa	99.1%	99.2%	–
74	Percentage of Management (Top and Senior) deemed 'HDSA'	78.0%	77.0%	–
75	Percentage of Management (Top and Senior) who are Women*	32.0%	31.0%	–
76	Percentage of Employees who are deemed 'HDSA'	99.0%	99.0%	–
77	Percentage of Employees who are Women	64.0%	64.0%	–
78	Percentage of Employees who are 'Permanent'	99.53%	99.52%	–
79	Number of Employees who are deemed 'Disabled'	869	896	–
80	Disabled Persons Rate	1.5%	1.6%	–
81	Percentage of Employees who Belong to a Trade Union*	44%	70%	–
82	Employee Turnover (i.e., number of persons who departed relative to the total number of employees at year end)	19%	16%	–
83	Total Number of Person Hours Worked (PHW)*	108 049 863	103 951 584	–
84	Total Number of Employees Trained for Skills, including internal and external training interventions	23 088	23 534	–
85	Total Number of Employees with Disabilities Trained for Skills, including internal and external training interventions	402	–	–
86	Percentage of Employees Trained in South Africa*	99.5%	–	–
87	Rand Million Value of Employee Training Spend	102.1	102.6	–
88	Percentage of Training Spend in South Africa	99.5%	–	–
89	Total number of Person Days Lost due to Absenteeism	357 385	321 371	–
90	Percentage of Total Person Days Lost due to Absenteeism	2.73%	2.54%	–
91	Total number of Person Days Lost due to Industrial Action (i.e., strike action)	5	0	–
92	Percentage of Total Person Days Lost due to Industrial Action	0.04%	0.00%	–
93	Percentage of Employees Under the Age of 30	33%	–	–
94	Percentage of Employees Aged between 30 and 50	59%	–	–
95	Percentage of Employees Over the Age of 50	8%	–	–
96	The Total Rand Million Annual Remuneration of the Highest Paid Employee	24 690.3	25 419.4	–
Health and Safety				
97	Number of Fatalities (i.e., injuries on duty leading to death, excluding the deaths of workers not occurring 'at work')	0	0	0
98	Number of Medical Treatment Cases (MTCs, i.e. injuries on duty leading to medical treatment, but no lost days)	167	375	102
99	Number of Lost Time Injuries (LTIs, i.e. injuries on duty leading to at least one lost day)**	1 214	1 247	1 157
100	Total Number of Recordable Injuries, including MTCs, LTIs and fatalities	1 490	1 622	1 259
101	Fatal Injury Frequency Rate (FIFR, i.e. number of Fatalities per 200 000 person hours worked)	0.00	0.00	0.00
102	Lost Time Injury Frequency Rate (LTIFR, i.e., Number of LTIs per 200 000 person hours worked)**	2.25	2.54	2.3
103	Total Recordable Injury Frequency Rate (TRIFR)*	2.76	3.30	2.5
104	Does the company report a LTIFR and/or TRIFR target?	No	No	No
105	Does the company's safety data include contractor injuries?	No	No	No
106	Total Number of Employees & Contractors Tested for HIV/AIDS	1 111	–	–
107	Total Number of Employees & Contractors Receiving Voluntary Counselling and Testing (VCT) for HIV/AIDS (i.e., counselled)	1 111	–	–

– Not reported in given financial year

* Prior years' data updated to reflect FY23 reporting methodology and/or due to more reliable data becoming available

** The Group's injury data is skewed due to over reporting and classification issues. The Group is addressing its policies, procedures and controls to address inaccuracies of LTIs going forward.

FY20	GRI STANDARDS	SASB STANDARDS	JSE	COMMENTS
-	2-7b		S1.5a	
-	2-7b		S1.5a	
-	2-7b		S1.5a	
-				
-	2-8a		S1.5b	
-	2-7a & 2-8a			
-	2-7a & 2-8a		S1.5a	
-	2-7a & 2-8a			
-	405-1			
-	405-1			
-	405-1		S1.5a	
-	405-1		S1.5a	
-	2-7b		S1.5a	
-	405-1			
-				
-	2-30	FB-FR-310a.2	S1.4b	FY22 reported only on employees belonging to bargaining unit (NMBU), FY23 reports on total company employees
-	401-1		S2.3b	
-	403-9a			
-	404-1		S2.2	
-	404-1			Reported for the first time in FY23
-	404-1			
-	404-1		S2.2	
-	404-1			Reported for the first time in FY23
-	403-9b			
-				
-		FB-FR-310a.3	S1.4c	
-			S1.4c	
-	405-1		S1.1a	Reported for the first time in FY23
-	405-1			Reported for the first time in FY23
-	405-1			Reported for the first time in FY23
-	2-21		S1.2c	
-	403-9a		S3.1a	
-	403-9a		S3.1b	
1 535	403-9a		S3.1b	See footnote **
1 535	403-9a			
0.00	403-9a			
3.07	403-9a			See footnote **
-	403-9a			
No	403-9a			
No	403-9b			
-				Reported for the first time in FY23
-				Reported for the first time in FY23

ESG/Sustainability Databook		FY23	FY22	FY21
Food Safety				
Pick n Pay company-owned operations, not including Boxer				
108	Number of High-risk Food Safety Violations	0	-	-
109	Number of Product Recalls	7	-	-
110	Number of Supplier site visits by PnP Food Technologists	508	769	789
111	Number of Food Safety Product Tests (Including routine microbiological tests, residues, shelf-life, nutritional information)	2 405	3 090	3 495
112	Number of Food Safety Store Audits	511	554	540
113	Number of Store Operational Health and Safety Audits	4 556	5 057	4 594
Value Chain				
114	Percentage of Pick n Pay Clothing Suppliers Registered on SEDEX	83%	90%	77%
115	Percentage of Pick n Pay Clothing Sourced from the Southern African Development Community (SADC)	54%	46%	43%
116	Percentage Pick n Pay Clothing Locally Sourced	44%	41%	39%
117	Food Waste – Number of Suppliers participating in the 10x20x30 Initiative	19	20	20
118	Number of Entrepreneurs enrolled in Enterprise and Supplier Development Programme	198	187	112
119	Number of Employees Providing Enterprise and Supplier Development Mentorship	164	150	122
120	Palm Oil – Percentage Certified Sustainable Palm Oil in Pick n Pay Branded Products	100%	100%	30%
121	Sustainable Seafood Percentage by Sales Value (excluding Boxer, South Africa only)	89%	91%	95%
122	Sustainable Seafood Percentage by Number of Species (excluding Boxer, South Africa only)	79%	-	-
123	Percentage Private Label Products Locally Sourced (excluding Boxer)	85%	95%	95%
124	Percentage Sustainably Sourced Cotton Clothing (BCI)*	22.0%	11.0%	6.5%
125	Percentage Private Label Sow Crate Friendly Pork (excluding Boxer)	100%	100%	100%
126	Spend on B-BBEE Businesses in Rand billion	53.4	50.8	54.5
127	Spend on Black-owned Businesses in Rand billion	6.3	8.3	7.7
128	Spend on Black Women-owned Businesses in Rand billion	4.8	6.1	5.2
129	Spend on Black-owned SMMEs in Rand billion	0.9	1.9	2.6
130	Spend on SMMEs in Rand billion	3.1	4.3	4.5
Property				
131	Total Number of Stores	2 204	2 081	1 991
132	Number of Stores in South Africa	2 018	1 910	1 828
133	Number of Company-owned Stores	1 385	1 244	1 172
134	Number of Franchise stores	747	773	758
135	Number of Associate-owned Stores	72	64	61
136	Number of New Stores Opened	175	139	112
137	Total Store Floorspace (m ² -million) – All	2.8	2.7	2.7
138	Total Store Floorspace (m ² -million) – Company-owned Stores	2.1	2.0	1.9
139	Total Store Floorspace (m ² -million) – Franchise Stores	0.7	0.7	0.8

- Not reported in given financial year

* Prior years' data updated to reflect FY23 reporting methodology and/or due to more reliable data becoming available

FY20	GRI STANDARDS	SASB STANDARDS	JSE	COMMENTS
-		FB-FR-250a.1		Reported for the first time in FY23
-		FB-FR-250a.2	S4.1b	Reported for the first time in FY23
917				FY23 reduction due to focus on high-risk suppliers
3 585				FY23 discontinuation of products due to CVP resulted in fewer Food Safety Product Tests
635				FY23 reduction due to focus on high-risk suppliers
4 830				FY23 reduction due to focus on high-risk suppliers
65%				FY23 decrease due to increased new supplier onboarding and subsequent SEDEX registration
-				
-				
20				One supplier has met 10x20x30 targets in FY23
86				
43				
-				
-				FY23 decrease as a result of SA sardine stock depletion
-				Reported for the first time in FY23
-				FY23 decrease as a result of brand decoupling and range assortment split across three banners
-				
100%				
52.0				
8.4				FY23 decrease as a result of brand decoupling and range assortment split across three banners
4.8				FY23 decrease as a result of brand decoupling and range assortment split across three banners
2.7				FY23 decrease as a result of brand decoupling and range assortment split across three banners
4.6				FY23 decrease as a result of brand decoupling and range assortment split across three banners
1925				
1771				
1092				
774				
59				
160				
2.6				
1.8				
0.8				

ESG/Sustainability Databook		FY23	FY22	FY21
Loyalty Programme & Customer satisfaction				
140	Number of Active Smart Shopper Loyalty Members (million)	11.0	9.5	8.5
141	Percentage Growth in Smart Shopper Loyalty Members	16.0%	11.8%	-
142	Percentage of Sales Transactions Through Smart Shopper Loyalty Cards	80%	80%	75%
143	Rand Billion Value of Loyalty Savings Provided	6.0	5.5	3.5
Energy				
144	Total Direct Energy Consumption (Gigajoules, GJ) – All fuels	1 033 300	316 747	-
145	Direct Energy Efficiency: Total Direct Energy Consumed per Person Hour Worked (kJ/PHW)	9 563	3 225	-
146	Total Volume of Electricity Purchased (MWh) – excluding self-generated from solar, wind or other sources	758 907	791 886	773 025
147	Total Volume of Electricity Self-Generated (MWh) – i.e., from solar, wind or other sources	7 579	7 791	7 773
148	Total Volume of Electricity Consumed (MWh) – Purchased + Self-Generated	767 486	799 677	780 798
149	Percentage of Electricity Consumed that was Self-Generated	1.0%	1.0%	1.0%
150	Electricity Efficiency: Average Electricity Consumed per Person Hour Worked (kWh/PHW)	7.10	7.69	7.75
151	Total Indirect Energy Consumption (i.e., Electricity) in Gigajoules	2 762 950.00	2 878 837.20	2 810 872.80
152	Total Direct and Indirect (i.e., Electricity) Energy Consumption in Gigajoules	3 796 250	3 167 537	-
153	Total Energy Efficiency: Total Direct Energy & Indirect Energy Consumed per Person Hour Worked (MJ/PHW)	35 130	32 248	-
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	Yes	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	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	Yes	Partial
Carbon Footprint				
157	Total Carbon Emissions (tonnes CO ₂ e) – Scope 1	381 435	183 614	123 421
158	Carbon Emissions (tonnes CO ₂ e) – Scope 2	761 910	816 944	766 174
159	Carbon Emissions (tonnes CO ₂ e) – Scope 3	452 280	475 222	482 615
160	Total Carbon Emissions (tonnes CO ₂ e)	1 595 625	1 475 780	1 372 210
161	Carbon Intensity: Average Volume of Carbon Emissions per Person Hour Worked (tonnes CO ₂ e/PHW)	14.8	15.0	13.6
162	Carbon emissions target against a prior baseline?	Yes	Yes	-
163	Baseline Year for Carbon Reduction Targets	2022	2013	-
164	Target for Carbon Emissions, or reduction, against a specific denominator (per PHW)	Yes	Yes	-
165	Volume of Carbon Emissions Offset via the Purchase of Carbon Credits (tonnes)	0.0	-	-
166	Volume of Carbon Emissions Offset via Company-owned Carbon Offset Projects (tonnes)	0.0	-	-
167	Rand Value of Spend on Carbon Offset Projects	0.0	-	-
168	GHG Emissions Intensity for Scope 1 Emissions expressed as Metric tonnes of CO ₂ e per unit of Million Rands	3.6	-	-
169	GHG emissions Intensity for Scope 2 Emissions expressed as Metric tonnes of CO ₂ e per unit of Million Rands	7.1	-	-
170	GHG Emissions Intensity for Scope 3 Emissions expressed as Metric tonnes of CO ₂ e per unit of Million Rands	4.2	-	-
171	Does the company have a 'Just Transition' plan to meet decarbonisation targets?	No	-	-
172	Does the 'Just Transition Plan' include stakeholder engagement for workers and communities?	n/a	-	-
Water				
Pick n Pay company-owned operations, not including Boxer				
173	Total Volume of Water Consumed (Kilolitres, or Kl) – New Purchases and/or Abstractions (excluding recycled water used)	1 108 223	1 019 918	1 006 000
174	Water Efficiency: Average Volume of Water (Litres) Consumed per Person Hour Worked (l/PHW)	10.26	10.38	9.99
175	Does the company have a water consumption target against a prior baseline?	Yes	Yes	-
176	Baseline Year for Water Reduction Targets	2018	2018	-
177	Does the company have a target for water consumption, or reduction, against a specific denominator (e.g. per PHW)?	Yes	Yes	Yes

- Not reported in given financial year

* Prior years' data updated to reflect FY23 reporting methodology and/or due to more reliable data becoming available

FY20	GRI STANDARDS	SASB STANDARDS	JSE	COMMENTS
- - 65% -				
- - 853 185 7 726 860 911 0.9% 8.6 3 099 280.68 - - No No No	302-1 302-1 302-1 302-4	FB-FR-130a.1		FY23 increase as a result of increase in onsite generator usage due to load-shedding FY23 increase as a result of increase in generator usage due to load-shedding
124 858 703 438 507 967 1 495 197 13.3 - - - - - - - - - - - -	305-1 305-2 305-3 305-5 305-5 305-5 305-5 305-4 305-4 305-4	FB-FR-110b.1	E1.1a E1.1a E1.1a E1.3 E1.1c E1.1c E1.1c E1.4a E1.4a	FY23 increase due to increased diesel consumption as a result of load-shedding FY23 reduction due to decreased grid consumption as a result of load-shedding FY23 reduction due to reduction in franchise store's Scope 2 emissions FY23 increase largely due to increased diesel consumption as a result of load-shedding Baseline adjusted to improve data accuracy Reported for the first time in FY23 Reported for the first time in FY23 Reported for the first time in FY23 Reported for the first time in FY23 Reported for the first time in FY23 Reported for the first time in FY23 Reported for the first time in FY23 Reported for the first time in FY23
1 117 000 11.15 - - No	303-5a		E2.1a	

ESG/Sustainability Databook		FY23	FY22	FY21
Waste				
Pick n Pay company-owned operations, not including Boxer				
178	Total Volume of Non-Hazardous Waste Disposed (tonnes) – excluding Food Waste – to Landfill*	12 757.0	14 342.5	–
179	Total Volume of Non-Hazardous Waste sent for Recycling (tonnes)*	11 421.5	14 150.1	–
180	Total Volume of Non-Hazardous Waste Disposed (tonnes) – to Landfill and Recycled*	26 025.1	29 407.5	–
181	Percentage of Non-Hazardous Waste disposed of that is sent for recycling*	43.9%	48.1%	–
182	Total Volume of Hazardous Waste Disposed (tonnes) – to Registered Disposal Sites*	30.6	27.6	–
183	Volume of Waste sent for Recycling (tonnes) – Plastic*	1 360.7	1 662.8	–
184	Volume of Waste sent for Recycling (tonnes) – Food Waste Recovered	990.8	914.0	–
185	Volume of Waste sent for Recycling (tonnes) – Glass*	10.2	13.1	–
186	Volume of Waste sent for Recycling (tonnes) – Metal*	8.1	10.8	–
187	Volume of Waste sent for Recycling (tonnes) – Excess Food products donated*	882.0	847.9	–
188	Volume of Waste sent for Recycling (tonnes) – Cardboard and Paper	10 019.6	13 500.0	–
Biodiversity				
189	Does the company have a Biodiversity Action Plan in place to minimise impacts on biodiversity and ecosystems?	No	–	–
Environmental Management				
190	Total Number of Environmental Incidents (Level 1, 2 and/or 3)	0	0	0
191	Total Number of Environmental Fines and/or Non-Compliances	0	0	0
192	Total Number of Environmental Complaints	0	0	0
193	Rand Value of Carbon Tax Paid	143 909	82 293	69 505
194	Rand value of spend on Climate Change Mitigation	TBC		
195	CDP Climate	B	B	B
196	CDP Water	B	B	A–
197	CDP Forest (Palm Oil/Soya/Beef/Timber)	D/C/C/C	C/D/C	C/D/C
CSI/SED and Enterprise Development (ED) Expenditures				
198	Rand Million Value of Corporate Social Investment (CSI)/Socio-economic Development (SED) expenditures	39.1	37.9	41.3
199	CSI/SED Spend as a Percentage of Total Revenue Generated	0.041%	0.039%	0.043%
200	CSI Spend as a Percentage of Net Profit after Tax (NPAT)	3.34%	3.12%	4.27%
201	Percentage of Total CSI/SED Spend in South Africa	100%	100%	100%
202	Rand Million Value of CSI/SED Spend on Basic Needs & Social Development, including Nutrition and/or Feeding Programmes	11.1	11.4	14.3
203	Rand Million Value of CSI/SED Spend on Education	9.6	11.4	11.2
204	Rand Million Value of CSI/SED Spend in Environmental Management Projects	3.5	2.1	1.5
205	Rand Million Value of CSI/SED Spend on Skills Development, including Adult Basic Education & Training (ABET)	3.3	3.3	3.3
206	Rand Million Value of CSI/SED Spend on Small Business Development Projects	11.6	9.7	11.1
207	Does the report include a comprehensive discussion of returns on CSI?	Yes	Yes	Partial
208	Are CSI/SED projects clearly aligned to the company's Material Issues?	Yes	Yes	–
209	Are CSI/SED projects clearly aligned to the company's Business Strategy?	Yes	Yes	Yes
210	Are CSI/SED projects aligned to government's National Development Plan (NDP)?	Yes	Yes	No
211	Rand Billion Value of Enterprise Development Spend (i.e., support for small business)	3.1	4.3	4.5
212	Volume of products donated to FoodForward SA (tonnes)	882	841	840
213	Rand Million Value of distributions on behalf of Feed the Nation	17.8	30.6	135.0
214	Number of Meals Distributed for Feed the Nation (million)	5.2	9.1	27.9
215	Number of Schools in Pick n Pay and Boxer School Club	3 280	3 185	3 155
216	Number of Pick n Pay Foundation Home Food Gardens	2 102	2 012	2 000
217	Volume of educational content distributed through Pick n Pay and Boxer School Club (tonnes)	4.5	17	8.4
218	Number of Ackerman Pick n Pay Foundation Community Food Gardens	6 646	6 642	6 607

– Not reported in given financial year

* Prior years' data updated to reflect FY23 reporting methodology and/or due to more reliable data becoming available

CLIMATE-RELATED DISCLOSURES

We recognise the importance of providing stakeholders with clear and consistent information that enables them to evaluate our efforts in addressing climate-related risks and understand the increasing societal expectations for transparency surrounding climate change.

By embracing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we are reshaping our management and reporting approach to meet these demands. Through this alignment, we aim to provide stakeholders with reliable and comprehensive insights into our climate-related initiatives, ensuring accountability and promoting sustainable decision-making.

The TCFD is framed around four key areas: climate-change governance, risk, strategy and performance. This approach is informing other sustainability disclosure standards (for example, those of the global Value Reporting Foundation) and guidance (for example, that of the Johannesburg Stock Exchange).

Pick n Pay's response to the risks posed by climate change is covered primarily 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 2022 CDP, receiving an B rating for CDP Climate and Water and D/C/C/C for Forest.

The table below offers guidance on where to find information relating to each of the TCFD's recommendations.

Disclosure related to the recommendations of the TCFD

GOVERNANCE	
Disclose the organisation's governance around climate-related risks and opportunities.	
Recommended disclosures	References
Describe the Board's oversight of climate-related risks and opportunities.	CDP Climate Response 2022, section C1
Describe management's role in assessing and managing climate-related risks and opportunities.	CDP Climate Response 2022, section C1
STRATEGY	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	
Recommended disclosures	References
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	CDP Climate Response 2022 (Q. C2 Risks and opportunities)
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	CDP Climate Response 2022 (Q. C3.1)
RISK MANAGEMENT	
Disclose how the organisation identifies, assesses, and manages climate-related risks.	
Recommended disclosures	References
Describe the organisation's processes for identifying and assessing climate-related risks.	CDP Climate Response 2022 (Q. C2.2)
Describe the organisation's processes for managing climate-related risks.	CDP Climate Response 2022 (Q. C2.1, C2.2)
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	CDP Climate Response 2022 (Q. C2.1, C2.2)
METRICS AND TARGETS	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
Recommended disclosures	References
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP Climate Response 2022 (Q. C2.2, 2.3a)
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	ESG databook pages 40 - 42
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	ESG Performance summary report page 12