

4.1 PRESERVING NATURAL RESOURCES

4.1.1 SUSTAINABLE MATERIALS AND CLEANER PRODUCTION

Biodiversity and natural resources are key to the production of the group's merchandise. Ensuring these resources are sourced within the value chain, and that material conversion processes apply cleaner production principles, is critical to enabling the procurement of more sustainable materials and products. The group prioritises the procurement of products which use key materials such as cotton, recycled polyester, man-made cellulose fibres and wood, supported by the responsible use of non-harmful chemicals to minimise environmental impact across the value chain.

The group collaborates with certification bodies and suppliers to promote the use of sustainably sourced materials and the adoption of cleaner production practices. In partnership with suppliers, the group also supports the diversion of textile waste to local recycling facilities, thereby reducing waste sent to landfill.



Categories of Sustainable Materials and Cleaner Production*						
Certification category	Units			Percentage contribution**		
	FY2026	FY2025	FY2024	FY2026	FY2025	FY2024
Energy saving	210 241	100 568	128 478	0.1	0	0.1
Anti-cruelty	2 536 188	2 786 122	2 165 738	1.0	1.2	1
Non-harmful chemicals	21 016 902	17 643 834	N/A	8.1	7.7	N/A
Recycled materials	16 398 875	12 021 207	8 656 748	6.3	5.3	4
Sustainable cotton	26 285 945	25 864 127	25 630 730	10.1	11.3	11.8
Sustainable forestry / timber / wood	4 116 415	3 218 334	2 601 396	1.6	1.4	1.2
Cleaner production	7 193 831	3 160 830	8 355 908	2.8	1.5	3.9
Total	77 758 397	64 795 022	47 538 998	30	28.5	22

*Excludes Power Fashion, Yuppiefchef and Studio 88

**Percentage contribution is to the group's total product range in units

The group has made consistent progress in sourcing sustainable materials and advancing cleaner production practices since FY2022, with the proportion of sustainable materials and cleaner production increasing from 35.9 million in FY2022 to 77.7 million in FY2026, translating to a 13.6% increase over five years.

To support continued improvement, divisional targets have been established to increase the procurement of sustainable materials and the adoption of cleaner production methods. In addition, suppliers are monitored and assessed based on the extent to which they supply sustainable materials and utilise manufacturing facilities that apply cleaner production practices.



The predominant materials remain sustainable cotton and recycled synthetic materials, aligned with the group's primary apparel product mix. Materials with similar sustainable attributes are grouped into categories to create themes and/or initiative-based clusters. These categories include:

ENERGY SAVING

Energy-saving products refer to products that comply with energy-efficiency standards and are labelled in accordance with South African National Standards regulated by the South African Bureau of Standards such as electric lamps and bulbs from Mr Price Home and Sheet Street.

ANTI CRUELTY

Anti-cruelty products promote responsible sourcing and production practices that seek to prevent or minimise harm to animals. These commitments are supported through recognised certifications, such as Beauty Without Cruelty, which applies to selected product categories including candles, candle accessories, and Responsible Down Standard in relation to down-filled products such as scatter cushions from Mr Price Home.

NON-HARMFUL CHEMICALS

This category includes textile products certified to be free from harmful substances across all stages of the production process. Certifications such as OEKO-TEX® STANDARD 100 apply to Mr Price Home products, like couches, and Sheet Street products such as bedding and curtains.

RECYCLED MATERIALS

This theme includes products made using recycled materials, such as glass, plastic, wood, and textiles, which are reintegrated into the value chain through circular processes. Certifications including the Global Recycled Standard and Recycled Claim Standard support recycled-content products across selected ranges such as bathmats, throws and bed covers from Mr Price Home, socks and men's tops from Mr Price Sport.

SUSTAINABLE COTTON

The group recognises various sustainable cotton initiatives and certifications, including the Better Cotton Standard, Regenerated Cotton and Cotton made in Africa as its sustainable cotton standards. Southern African Cotton, beneficiated into yarns accredited with the Better Cotton Standard is incorporated within an integrated value-chain programme and used across selected towel ranges in Mr Price Home, Mr Price Sport, and Sheet Street.

SUSTAINABLE FORESTRY

The group sources wood- and plant-based materials from responsibly managed sources, supported by certifications such as FSC™ and PEFC™, and applied across selected bedroom and children's furniture ranges within Mr Price Home.

CLEANER PRODUCTION

This category includes supplier manufacturing processes that reduce environmental impacts through improved production practices, including reduced energy consumption, lower water use, reduced effluent and waste, and the elimination of harmful chemicals. These practices are supported by specialist assessments and recognised certifications such as Jeanologia technology®, OEKO-TEX®, and ZDHC, and apply to selected men's essentials ranges within the RT and Oakridge sub-brands of Mr Price Apparel and homeware bedding products.

4.1.2 ENERGY

ENERGY SAVING INITIATIVES

In FY2026, the group retrofitted 32 stores with LED lighting to improve energy efficiency, enhance lighting quality, and extend lighting lifespan. The group also works collaboratively with associates, landlords, and store operations teams to identify and implement measures to reduce overall energy consumption. This year, the group has commenced engagement with selected suppliers to assess energy management practices in the supply chain and to measure the associated carbon emissions.

The group continues to install inverter backup power at new stores and phase out generators, reducing its reliance on diesel and petrol generators.

RENEWABLE ENERGY

During FY2026, 1 502 174 kWh of renewable energy was generated across the group's head offices and DCs accounting for 21.6% of the group's total energy use (excluding stores). During the reporting period, Studio 88 commenced measuring renewable energy generation at its head office and DC.

The group's more than 3 000 stores, account for most of the direct operational energy consumption, limiting the ability to implement on-site renewable energy solutions. The group is developing a plan to integrate energy planning with emissions mitigation, ensuring that electricity demand, renewable energy opportunities, and mitigation investments are aligned with the emissions reduction trajectory of the group's Carbon Management Plan (see Climate Change on [page 33](#)).

Renewable Energy						
Site	FY2026		FY2025		FY2024	
	% of building's energy derived from solar	kWh	% of building's energy derived from solar	kWh	% of building's energy derived from solar	kWh
Mr Price Group head office	26.0	232 955	25.5	232 831	25.2	245 899
Hammarisdale DC	19.7	854 547	18.7	736 572	26.8	949 477
Studio 88 head office	28.5	414 672	N/A	N/A	N/A	N/A
Total	21.6	1 502 174	20.0	969 402	26.5	1 195 375

4.1.3 WATER USAGE

Water consumption at head office locations is monitored monthly to identify anomalies and potential inefficiencies. In the context of South Africa's ongoing water scarcity and water infrastructure challenges, the implementation of robust water-management practices remain a priority. In FY2026, total water consumption amounted to 25 822 kilolitres, representing an decrease of 3 601 kilolitres compared to the prior year. The Hammarisdale DC consumed 4 515 kilolitres of harvested rainwater which is 96.2% of its total annual use, thereby reducing reliance on scarce surface-based water sources. In product procurement, the group measures supplier performance of cleaner production processes and technologies aimed at reducing water consumption during manufacturing. Water consumption at store level remains minimal.

Water Usage (kilolitres)			
FY2026	FY2025	FY2024	FY2023
25 822	29 423	24 810	28 945

4.1.4 BIODIVERSITY

The group recognises the accelerating global decline in biodiversity driven by human activity, and the associated risks this poses to both business resilience and society. In response, the group continues to monitor developments under the Taskforce on Nature-related Financial Disclosures and science-based targets for nature in the fashion industry. Building internal understanding and capability is therefore essential to strengthening supply chain resilience to future nature-related risks. Through collaboration with key partners, including the WWF and the FSC, the group sources wood-based products from responsibly managed forests, supporting biodiversity conservation and reducing impacts on land and water ecosystems. In parallel, efforts to reduce plastic packaging contribute to mitigating pollution and protecting natural environments.

4.2 REDUCING AND STABILISING ENVIRONMENTAL IMPACT

4.2.1 PLASTICS

The group has made significant progress in eliminating single-use plastic shopper bags from all Red Cap stores, offering reusable or paper bags across its major stores*. In FY2026, 10.6 million fewer plastic bags were used by customers. This achievement is because of the continued customer collaboration and awareness driven by store associates at till points offering various bag options or no bag at all. In FY2026, customers opted for reusable bags, paper bags or no bags in over 85.9 million transactions, meaning 99.7% of all sales were completed without a single-use bag, an improvement of 13.4% year-on-year.

Reducing more than 85.9 million single-use plastic bags contributes to the objective of reducing environmental impact by lowering pollution, especially in vulnerable ecosystems like rivers, estuaries and oceans. In addition, all reusable bags and paper bags are locally manufactured in South Africa, supporting domestic production.

Since FY2023, over 245 million single-use plastic packets have been removed from circulation.

*Excluding Power Fashion and Studio 88

Mr Price, Mr Price Sport, Mr Price Home, Miladys and Sheet Street stores no longer offer single-use plastic bags, offering a combination of reusable and paper bags instead. In FY2026, Power Fashion and Studio 88 began offering reusable bags at select stores, with plans to expand alternate options next year.

The following alternatives are offered to customers:



Trading Division	Bag Options
MILADYS	Reusable and paper bags
	Only reusable bags
YUPPIECHEF	Only paper bags
	Reusable and plastic bags