



ESG Performance Summary and Databook 2022



Pick n Pay

picknpay.com

ESG PERFORMANCE SUMMARY
AND DATABOOK 2022

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GROUP ESG PERFORMANCE SUMMARY AND DATABOOK

The Group’s environmental, social and governance (ESG) performance summary and databook 2022 provides a high-level overview of the organisation’s impact on the environment, society and the economy. The report focuses on our performance during the past financial period, which ended 27 February 2022 (FY22) and complements the information provided in the Integrated Annual Report 2022.

This ESG performance summary and databook builds on our Sustainable Living Report (SLR) 2021, which to date has been published every second year. We have renamed this report to clarify its focus on reporting against performance indicators aligned with investor and analysts’ ESG expectations and to indicate its more concise nature. Our improved data management processes have enabled us to report accurately against a wider scope of metrics. Going forward, we will report annually and comprehensively against relevant and credible international frameworks.

NAVIGATING THIS REPORT

- References data in the appendix at the back of this databook.
- Cross-references to our Integrated Annual Report.
- Online policies are available via the hyperlink.
- Indicates our key performance targets.

ABOUT US

The Group* is a retail business in the fast-moving consumer goods industry. We operate through multiple store formats, with stores across South Africa, Namibia, Botswana, Zambia, eSwatini, Lesotho and Nigeria. Pick n Pay also owns a 49% share of Zimbabwean supermarket chain, TM Supermarkets.

Over the past 55 years, the Group has built a well respected and sustainable business. We procure quality products at the best available prices, and our lean and efficient operating model is supported by a strong and talented team. This enables us to provide our customers with a tailored range of high-quality food, grocery and general merchandise products at competitive prices. The Group’s customer-led business strategy continues to achieve greater efficiencies and an improved customer offer driving sustainable value growth for all stakeholders.

The Group is actively operationalising sustainable practices in its core activities, with an emphasis on fresh thinking and innovation, informed by a clear analysis of the significant risks and opportunities in creating a resilient business.

OUR ENDURING VALUES

Pick n Pay is a much-loved brand, valued within society, built on a genuine desire to make life better for our customers and to make a positive contribution to the communities in which we live and work.

We are passionate about our customers and will fight for their rights

We care for, and respect each other

We foster personal growth and opportunity

We nurture leadership and vision, and reward innovation

We live by honesty and integrity

We support and participate in our communities

We take individual responsibility

We are all accountable

* Pick n Pay Stores Limited, its subsidiaries and its associate.

GROUP ESG PERFORMANCE SUMMARY AND DATABOOK

R98 billion turnover

2 081 stores in the Group

More than 90 000 employees in the Group including our franchise partners

R37.9 million expenditure on corporate social investment

Listed on the FTSE/JSE Responsible Investment Index

R4.3 billion spend with SMMEs during the last financial period

Nearly 30% of our suppliers are small businesses

Increased our employment of people with disabilities to 2.1% of our staff complement

Net zero carbon by 2050 target (Scope 1 & 2, FY22 baseline)

CEO STATEMENT

MESSAGE FROM PIETER BOONE

“ It is my pleasure to introduce our ESG Performance Summary and Databook for 2022. ESG is key to our business and we believe our ESG initiatives provide an essential component of our operating model. ”

Pieter Boone
CEO



We have embedded ESG objectives into our strategy and achieving these objectives forms a critical part of how we define success. This area has long been a priority for the Group, but over the last year we have amplified our focus on ESG.

It has become increasingly clear that complex social and environmental pressures such as climate change and food security must be key factors in any growth strategy. In South Africa, we have recently experienced climate-related challenges such as droughts and floods. We also face ongoing socio-economic factors, compounded by inflation in basic goods, and record unemployment. Last year, the unprecedented civil unrest introduced new socio-political challenges that we will need to address as a broader society. There is no question that ESG must be a major part of our decision-making.

To meet these significant social and environmental pressures, we have accelerated our rate of innovation and become more nimble and adaptable:

- At the height of the civil unrest last July, almost 40% of our Pick n Pay and Boxer stores were closed. The response of our team was extraordinary. The determination to ensure food security in devastated communities, often at prohibitive security and logistical cost, demonstrated our commitment to the society we serve. The agility that we developed in the process has enabled us to rapidly respond to new challenges such as the flooding in KwaZulu-Natal earlier this year.
- Our current energy saving efforts have seen us save over R2 billion in electricity costs since 2012. The commitment that the business has made to transition to net zero emissions will demand new levels of productivity and efficiency, requiring even more innovation in this space. Distribution centres are the greatest energy consumption sites in our business. Our new Eastport Distribution Centre will be a green exemplar. Solar panels covering a roof area of 6 400m² will generate a plurality of the facility's energy requirements, and ultimately save 2 320 tonnes of CO₂ emissions every year.
- Pick n Pay has built an online interactive waste management dashboard. This tracks waste initiatives, recycling levels, and recycling income across all of our stores. The detailed management and reporting of our waste footprint enhances the visibility of our waste management and encourages compliance

across the country. We have also been market leaders in eliminating the use of materials such as barrier bags, plastic straws, and microbeads that are difficult to recycle.

- Our partnership with FoodForward SA sees us contribute good quality food, that might otherwise end up in waste, to over 2 000 beneficiary organisations. This collectively feeds nearly more than 800 000 people daily. In the last financial year, we prevented more than 800 tonnes of food waste through this initiative, simultaneously and importantly feeding people who need the assistance.

Looking ahead, I am excited to have introduced our new Ekuseni strategic plan which was communicated at our last financial results presentation. This is our plan to ensure that the Group is equipped to best serve our customers now and in the future. Each element of this plan is designed to accelerate our growth but also further embed ESG initiatives through the core business.

Retail organisations serve an important role in society. The retail business is a people business. Our success is not solely measured financially. Our intent is to have a greater overall positive impact on society, and our strong ESG initiatives are at the heart of our plan to do that.

We are committed to improving our communication of the value delivered by the implementation of our Ekuseni plan, and this will include greater tracking, clarity, and reporting of our ESG initiatives. Our new reporting format – offering an extensive data pack with a comprehensive but concise overview – will give stakeholders a clearer view of our ESG ambitions and accomplishments.

We've recently appointed Vaughan Pierce as our new Head of ESG. He is taking over a portfolio that has been ably led by Suzanne Ackerman-Berman for many years. Vaughan's passion for the role stems from his extensive experience as Pick n Pay's Legal Counsel and having served on the board of the Ackerman Pick n Pay Foundation for seven years, and the Feed the Nation Foundation since its inception in 2020.

In his new role, Vaughan will lead the development and implementation of our ESG strategy across Pick n Pay, including the further enhancement of our ESG reporting and disclosure.

Pieter Boone
Pick n Pay Group CEO

23 June 2022



Vaughan Pierce
Head of ESG

I am honoured to have been appointed to lead Pick n Pay's ESG portfolio. ESG issues have been embedded within Pick n Pay's values since the 1970s and "doing good is good business" – our core value – has always guided how we approach ESG.

Climate change is a growing risk to all businesses and our goal for both Pick n Pay and Boxer is to be a net zero carbon business by 2050, and to achieve a 60% reduction in carbon emissions by 2040. Our low carbon transition plan takes place against set targets and we are in the process of target registration with the Science Based Target Initiative (SBTi). We have 5.6MWp solar capacity installed across six company-owned sites, generating 7.8GWh, with two further sites under investigation.

In FY22 we installed 15 CO₂ plants and one hybrid CO₂/134a plant. This means that 37% of our company-owned stores now only use naturally occurring substances as refrigerants, with 36 stores operating full CO₂ refrigeration systems and 80 using CO₂ hybrid systems. Our goal is to have 100% of our refrigerant systems at Pick n Pay, Boxer and our distribution centres operating climate-friendly refrigeration by 2040.

Clear ESG targets and action plans strengthen the operational resilience of our business, and – through cost reductions – have also strengthened our competitiveness. The benefits of an integrated approach to ESG are manifold: by reducing both environmental impact and costs, it helps us support food security while keeping prices low for people who need it the most.

Our stakeholders expect disclosure on an increasing array of ESG indicators. This ESG Performance Review and Databook is a step towards meeting these disclosures with specific focus on: climate change-related targets, timelines and actions; labour and wage practices, pay parity across race and gender; and human rights and fair trade across our supply chain.

Please be in touch at sustainability@pnp.co.za should you wish to provide feedback or have further queries on any aspect of this report.

SUSTAINABILITY STRATEGY AND MANAGEMENT APPROACH

Climate change	Boundary	Target
Carbon by 2050	Group*	Net Zero
Carbon by 2040 (FY22 Baseline)	Group*	↓60%
Renewable Energy Usage by 2040	Group*	60%
Energy Efficiency Reduction by 2030 (FY10 baseline)	Group*	↓45%
CO ₂ refrigeration by 2040	Group*	100%
Water Intensity Reduction by 2025 (FY18 baseline)	Pick n Pay Company-owned stores**	↓20%

Environmental	Boundary	Target
All packaging to be recyclable/re-usable by 2025	Own Brand Products**	100%
Food waste reduction by 2030 (FY20 baseline)	Pick n Pay Company-owned stores**	↓50%
Waste diverted from landfill by 2025 (FY20 Baseline)	Pick n Pay Company-owned stores**	75%

* Reporting boundary includes Pick n Pay and Boxer company-owned stores and operations.

** Reporting boundary of current indicators include Pick n Pay company-owned stores and operations with a roadmap to include Boxer.

From its early beginnings, the Group has sought to address the challenges faced by ordinary South Africans. The key tenets of ESG have been embedded in our values since the 1970s and we have long been informed by the fact that doing good is good business. In 2021/2, ESG globally took an unprecedented step forward, accelerated by the pandemic and increased investor interest.

Strategic integration of ESG has never been more important. Working with a long-term view, sustainability has taught us much over the decades. We've learnt that, while philanthropic giving remains critical in the face of dire need, positive ESG impact achieves greater traction and scale when linked directly to the business model. Much of our integration work has focused on innovating to deliver ESG impact while also reducing costs, increasing revenues or improving

the ecosystem that comprises our extensive value chain. We're also clear that effective intervention in ESG challenges requires a full systems view and long-term, committed partnerships.

Though clearly not unique, these insights continue to inform our sustainability strategy and approach to ESG. Our sustainability effort – and increasingly our strategic decisions – are guided by a framework focused on:

Partnering to shift the food system

Reducing our environmental impact

Investing in people and communities

Each of these links directly to our business model, ensuring that our commitment, disclosure and transparency on ESG targets are sustainable for the organisation as well as delivering measurable stakeholder value and supporting the United Nations Sustainable Development Goals (SDGs).

- By **reducing food waste**, we improve our productivity and assist in the fight against hunger
- By building an **inclusive supply chain**, we support hundreds of emerging entrepreneurs and ensure the ecosystem that supports us is more resilient
- By **reducing our carbon footprint**, we save billions in electricity costs and facilitate our ability to access finance that is increasingly tied to sustainability provisions
- By promoting **healthier food and choices**, such as our new Livewell range, we make it easier for our customers to take control of their health

- By making **management teams more diverse**, we access critical business intelligence and networks informed by diverse experiences and background

Our new strategic plan, Ekuseni, was launched in May 2022 (Please refer to our 2022 IAR for more information). Building on our core strengths, we will be focusing on: more precise market segments; becoming Africa's #1 FMCG discounter; partnering to expand our digital reach; further improving our productivity and the culture that underpins it. Each of these elements opens an opportunity for greater ESG integration and positive ESG impact – at scale. We have included data on all of these elements, and more, in the databook that follows this performance summary.


We are committed to sharing the enhanced ESG outcomes associated with our new business strategy in the coming years.

Increasing ESG integration across the Group's operations

Our key goals and targets... increase our positive ESG impact... and enhance our business strategy


Partnering to shift the food system

- Reduce food waste in our operations by 50% by 2025 (2019 baseline)
- Work with suppliers to reduce food waste in our value chain by 50% by 2030 (2019 base)
- Source 50% cotton from more sustainable sources by 2024 (2020 baseline)



Reducing our environmental impact

- Be carbon neutral by 2050
- Divert 75% of Pick n Pay waste from landfill into recycling or re-use by 2025 (2019 base)
- Reduce water intensity by 20% by 2025 (2018 baseline)



Investing in people and communities

- Provide 3 000 tonnes of excess food per year to charities by 2025
- Support 200 food gardens feeding 100 000 learners by 2025
- By FY24 we are targeting to achieve a 33% representation of Black, Coloured and Indian Top Managers in Pick n Pay




Pick n Pay has become the first retailer in South Africa to launch in-store 'vertical farms'

PARTNERING TO SHIFT THE FOOD SYSTEM

As one of the biggest retailers in South Africa, we embrace our opportunity to positively impact lives while promoting smart, sustainable and inclusive food supply chains. This includes supporting smaller, local suppliers to become part of the retail sector, thus contributing to a sustainable South African economy. It also means working with all our suppliers to ensure that we provide our customers with great quality products that are produced responsibly and ethically. We believe our partnerships can help shift the food system towards greater inclusion and resilience in our key geographies.

We also actively work with local suppliers to expand our range of healthy and sustainable food choices at affordable prices. In tackling food waste, one of the most vital social, economic and environmental issues facing our planet, we are partnering to meet ambitious targets to reduce food losses at our operations and along production and supply chains.

Highlights

95% of our own brand food and groceries are procured locally

R4.3 billion spend with SMMEs during the last financial year

23% reduction in waste costs and **28%** in number of products wasted since FY19

36 new SMMEs joined our SMME programme to become part of the formal retail sector

Challenges / learnings

Covid-19 impacts have continued to present challenges especially for our suppliers

Discontinuing certain health and sustainable products due to insufficient demand

Food prices, civil unrest and the impact of geo-political crises are some of the challenges we face

KwaZulu-Natal floods demonstrate the importance of maintaining critical infrastructure

Building an inclusive supply chain

Our Enterprise and Supplier Development (ESD) initiatives are steadily increasing with more than R4.3 billion spend with small, medium and micro enterprise (SMMEs) during the last financial year.

Our ESD Programme currently supports 187 suppliers, with a further 100 prospective suppliers to join the programme.

Value Chain

Through our ESD initiatives, we maintain a leading role in mentoring, encouraging and enabling small-scale entrepreneurs to become sustainable suppliers to the retail industry. We hand-pick entrepreneurs with innovative product concepts or start-up enterprises to actively grow our diverse pool.

Pick n Pay employees play a central role in guiding and nurturing these entrepreneurs through our app-based mentorship programme. Supporting strategic business objectives, we've improved the scope and quality of the ESD data we measure, including better monitoring of our training delivery and impact. Looking ahead, we will be supporting SMMEs to achieve their food safety system accreditation requirements.

Our dedicated Pick Local brand endorses goods and services of small South African producers, suppliers and service providers who demonstrate a commitment to creating jobs, are B-BBEE compliant, and ensure that their raw materials are locally produced, manufactured, assembled or packaged.

Pick n Pay Clothing is increasingly investing in local manufacturers, and nearly 40% of our clothing is now made in South Africa – up from 10% at the start of the Covid-19 pandemic. Unique to our proudly "Made in South Africa" range of quality wardrobe essentials is our collaboration with innovative local designers to curate limited-edition collections of on-trend pieces at accessible prices for everyone.

Celebrating local innovation and entrepreneurship

FY22 Support of SMMEs

	FY22	FY21
Total spend with SMMEs	R4.3bn	R4.5bn
Total number of SMMEs	2 178	2 123

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 healthy oceans and fish stocks, animal welfare, and tracking ingredients with high environmental and social impacts.

Achieving our ethical sourcing commitments

100% Sow crate friendly pork in all Pick n Pay branded products since 2019

100% Sustainably sourced palm oil in Pick n Pay branded products since 2021

91% of all seafood sales meet our sustainable seafood commitment

90% of our direct Clothing suppliers are members of SEDEX

33% of all clothing articles sold, are manufactured from waterwise or recycled materials

- Seafood policy
- Code of Ethics
- Palm oil policy

Value Chain

Our clothing team has projects centred on increasing the sourcing of sustainable cotton, reducing water usage during clothing manufacture and increasing levels of recycled content.

Ethical Sourcing
We are committed to sourcing 50% of our cotton as more sustainable cotton by 2024, which includes recycled cotton, organic cotton and Fairtrade cotton. 95% of our clothing suppliers are registered on SEDEX (Supplier Ethical Data Exchange), up from 77% last year

Promoting healthier food choices

Pick n Pay's Live Well brand has evolved to meet the growing demand for healthier and more sustainable food.

We now have 363 Live Well products that makes up **3.6%** of our total own brand sales, ranging across fresh items, pantry items and frozen options.

In our aim to make health more accessible and affordable for our customers we re-launched Live Well last year which included the launch of further sub-brands including Live Plant Based, Live Gluten Free and Lactose Free, Live Organic, Snack Well and Free Range. This allows us to meet a variety of our customer's needs, who are all on a different health journey. Our plan is to continue to grow these ranges in FY23 with over 20 new products launching, including the launch of a new Live Green product range.

In addition to our products reformulated to reduce the calories, fat, salt and sugar, and increase fruit, vegetable and fibre content, and products free from gluten, wheat, dairy and lactose, the expanded range includes:

- An increasing variety of plant-based products that are vegan friendly and exclude all forms of animal-derived ingredients. With over 300 plant based and vegan friendly products (including brands) in our stores, we are proud to be a destination for the plant based consumer. Our aim is to make eating plant based more convenient and have launched a successful range of 70 own brand plant based products that do just this. Our own brand plant based range has seen a growth of 23.4% in FY22.
- Organic fruits and vegetables from local farms that support sustainable farming
- Free Range products (eggs, poultry, meat) sourced from independently-audited local farms
- Healthier snacking lines and more nutritious food products developed specifically for children
- Eco-friendly cleaning products
- Although currently still a small category, gluten free is a global growing trend and a growing opportunity within Pick n Pay. FY22 saw a growth of 8.7% in own brand gluten free products and the teams are working to grow this range and offer for our customer into FY23.

In committing to provide customers with quality products that meet the highest health and safety requirements, we maintain stringent standards across our supply chain.

Health and Safety

We have an in-house team of food technologists to ensure our own brand products comply with all the relevant legislation in terms of quality, content standards (such as reduced sodium) and labelling.

Reducing food waste

Our fight against food waste in South Africa calls for action on farms and in manufacturing, in-store and at home, and through food redistribution to people in need.

Our food waste reduction commitments:

- Reduce food waste produced in our operations by 50% by 2025 (FY20 baseline)
- Work with 20 of our largest suppliers to reduce food waste in our shared value chain by 50% by 2030
- Donate 3 000 tonnes of excess food per year to charities by 2025

We're improving the accuracy of our food waste data by quantifying it in line with the WRI Food Waste and Loss Protocol. This enables us to identify 'hotspots' and take action, working in partnership with others to reduce food waste and increase food surplus redistribution in a targeted way. This year 28% of food waste in our operations was diverted from landfill through donations and recoveries, up from 14.5% in FY21.

We're actively participating in local and international initiatives that align with the United Nation's SDG 12.3 target to reduce global food loss and waste by 50% by 2030. This includes working with 20 of our biggest suppliers as part of the international 10x20x30 Food Waste Initiative to help them determine and demonstrate their progress. Our partnership with FoodForward SA is broadening to include excess food in our supply chain.

We contributed 841 tonnes of edible surplus food to FoodForward SA from our stores to the value of R38 million for distribution to 2 222 beneficiary organisations that collectively feed more than 875 000 people daily every year.

At our operations, we strive to eliminate unsold food going to waste by continually optimising our forecasting, ordering, shelf-life extension projects, and implementing 'reduced to clear' processes to reduce food surplus at the end of each day.

We recover the fats and oils generated in food preparation processes and turn them into biofuels. We're also exploring and trialling new technologies, including anaerobic digestion for capturing nutrient and energy value from food waste.

Through our marketing channels, we raise awareness about the importance of minimising food waste.



REDUCING ENVIRONMENTAL IMPACT

As a retailer with thousands of suppliers and millions of customers, we are mindful of our wide reach and the environmental impact we have across our value chain. We're working on a broad set of solutions and targets to reduce our impact, with a particular focus on energy, refrigerants, water, waste and packaging, working with our suppliers and partners to innovate for a healthy planet and helping our customers play their part in protecting the environment.

Highlights

- 15 600 tonnes** waste recycled
- 35.1%** reduction in energy intensity compared to our FY2010 baseline
- Installed **15** CO₂ plants and **one** hybrid CO₂/134a plant, 37% of Pick n Pay company-owned stores now use a form of natural refrigerants
- 36** Pick n Pay company-owned stores have full CO₂ refrigeration systems and **80** have CO₂ hybrid systems.
- Reduced average packaging weight for Pick n Pay own brand products with **16.9%** against our 2019 baseline

Challenges / learnings

- Determining our long-term absolute emission reduction targets was a challenging and insightful process
- Establishing accurate packaging data management has been complex and challenging

Reducing our carbon footprint

Pick n Pay has a strong record of delivering against our energy-related targets. Our climate-related key performance indicators include emission reduction targets, renewable energy targets and energy efficiency targets.

We have made a Group commitment to be net zero carbon by 2050

Environment

This year we formally set a Group carbon commitment to be Net Zero by 2050, with key climate change related targets across the Group. This followed an extensive internal process. Determining and demonstrating delivery on targets is challenging given the complexity of our operations. We simplified our approach to focus on setting targets in areas where our teams have the most control.

Minimising and accounting for our direct climate change impacts is the focus of our climate commitments. This year we developed a climate change and energy policy which will be finalised and published in the new financial year and will outline our approach and commitments, including promoting and supporting positive climate action within our spheres of influence.

Our low carbon transition plan

We're committed to advance our progress against set targets in key areas and have started the process of target registration with the Science Based Target Initiative (SBTi):

Reducing refrigeration emissions

In FY22, we installed 15 CO₂ plants and one hybrid CO₂/134a plant, 37% of Pick n Pay company-owned stores now use a form of natural refrigerants, 36 have full CO₂ refrigeration systems and 80 have CO₂ hybrid systems.

Expanding our renewable solar energy programme at our stores (owned and leased) and distribution centres

Currently six company-owned sites have solar installations, with 5.6MWp installed capacity, producing 7.8 GWh annually.

Energy efficiency is tracked using extensive metering that enables us to measure real-time consumption,

with a target of 45% reduction in energy efficiency for Pick n Pay company-owned by 2030 (FY10 Baseline).

Conserving freshwater

Reduce water intensity by 20% by 2025 (FY18 baseline) for Pick n Pay company-owned stores

Pick n Pay's water consumption is primarily at stores for sanitation, cleaning, cooking and baking, and the Group relies on municipal supplies. We continually look at how we monitor and manage our water usage. In 2021 we added water to our active energy management programme to enhance how we manage and report on water consumption.

We have water efficiency measures rolled out and online water metering with real-time alerts installed at most of our Pick n Pay stores, distribution centres and offices. Metering is being rolled out at Boxer stores. This enables us to timeously pick up and address leaks and take corrective actions. Our store specifications include a dual feed water system that optimises the use of grey water.

Our recently developed 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 includes engaging NGOs and working with our fresh produce suppliers to reduce their water consumption.

Reducing and repurposing waste

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

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

Environment

We recently published a waste policy to formally guide our efforts to reduce and repurpose waste. Last year we developed a waste management dashboard that is assisting in tracking our progress towards targets, improving recycling, increasing waste resource donations and reducing waste to landfills.

We raise awareness with our employees to reduce waste in stores and have systems in place to collect recyclable material. We continue to expand recycling facilities at our stores where customers can deposit plastic bags and plastic containers, compact fluorescent lamps (CFLs), batteries and ink cartridges.

Finding solutions to the packaging challenge

Our ambitious packaging commitments by 2025 against FY20 baseline:

- 100% of Pick n Pay packaging will be re-usable or recyclable
- 30% average recycled content across all Pick n Pay packaging
- 30% reduction in average packaging weight of Pick n Pay branded products
- 30% increase in sales of Pick n Pay re-usable bags
- 100% of cardboard and paper used for Pick n Pay packaging will be sourced from responsibly managed forests

Packaging plays an important role in protecting products and reducing food waste. However, packaging waste, particularly plastic, can be a significant environmental problem when not reused or recycled. That's why we are committed to creating a system where packaging is treated as a valuable resource that can be used, re-used, collected and recycled in a closed loop.

Sustainable packaging policy

This year we've improved our packaging database and reporting processes, enabling better quality and accuracy of packaging data. In turn, we can better track our performance against Pick n Pay's packaging targets and identify areas where packaging can be improved. Where we can't remove packaging, we aim to reduce it to an absolute minimum. And when we reduce packaging, we reduce it with recyclability in mind, with a focus on increasing the content of specially treated, factory and post-consumer waste material.

We've made good progress towards our packaging targets and we continue to work towards achieving the ambitious goals as set out by the South African Plastics Pact by 2025.

More than 37 million meals provided to vulnerable people in partnership with the Feed the Nation Foundation



SUPPORTING COMMUNITIES

Our CSI strategy is closely linked to our business strategy and the material issues facing our business. Our key focus areas for CSI are Food/Nutrition and Education.

Food Insecurity has a wide range of socio-economic impacts that includes issues such as stunting (which impacts on education) and social stability. Companies operate within a very complex environment and social stability allows for them to operate successfully. Our partnerships to redistribute food reduces our food waste, but supports thousands of families to be more secure and contribute to a stable socio-economic environment.

Education is a key method for lifting people from poverty. The Pick n Pay School Club provides support to 3 185 schools with free education material, contributing to a pipeline of potential future employees.

We believe that doing good is good business. Customers reward businesses which they believe are at the heart of society and 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 more communities.

Highlights

More than **37 million** meals provided to vulnerable people in partnership with the Feed the Nation Foundation

During FY22, we contributed **841 tonnes** of edible surplus food from our Pick n Pay company-owned stores to FoodForward SA to the value of **R38 million** for distribution to **2 222** beneficiary organisations that collectively feed more than **875 000** people daily every year. Pick n Pay remains FoodForward SA's largest retail partner

Over 2 million learners at **3 185 schools** supported through Pick n Pay Schools Club

6 642 active community food gardens and **2 012** home gardens supported by the Ackerman Pick n Pay Foundation

Challenges / learnings

Valuable insights gained through our School Club social impact assessments that measured progress toward SDGs

The Group lost an estimated R1.8 billion of turnover due to severe disruption as a result of the civil unrest in KwaZulu-Natal during July 2021:

- 212 stores impacted
- 2 distribution centres looted
- 551 precautionary store closures

KwaZulu-Natal floods demonstrate the importance of maintaining critical infrastructure

Targeting education and awareness

Now in its 19th year, Pick n Pay School Club is the largest brand-funded educational resource programme in South Africa, reaching over 110 000 teachers, 2.4 million learners and 3.5 million guardians in 3 185 schools, urban, suburban and rural schools across South Africa. The footprint continues to grow as we open new stores and identify local schools to register.

Pick n Pay School Club delivers much-needed educational support that is curriculum compliant (CAPS). The free educational material supplied is co-created with partners and updated annually. The platform includes access to digital content through its website for free to its schools. We will shortly launch an updated website, with the latest curriculum content for Grade 1 to 12, available at no cost for any school to download. A popular ongoing initiative is our Hero Awards programme in primary schools which recognises learners for their social and cultural achievements.

Pick n Pay partners with Mellon Educate to build and support classroom infrastructure. Since 2018 we have assisted four schools, and by 2025 we aim to have supported another four schools with their infrastructure and tutoring programmes.

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. The initiative continues to diversify its contribution to learning and eco-awareness. We respond to specific needs at different schools. Examples of our broader support this year included providing educational content to schools on how to effectively manage water and fix leaking taps, and providing hand sanitiser to about 50 schools that do not have water.

This year we measured our School Club impacts against international standards to assess how we can improve our service and delivery to schools and communities, and our contribution to the SDGs. Over three months, we conducted 481 assessments, mainly with teachers and parents, at 40 schools from served regions.

Pick n Pay's investment in education is part of our circular economy thinking. More than 1 000 bursaries are given to learners including those from School Club schools. In this way, our CSI investment in education helps us to support a stronger, more skilled future workforce for the Company.

Targeting hunger

Our primary contribution towards alleviating hunger in South Africa is through donating excess food from our stores, supporting income-generating rural and urban food gardens, and supporting the Feed the Nation Foundation hunger relief efforts.


Distributing excess food

Pick n Pay is FoodForward SA's largest retail partner. During FY22, we contributed 841 tonnes of edible surplus food to FoodForward SA from our stores to the value of R38 million for distribution to 2 222 beneficiary organisations that collectively feed more than 875 000 people daily every year.

Food gardens

The Ackerman Pick n Pay Foundation partners with organisations nationally to establish rural and urban community food gardens, with a strong training element that encourages replication at home. The numbers continue to escalate, with an encouraging positive shift in garden produce selling behaviour and an increase in households growing their own produce as a simple solution to alleviating hunger.

35 new community gardens were developed and there are now 6 642 community food gardens and 2 012 home gardens, providing a source of food for 30 340 families. The Pick n Pay School Club successfully piloted a food garden at one of our School Club schools, which is feeding the learners with fresh produce three times a week.



We aim to establish food gardens at 50 schools each year to achieve a 2025 target of having 200 food gardens that will provide food to 100 000 learners.

Feed the Nation food drive

Pick n Pay has continued to support vulnerable communities through the Feed the Nation Foundation's sustained national food drive over the last two years, with ongoing support from staff and customers. Support was ramped up this year for child-headed households within our School Club programme. The campaign also played a key role in supporting communities in KwaZulu-Natal affected by the civil unrest in July 2021.

R39 million raised in food assistance for vulnerable communities in FY22
R164 million raised to date

9 million meals distributed in FY22
37 million meals distributed to date

53 000 hampers distributed in FY22 (each hamper valued at over R500)
203 000 hampers distributed to date

Targeting health and wellbeing

Responding to our communities' needs during the pandemic, Pick n Pay was the first retailer to become a collection point for the Covid-19 Social Relief of Distress grant. Supporting the government in its fight against Covid-19, selected Pick n Pay stores teamed up with the Department of Health to launch temporary vaccination sites to promote vaccination uptake.

In supporting youth development and wellbeing, Pick n Pay is a longstanding sponsor of the Velokhaya Life Cycling Academy in Khayelitsha, Cape Town. Velokhaya uses cycling-based programmes to involve township youth in a positive after-school activity, promoting life skills and opportunities, free of charge. The academy has over 200 registered youths between the ages of 7-25 years. Our partnership with Infinite Family provides online video mentoring to support the learners with personal and skills development.

Pick n Pay promotes physical fitness and a healthy lifestyle, including through our long-standing sponsorship of the iconic annual Cape Town Pick n Pay Cycle Tour.

Measuring impact

We track the number of food donations, whether directly from our stores or through partners in detail to the beneficiary organisation and where possible to the specific individual receiving support.

We conducted a Social Impact Assessment measuring progress on SDGs in 5% of the Pick n Pay School Club schools. In Western Cape, KZN and Gauteng, 481 teachers in 120 government schools and 30 combined schools were interviewed.

The results from the study assists us in improving our education strategy to support SDGs 1, 2, 3, 4, 12 and 14 in our content.



Nazier Kinnear
Produce Manager in Constantia Store
Western Cape

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 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.

Highlights

- R7.8 billion** – total employee costs
- R102.6 million** in training and education; **98%** of training spend directed to previously disadvantaged employees
- Implementation of Workday, with key processes such as human capital management and learning interventions being conducted through Workday
- We developed **5** e-learning courses with a combined **40** individual lessons
- The new Trainee Manager programme being developed and delivered through Workday will allow the programme to be completed over a period of **18 – 30 months** as opposed to the several years it took in the past
- 39 426** individual lessons were completed by staff on the new Workday e-learning

Challenges / learnings

- Despite a number of lockdown periods **5 938** employees attended one or more classroom-based training courses. Due to the Covid restrictions the focus remained heavily on the delivery of relevant training in-store with **30 718** modules of training being delivered
- Workday's reporting ability allows more time to be spent making decisions as opposed to time spent extracting reports



Key policies

- Code of ethics
- Human rights
- Employment equity policy

Health, safety and wellbeing

We are committed to keeping colleagues safe and helping them live a healthier and more sustainable lifestyle so they can be their best at work and home. The Covid-19 pandemic has elevated the importance of health, safety and wellbeing to us all.

Our approach has always been to raise awareness, inspire and motivate colleagues to look after their wellbeing. Our programme is built on pillars of nutrition, physical wellbeing and mental wellbeing and underpinned by prevention and self-care.

All employees receive health and safety training as part of their induction. Specific training is provided where required. We conduct monthly internal occupational health and safety (OHS) audits to ensure compliance with the OHS Act and identify and address areas for corrective action or improvement.

In tackling the pandemic, we have maintained the basic safety measures and proactively encouraged and facilitated employee Covid-19 vaccinations through our internal vaccination drive.



Health and Safety

Diversity, equity and inclusion

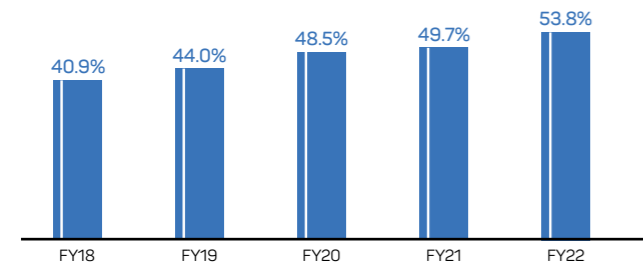
We are working towards building a diversity conscious workforce and making sure that all employees feel like they belong.

Pick n Pay's Code of Ethics sets out the behaviours we expect of all our colleagues and is supported by various Anti-discrimination policies. Supporting the delivery of our five-year employment equity (EE) plan in South Africa, which sets progressive EE targets and commitments through to 2024, we are implementing a diversity and inclusion (D&I) strategy which provides a roadmap to deliver on clear objectives. This will ensure that operational policies are gender-neutral and non-discriminative. To manage our approach and activities, we have established a D&I Committee consisting of a group of employees representing a spectrum of D&I indicators.

We continue to increase opportunities for people living with disabilities (in most cases, a learning difficulty) through our retail operations learnership programme.

Value Chain

Employment equity in top management



Talent management and development

Pick n Pay has always supported colleagues, of all ages, with opportunities to gain new skills, knowledge and develop themselves. Our investments in training strive to align meeting business needs with delivering on our diversity and transformation goals.

We promote from within and seek the best talent available locally and globally when necessary. Programmes to ensure ongoing talent pipeline progress include our 12-month training and work experience programme for graduates, retail business performance management programme for middle management, and learnership programmes.

The Covid-19 pandemic accelerated the greater use of online platforms for interacting with employees and delivering training. One of our key digital transformation projects is our new people management system, Workday, which enables us to have all our people data on one core system. This innovative, cloud-based HR platform is simplifying HR processes and empowering our employees and line managers to manage their working life better through self-service and personal development tools. Workday opens a new world of online learning that will support our teams in their development journey. Through the platform, we look forward to building our business to adapt to the future ways of working.

Labour/Human Capital



SUSTAINABILITY GOVERNANCE

Our sustainability governance structure remains unchanged, however the topic received significant focus during the year. We increased the scope of responsibility of our social and ethics committee, under the chair of Suzanne Ackerman-Berman, enabling a stronger oversight role in the business. We engaged FluidRock Governance Group to assist us with governance training.

ESG transparency and disclosure

We have also significantly enhanced our disclosure capability. We are consolidating ESG disclosure against more than 1 300 ESG indicators across a range of ratings agencies and guidance documents. We are specifically working towards increased disclosure and transparency on:

- Climate-related risks and opportunities
- Labour and wage practices
- Human rights and Fair trade across the supply chain

Our ESG reporting and disclosures are informed by the Task Force on Climate-Related Financial Disclosures (TCFD), the Global Reporting Initiative (GRI) Standards, and the Value Reporting Foundation's Sustainability Accounting Standards Board (SASB) Standards. We are tracking developments with respect to the International Sustainability Standards Board (ISSB) and are pleased to note increasing alignment emerging in ESG expectations, both globally and in relation to the exposure draft Sustainability Disclosure Guidance published in December 2021 by the JSE.


We comply with all relevant codes and regulations, including codes of good governance such as King IV. We have retained our listing on the FTSE/JSE Responsible Investment Index Series. Pick n Pay remains committed to supporting and upholding the Ten Principles of the United Nations Global Compact. We continue to align our sustainability work with the global SDGs. In 2021, Pick n Pay was the top retailer in SA on the IRAS Sustainability/ESG Data Transparency Index (SDTI).

In addition to our Integrated Annual Report and ESG Performance Summary and Databook, the following reports are available annually on our website:

- CDP Climate Change
- CDP Water
- Social and Ethics Committee Report
- Corporate Governance Report

ESG policies

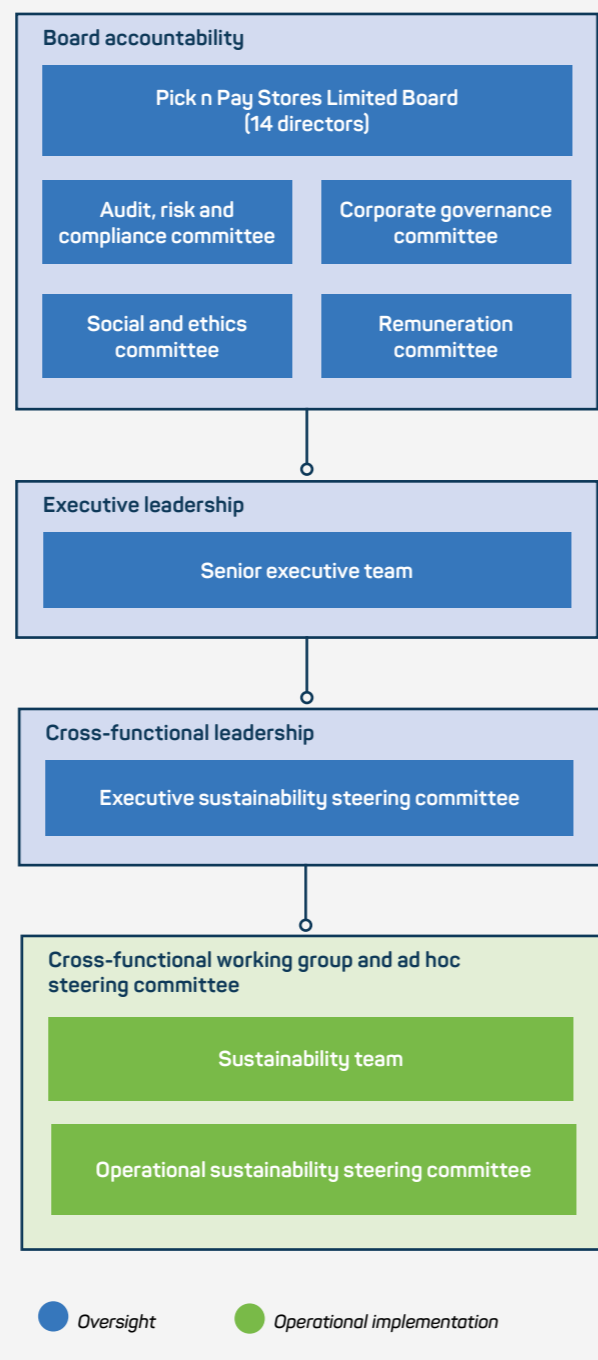
We continue to develop and refine policies to govern our approach to material ESG issues. These include policies for sustainable packaging, seafood, palm oil and rBST, water and waste, and a broad range of employee and ethics-related policies.

 Our policies are available on our website at <https://www.picknpayinvestor.co.za/doing-good.php>.

ESG data management

Our developing ESG data management system is enhancing our ability to meet the evolving disclosure expectations of our stakeholders. This year we have quantitatively reported against a more comprehensive set of performance indicators. For example, our digital dashboard for managing priority environmental data streams has facilitated more accurate data measurement, notably for packaging and waste impacts.

Sustainability Governance Structure



Verification/assurance

Verification and assurance are a critical part of accurate, transparent and balanced reporting. They are increasingly important in the global movement towards standardised Sustainability/ESG reporting. This report is our first to have undergone both an internal and external assurance process. Accredited service providers have verified selected performance metrics contained in the report, as well as our carbon footprint and our BBBEE rating.

GROUP ESG/SUSTAINABILITY PERFORMANCE DATABOOK

The following table summarises our performance with respect to our ESG/Sustainability performance for the period of 01 March 2021 to 27 February 2022 (FY22).

Consolidated Environment, Social & Governance Data Table	FY22	FY21	FY20
Economic/Financial			
Rand Million Value of Total Turnover Generated	97 872.8	93 078.8	89 186.5
Rand Million Value of Total Turnover Generated in South Africa	94 535.2	89 919.2	85 628.3
Percentage of Turnover Generated in South Africa	96.6%	96.6%	96.0%
Rand Value of Total Turnover Generated per Employee	1.7	1.7	1.7
Rand Million Value of Net Profit After Tax Generated	1 214.5	967.1	1 194.7
Rand Value of Net Profit After Tax per Employee	21 310.4	17 519.9	21 761.4
Rand Million Value of Total Compensation Paid to Employees, including wages and benefits	7 836.3	7 959.0	7 368.2
Average Compensation Paid to Employees, including wages and benefits	137 500.7	144 184.8	134 211.3
Ratio of Net Profit After Tax per Employee to Average Compensation per Employee	0.2	0.1	0.2
Rand Million Value of Total Taxes Paid, inclusive of VAT, Income Tax, Royalties, Rates & Taxes, and all other payments to Government	547.0	441.2	541.3
Rand Million Value of Dividends Paid to Shareholders	959.6	934.7	1 125.7
Rand Million Value of Retained Earnings	4 717	4 574	4 303
Ratio of Payments to Employees relative to Dividends paid to Shareholders	8.2	8.5	6.5
Ratio of Payments to Government relative to Dividends paid to Shareholders	0.6	0.5	0.5
Rand Million Value of Current Assets – Total	19 250.8	16 648.5	12 886.7
Rand Million Value of Current Liabilities – Total	22 972.3	20 107.6	16 303.6
Rand Million Value of Share Buybacks	114.2	0.0	87.6
Rand Million Value of Capital Expenditures (Capex)	2 500.0	1 600.0	1 717

* Data not disclosed in the past.
 ** We continually work towards greater transparency and accuracy and our databook will continue to expand as new ESG data is tracked and reported on.

Consolidated Environment, Social & Governance Data Table	FY22	FY21	FY20
Governance			
Number of Board Members	14	15	13
Number of Board Members who are deemed Non-Executive	10	10	7
Percentage of Board Members who are deemed Non-Executive	71.4%	66.7%	53.8%
Number of Board Members who are deemed Executive	4	5	5
Number of Prescribed Officers (Note: Persons who are NOT already counted as "Executives")	0	0	0
Number of Board Members who are deemed "Independent"	7	7	5
Percentage of Board Members who are deemed "Independent"	50%	46.7%	38.5%
Number of Board Members who are deemed Historically Disadvantaged South Africans (HDSA)	5	5	4
Percentage of Board Members who are deemed Historically Disadvantaged South Africans (HDSA)	36%	36%	31%
Number of Board Members who are Women	5	5	4
Percentage of Board Members who are Women	36%	36%	30.8%
Average Length of Executive Director Service (in years)	9.6	8.7	7.7
Average Length of Non-Executive Director Service (in years)	13.9	12.4	15.9
Average Length of Director (full Board) Service (in years)	12.5	11.3	12.7
Average Age of Directors (in years)	58.6	59.2	59.6
Overall Board and Committee Meeting attendance	100%	100.0%	100%
Name of Financial Auditor	EY	EY	EY
Auditor Remuneration: % of Non-audit Fees	0%	2.2%	3.6%
Length of Current Auditor's service	7	6	5
Independence of Board Chairman	No	No	No
Does the company have a publicly available policy on Board Conflicts of Interest & PEP?	Yes	Yes	Yes
Does the company provide public disclosure on any/all Board member conflicts of interest?	Yes	Yes	Yes
Does the company provide public disclosure on any/all Board member politically exposed persons (PEP)?	Yes	Yes	Yes
Does the Board sign off on publicly available Climate Related Financial Disclosures, as per TCFD?	Yes	Yes	Yes
Does the company have a publicly available human rights policy?	Yes	Yes	Yes
Does the company include ESG into service level agreements with suppliers?	Yes	Yes	Yes
Does the company formally audit suppliers and contractors for ESG compliance (including human rights)?	Yes	Yes	Yes
Is executive remuneration linked to ESG/Sustainability?	Yes	Yes	Yes

* Data not disclosed in the past.

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Consolidated Environment, Social & Governance Data Table	FY22	FY21	FY20
Labour/Human Capital			
Total Number of Employees – Permanent	56 719	*	*
Total Number of Employees excluding Fixed Term	272	*	*
Total Number of Employees – Temporary (<90 days)	0	*	*
Total Number of Employees – Corporate and Boxer excluding Franchise	56 991	55 200	54 900
Total Number of Contractor Employees (i.e., "Contractors")	0	0	0
Total Number of Employees and Contractors	56 991	*	*
Total number of employees and contractors operating in South Africa	56 558	*	*
Percentage of employees and contractors operating in South Africa	99.2%	100.0%	100.0%
Percentage of management (Top and Senior) deemed "HDSA"	68%	34%	26%
Percentage of management (Top and Senior) who are women	25%	34%	
Percentage of employees who are deemed "HDSA"	98.8%	96%	96%
Percentage of employees who are women	64%	68%	
Percentage of employees who are "permanent"	46%	*	*
Number of employees who are deemed "disabled"	896	*	*
Disabled Persons Rate	1.6%	*	*
Percentage of employees who belong to a Trade Union	70%	69%	*
Employee Turnover (i.e., number of persons who departed relative to the total number of employees at year end)	16%	15%	17%
Total Number of PHW	98 223 114	100 684 800	100 137 600
Total number of employees trained, including internal and external training interventions	23 534	9 328	10 979
Percentage of Employees Trained in South Africa	41.6%	*	*
Rand Value of Employee Training Spend	102 587 676	51 500 000	65 000 000
Total number of Person Days lost due to Absenteeism	2 570 971	*	*
Percentage of Total Person Days lost due to Absenteeism	2.62%	*	*
Total number of Person Days lost due to Industrial Action (i.e., strike action)	0	*	*
Percentage of Total Person Days lost due to Industrial Action	0.00%	*	*

* Data not disclosed in the past.

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Includes Boxer data for 1st time

Includes Boxer data for 1st time

Consolidated Environment, Social & Governance Data Table	FY22	FY21	FY20
Value Chain			
Percentage of clothing suppliers registered on Supplier Ethical Data Exchange (SEDEX) – South Africa only	90%	77%	65%
Number of suppliers part of 10x20x30 Food Waste Initiative	20	20	20
Percentage of Palm Oil suppliers that are members of Roundtable on Sustainable Palm Oil (RSPO) – South Africa only	100%	30%	*
Percentage of seafood sales from sustainable sources – South Africa only	91%	95%	*
Percentage of sustainably sourced cotton (Better Cotton Initiative) – South Africa only	50%	6.5%	0
Percentage of own brand sow crate friendly pork – South Africa only	100.0%	100.0%	100.0%
Spend on B-BBEE businesses in Rands (billion)	50.8	54.5	52.0
Spend on Black owned businesses in Rands (billion)	8.3	7.7	8.4
Spend on Black women businesses in Rands (billion)	6.1	5.2	4.8
Spend on Black owned SMMEs in Rands (billion)	1.9	2.6	2.7
Spend on SMMEs in Rands (billion)	4.3	4.5	4.6
Property			
Total number of stores	2 081	1 991	1 925
Number of stores in South Africa	1 910	1 828	1 771
Number of company-owned stores	1 244	1 172	1 092
Number of franchise stores	773	758	774
Number of associate-owned stores	64	61	59
Number of new stores opened	139	112	160
Total store floorspace (m ² -million) – ALL	2.7	2.7	2.6
Total store floorspace (m ² -million) – company-owned stores	2.0	1.9	1.8
Total store floorspace (m ² -million) – franchise stores	0.7	0.8	0.8
Total space used for warehousing (m ² -million)	1.1	*	*
Loyalty Programme & Customer Satisfaction			
Number of active Smart Shopper loyalty members (million)	9.5	8.5	*
Growth in Smart Shopper loyalty members (%)	11.8%	*	*
Percentage of sales transactions through Smart Shopper loyalty cards	80.0%	75%	65%
Rbillion Value of loyalty savings provided	5.5	3.5	*
Number of customer complaints	67 989	*	*

* Data not disclosed in the past.

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Consolidated Environment, Social & Governance Data Table	FY22	FY21	FY20
Health & Safety			
Number of Fatalities (i.e., injuries on duty leading to death...excluding the deaths of workers not occurring 'at work')	0	0	0
Number of Medical Treatment Cases (MTCs, i.e., injuries on duty leading to medical treatment, but no lost days)	375	102	*
Number of Lost Time Injuries (LTIs, i.e., injuries on duty leading to at least one lost day)	1 247	1 157	1 535
Total Number of Recordable Injuries, including MTCs, LTIs and Fatalities	1 622	1 259	*
Lost Time Injury Frequency Rate (LTIFR, i.e., Number of LTIs per 200 000 person hours worked)	2.54	2.3	3.07
Total Recordable Injury Frequency Rate (TRIFR)	3.30	2.5	*
Number of store operational health and safety audits conducted	5 057	4 594	4 830
Number of supplier site visits by Pick n Pay Food Technologists	769	789	917
Number of food and safety audits conducted	554	540	635
Number of PnP branded food safety product tests (including routine microbiological tests, residues, shelf-life, nutritional information, etc.)	3 090	3 495	3 585
Environment			
Energy			
Total volume of non-renewable fuel consumption – Diesel (m ³)	2 223	*	*
Total volume of non-renewable fuel consumption – Petrol (m ³)	6 079	*	*
Total volume of non-renewable fuel consumption – LPG (m ³)	76	*	*
Total volume of non-renewable fuel consumption – Aviation Fuel (m ³)	168	*	*
Total Direct Energy Consumption (Gigajoules, GJ) – i.e., from non-renewable fuels burned	316 747	*	*
Total Direct Energy Consumption (Gigajoules, GJ) – i.e., from renewable fuels burned	0.00	*	*
Total Direct Energy Consumption (Gigajoules, GJ) – renewable + non-renewable fuels	316 747	*	*
Direct Energy Efficiency: Total Direct Energy Consumed per Person Hour Worked (kJ/PHW)	3 225	*	*
Percentage of Direct Energy Consumption from renewable fuels	0.0%	*	*
Total Volume of Electricity Purchased (MWh) – excluding self-generated from solar, wind or other sources	791 886	773 025	853 185
Total Volume of Electricity Self-Generated (MWh) – i.e., from solar, wind or other sources at Pick n Pay company-owned sites	7 791	7 773	7 726
Total Volume of Electricity Consumed (MWh) – Purchased + Self-Generated	799 677	780 798	860 911
Percentage of Electricity Consumed that was Self-Generated	1%	1%	0.9%

MTCs for FY21 only includes Boxer data.

FY2021 consumption was low due to Covid-related store closures/reduced hours

* Data not disclosed in the past.

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Consolidated Environment, Social & Governance Data Table

	FY22	FY21	FY20
Environment			
Energy			
Electricity Efficiency: Average Electricity Consumed per Person Hour Worked (kWh/PHW)	12.39	7.75	8.60
Total Direct and Indirect Energy Consumption (GJ)	4 699 186	*	*
Total Energy Efficiency: Total Direct Energy & Indirect Energy Consumed per Person Hour Worked (J/PHW)	47.84	*	*
Total volume of other fuel consumption – Refrigerant Gases (m³)	156 311	*	*
Energy usage per square metre reduction Pick n Pay company-owned stores (2010 baseline)	35.1%	34.4%	28.2%
Target for renewable energy consumption	70%	*	*
Carbon			
Carbon Emissions (tonnes CO ₂ e) – Scope 1	183 614	123 421	124 858
Carbon Emissions (tonnes CO ₂ e) – Scope 2	816 944	766 174	862 372
Carbon Emissions (tonnes CO ₂ e) – Scope 3	475 222	482 615	507 967
Total Carbon Emissions (tonnes of Carbon Dioxide equivalents, CO ₂ e)	1 475 780	1 372 210	1 495 197
Carbon Intensity: Average Volume of Carbon Emissions per Person Hour Worked (kg CO ₂ e/PHW)	15.0	13.6	13.3
Carbon Intensity Reduction: Carbon Emissions per m² of Company-Owned Stores (kg CO ₂ e/m²) (2013 Baseline)	6.6	6.5	4.8
Target for carbon emissions, or reduction against FY22 Baseline	Net Zero 2050	*	*
Water			
Total Volume of Non-Hazardous Waste Disposed (tonnes) at the Pick n Pay company-owned stores in South Africa	1 019 918	1 006 000	1 117 000
Water Efficiency: Average Volume of Water Consumed per Person Hour Worked (l/PHW)	10.38	9.99	11.15
Target for Water Intensity Reduction	20.0%	*	*
Waste			
Total Volume of Non-Hazardous Waste Disposed (tonnes) at company-owned stores in South Africa	28 191	*	*
Average Volume of Non-Hazardous Waste per Person Hour Worked (kg/PHW)	0.29	*	*
Volume of food waste sent to landfill/non-recovered (tonnes)	16 449	*	*
Percentage reduction of food waste (compared to 2019 baseline)	28%	32.5%	15.6%
Total Volume of Hazardous Waste Disposed (tonnes)	55.6	*	*
Average Volume of Hazardous Waste per Person Hour Worked (kg/PHW)	0	*	*
Volume of Waste sent for Recycling (tonnes) – Plastic	1 785	*	*
Volume of Waste sent for Recycling (tonnes) – Electrical items	0.52	*	*

Restated targets against FY10 Baseline

70% of all energy consumed to be renewable by 2040 (PnP, Boxer = 50%)

FY22 Scope increase is due to improved data collection, collation and reporting at Boxer (refrigeration gases data)

FY20 restated due to data review

Net Zero by 2050 against a FY22 Baseline

20% Reduction against a FY18 baseline

FY22 decrease due to target being an absolute target and new stores included in calculating

* Data not disclosed in the past.

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Consolidated Environment, Social & Governance Data Table

	FY22	FY21	FY20
Environment			
Waste			
Volume of Waste sent for Recycling (tonnes) – (Food Waste Recovered)	914	956	896
Volume of Waste sent for Recycling (tonnes) – Glass	245	*	*
Volume of Waste sent for Recycling (tonnes) – Metal	15	*	*
Volume of Waste sent for Recycling (tonnes) – Excess Food products donated	841	840	1 561
Volume of Waste sent for Recycling (tonnes) – Cardboard and Paper	13 500	*	*
Volume of Waste sent for Recycling (tonnes) including Recoveries	20 257	19 943	20 813
Total Volume of ALL non-hazardous waste to landfill and recycled	48 447	*	*
Percentage of Waste disposed of that is sent for recycling	55%	61.0%	60%
Percentage reduction in plastic used in packaging (compared to 2019 baseline)	16.9%	*	*
Number of re-usable shopping bags sold (including paper bags)	1 710 832	1 639 547	2 267 892
Number of People n Planet clean-ups	9	5	22
Volume of waste collected at People n Planet clean-ups (kg)	3 716	1 167	1 978
Environmental Management			
Total Number of Environmental Incidents (Level 1, 2 and/or 3)	0	0	0
Total Number of Environmental Fines and/or Non-Compliances	0	0	0
Total Number of Environmental Complaints	0	0	0
CDP Climate	B	B	A-
CDP Water	B	A-	B
CDP Forest (Palm Oil/Soya/Timber)	C/D/C	C/D/C	*
CSI/SED Contributions			
Rand Value of Corporate Social Investment (CSI)/Socioeconomic Development (SED) expenditures	37 900 000	41 300 000	34 000 000
CSI Spend as a percentage of Net Profit after Tax (NPAT)	3.125%	4.270%	2.846%
Percentage of Total CSI/SED Spend in South Africa	100.0%	100.0%	*
Rand Value of CSI/SED Spend on Basic Needs & Social Development, including Nutrition and/or Feeding Programmes	11 403 374	14 295 547	*
Rand Value of CSI/SED Spend on Education	11 426 916	11 150 000	*
Rand Value of CSI/SED Spend in Environmental Management Projects	2 124 654	1 490 000	*

FY22 to FY21 investment difference due to Covid-19 relief donation during FY21

* Data not disclosed in the past.

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Consolidated Environment, Social & Governance Data Table	FY22	FY21	FY20
CSI/SED Contributions			
Rand Value of CSI/SED Spend on Skills Development, including Adult Basic Education & Training (ABET)	3 300 000	3 270 000	*
Rand Value of CSI/SED Spend on Small Business Development Projects	9 700 000	11 094 453	*
Are CSI/SED projects aligned to government's National Development Plan (NDP)? (Yes/No)	Yes	Yes	*
Rand Value of FoodForward SA donations (Products...in/kind/non-cash contributions)	38 000 000	38 800 000	*
Volume of products donated to Foodforward SA (tonnes)	841	840	1 561
Rand Value of distributions on behalf of Feed the Nation	30 585 869	135 000 000	*
Number of meals distributed for Feed the Nation	9 097 562	27 895 434	*
Number of schools in the Pick n Pay School Club	3 185	3 155	3 025
Volume of educational content distributed through the Pick n Pay School Club (tonnes)	17.0	8.4	8.2
Number of pencil cases distributed through the Pick n Pay Schools Club	30 000	20 000	16 000
Number of Ackerman Pick n Pay Foundation Community Food Gardens	6 642	6 607	5 367
Number of Pick n Pay Foundation Home Food Gardens	2 012	2 000	1 963

FY22 decrease due to reduction in distributions post-Covid-19 peak period

* Data not disclosed in the past.

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APPENDICES

Task Force on Climate-related Financial Disclosures (TCFD) references

Respecting society's increasing expectations for greater transparency around climate change, we are aligning our management and reporting approach to follow the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

The TCFD is a framework that enables companies to provide better information to investors across four key areas: climate-change governance, risk, strategy and performance. 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 performs well on CDP, receiving an A- rating in CDP Water and a B for CDP Climate (2021 submissions).

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 2021, section C1
Describe management's role in assessing and managing climate-related risks and opportunities.	CDP Climate Response 2021, 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 2021 (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 2021 (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 2021 (Q. C2.2)
Describe the organisation's processes for managing climate-related risks.	CDP Climate Response 2021 (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 2021 (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 2020 (Q. CC2.2, 2.3a and 11.3a)
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	ESG databook pages 5, 6, 12 and 27
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	ESG databook pages 5, 6, 12 and 27