

Social, Ethics, Transformation and Sustainability Committee

Chair: Keith Getz (retiring by rotation 30 August 2023)
 Members: Daisy Naidoo, Lucia Swartz (Chair from 31 August 2023), Mark Blair, Jane Canny (from 1 September 2023)

Role

The committee is constituted as a statutory committee in respect of its duties in terms of Section 72(4) and regulation 43(1) of the Companies Act, 71 of 2008 (Companies Act) and a committee of the board in respect of additional duties assigned to it. The committee mandate is available on the group's website www.mrpricegroup.com. The committee members, their qualifications and experience, the number of meetings held and attendance at meetings is detailed in the board report, pages 129, 130 and 140. The committee is responsible for fulfilling the functions set out in the Companies Act and provides oversight of and reporting on organisational ethics, responsible corporate citizenship, and stakeholder relationships. It reviews and monitors sustainable business practices (including social and environmental practices, corporate citizenship and social investment), business ethics and transformation, to ensure that the business achieves its strategic imperatives responsibly and ethically. This also encompasses an overview of labour practices to ensure fairness and monitoring the group's commitment to promoting and protecting human rights. The group understands its role as a responsible citizen and aims to build a business in support of the group's strategy to sustainably protect, create and enable environmental, social and economic value. Meaningful stakeholder engagement, together with impact assessments, guide the formulation of appropriate and relevant business responses. Mr Price Group's [sustainability approach and strategy](#) can be found on pages 47 - 54.

As delegated by the board, the committee oversees and guides the achievement of this strategy, which is owned and managed by the group's Environmental, Social and Governance (ESG) Centre of Excellence, supported primarily by the People Centre of Excellence (in respect of transformation and elements of social matters) and implemented across operations by the group's trading divisions. Sustainable value creation across social, environmental, economic and governance elements is integrated through the group's retail operations and performance against key defined targets is included in management's performance indicators for both STIs and LTIs. Further information on the ESG scorecard applicable to the LTIs can be found on page 155 of the Sustainability report and in the [remuneration report](#) on pages 208 - 209.

The group's sustainability strategy is derived from its sustainability purpose of "Together We Do Good". The value of partnership is at the centre of the sustainability strategy. By collaborating with key partners and stakeholders, environmental, social and economic value is created, enabled and protected for all stakeholders in a sustainable way. This guiding principle informs core sustainability areas of focus and reflects the importance of achieving positive impacts through business operations under each of the pillars of environmental, social and economic.

The group's sustainability strategy, objectives and key activities are depicted in the diagram below. Noteworthy sustainability achievements during the year can be found in the [sustainability performance measures](#) on pages 47 - 48 and 51 - 53. Details on each of the pillars of the sustainability strategy are set out on the following pages:

Committee statement

The committee is satisfied that it has fulfilled its responsibilities, in accordance with its mandate and the Companies Act, for the 2023 financial year. The committee chair will be available at the AGM to answer any questions relating to the committee's statutory obligations.

together we do good.

SUSTAINABILITY STRATEGY PILLARS:

Social	Economic	Environmental
<ol style="list-style-type: none"> Quality education: page 158 Youth development: pages 157 - 160 Associate wellbeing and development: pages 161 - 169 Social value chain development: pages 170 - 172 	<ol style="list-style-type: none"> Economic value chain development: pages 179 - 182 	<ol style="list-style-type: none"> Preserving natural resources: page 184 Reducing and stabilising environmental impact: page 185 -193

KEY FOCUS AREAS | FY2023

- Supporting management in associate relief and wellness efforts following extensive flooding in KwaZulu-Natal in April 2022
- Overseeing and monitoring the implementation of a revised environmental policy and formulating a climate change framework (including a climate change risk analysis)
- Reviewing and approving the group's broad-based black economic empowerment (B-BBEE) strategy and targets for the financial year as well as the approach to the Studio 88 B-BBEE integration
- Reviewing and providing input into the transformation vision and strategy in support of the group's transformation targets
- Approving and recommending to Remnomco the ESG scorecard applicable to LTI awards made during the year
- Reviewing the ESG strategy and the ESG materiality matrix to ensure it supports the delivery of Pillar 6 (sustainability) of the group strategy
- Overseeing the approach implementing the JSE Sustainability Disclosure Guidance and JSE Climate Disclosure Guidance papers issued in June 2022
- Overseeing various activities to ensure inclusion maintained on the FTSE/JSE Responsible Investment Top 30 Index and a "low" ESG Risk Ratings per Morningstar Sustainability
- Providing guidance on the first ESG investor session held in March 2023

FUTURE FOCUS AREAS

- Finalise the development of a climate change strategy with targets to reduce the group's carbon footprint in line with local and global commitments and the requirements of the Task Force on Climate-related Financial Disclosures (TCFD)
- Establish targets to increase the use of sustainable materials in products, with a focus on cotton, recycled polyester (RPET) and manmade cellulosic fibres (viscose)
- Further invest in, develop and grow key South African suppliers
- Establish packaging targets for trading divisions to develop reusable packaging options and increase recycled content
- Progress integration of sustainability indicator measurement and reporting in acquired businesses, particularly Studio 88

