

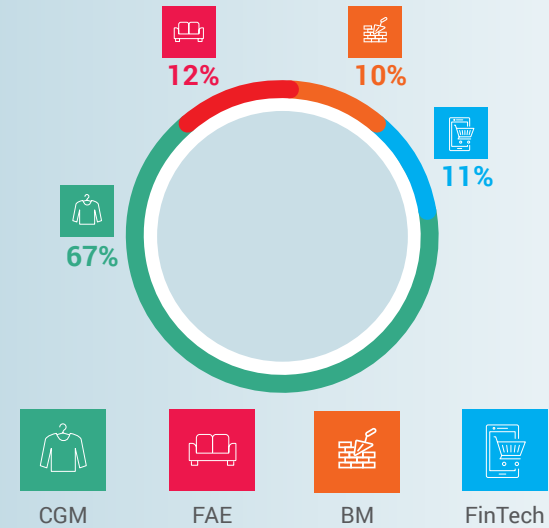
Sustainability KPIs

Customer enablement

	2021	2022	2023
Identifiable customers (m)	27.0	29.0	30.0
PAXI parcel deliveries (m)	3.5	4.2	4.9
Daily Flash transactions (m)	6.5	7.0	7.0
Credit (%)	7	8	10
Cash (%)	93	92	90
Number of lay-by customers (m)	4.2	4.1	4.9
Number of physical transactions (m)	339	342	365
BPL ¹ in PEP (%)	97	96	96
Number of product recalls	N/R	10	14
Prepaid cell phones sold by Pepkor in South Africa	N/R	7 out of 10	7 out of 10

¹ BPL – Best Price Leadership
N/R – Not reported

Revenue split



Sustainability KPIs (continued)

Carbon footprint report

Scope	Source	Unit of measure	FY18	FY19	FY20	FY21	FY22	FY23
Scope 1	Mobile fuels	Emissions tCO ₂ e	29 332	27 705	29 293	26 474	24 068	24 063
	Refrigerant gases	Emissions tCO ₂ e	641	1 087	2 216	2 040	1 326	1 245
	Stationary fuels	Emissions tCO ₂ e	6 589	N/R	N/R	800	541	3 551
Scope 1 Total		Emissions tCO₂e	36 562	28 792	31 509	29 314	25 935	28 859
Contribution to total Scope (%)		%	13.20	8.83	10.06	10.25	7.41	9.29
Scope 2	Electricity	Emissions tCO ₂ e	217 248	273 619	259 700	233 404	260 332	225 201
Scope 2 Total		Emissions tCO₂e	217 248	273 619	259 700	233 404	260 332	225 201
Contribution to total Scope (%) (location- and market-based) ¹		%	78.46	83.88	82.92	81.58	74.36	72.53
Total Scopes 1 and 2		Emissions tCO₂e	253 810	302 411	291 209	262 718	286 267	254 060
Scope 3	Upstream transportation and distribution	Emissions tCO ₂ e	19 538	19 248	17 647	19 740	48 790	37 867
	Fuel- and energy-related activities: upstream emissions of purchased fuels	Emissions tCO ₂ e	N/R	N/R	N/R	N/R	N/R	6 575
	Fuel- and energy-related activities: T&D electricity losses	Emissions tCO ₂ e	3 544	4 545	4 345	3 640	4 995	–
	Purchased goods and services	Emissions tCO ₂ e	N/R	N/R	N/R	N/R	5 035	4 317
	Waste generated	Emissions tCO ₂ e	N/R	N/R	N/R	N/R	344	436
	Business travel	Emissions tCO ₂ e	N/R	N/R	N/R	N/R	4 665	7 260
Scope 3 Total		Emissions tCO₂e	23 082	23 793	21 992	23 380	63 829	56 455
Contribution to total Scope (%)		%	8.34	7.29	7.02	8.17	18.23	18.18
Total CO₂e		Emissions tCO₂e	276 892	326 204	313 201	286 098	350 096	310 515
Outside of Scopes	R22 – Non-Kyoto Protocol Gas	Emissions tCO₂e	2 332	1 173	1 444	818	867	524
Outside of Scopes total			2 332	1 173	1 444	818	867	524
Size of store space in square metres (m²) – total		(’000) m²	2 357	2 434	2 410	2 418	2 491²	2 503²
CO ₂ e intensities per m ²		CO ₂ e/m ²	0.106	0.124	0.120	0.109	0.115	0.102
CO ₂ e intensities per net sales		CO ₂ e/ZAR	0.000004	0.000004	0.000004	0.000003	0.000004	0.000003

¹ Since no contractual instruments were used in FY23, location- and market-based Scope 2 emissions were utilised.

² Avenida not included

N/R – Not reported

Sustainability KPIs (continued)

Scope and methodology

The operational control approach was used to consolidate all emissions within the specified boundary.

Scope 1 and Scope 2 greenhouse gas (GHG) emissions were measured in accordance with the GHG Protocol (WRI & WBCSD, 2004) Corporate Standard Revised (English); Emissions from non-Kyoto gases (such as Freon/R22) were measured and classified as Out of Scope.

Scope 2 emissions were calculated and reported using both the location-based methods in accordance with GHG Protocol Corporate Standard's 'Scope 2 Guidance' (January 2015), deviation from the protocol with regard to market-based methods due to lack of data available at time of publishing.

Scope 3 GHG emissions previously measured included 'transportation and distribution (downstream)' and 'fuel- and energy-related activities: T&D losses', 'upstream transportation and distribution (inbound sea and road freight)', municipal water consumption and plastic packaging and packets are included in 'purchases goods and services', 'waste generated' for waste to landfill; 'business travel' comprising car hire, hotel accommodation and flights. Current year changes: fuel and energy: T&D losses has been removed due to a lack of publically available emission factors; fuel and energy: upstream emissions of purchased fuels; downstream transportation and distribution emissions from third-party logistics has been recategorised to upstream transportation and distribution; global warming potentials (GWP) were in accordance with the IPCC AR4 (2007) GWP's 100-year values.

All emission factors used were from DEFRA UK Government GHG Conversion Factors for Company Reporting (2023) unless otherwise stated.

Alternative emission factor sources

- **Municipal water consumption:** Friedrich, Pillay & Buckley 2007 'The use of LCA in the water industry and the case for an environmental performance indicator' Water SA, Vol. 33
- **Business travel car hire:** gCO₂e/km per car model type as provided by the car manufacturer

- **Business travel accommodation:** Where DEFRA does not provide a country EF, SA EF has been used as a default
- **Waste to landfill:** Friedrich, Trois Waste Management 33 (2013)
- **Fuel- and energy-related activities:** T&D electricity losses: Eskom 2021 EF Factor 1 minus EF Factor 2. 2022 results were not yet available at the time of calculation, 2021 has been used as a proxy.

An electricity grid emission factor for South Africa of 1.04 kg/CO₂e/kWh (Factor 2) was applied, Eskom (Integrated Report 2022). This has been used as a proxy as 2023 emission factors have not been released at the time of calculations. Scope 2 emissions were calculated using the location-based method for South African grid-connected electricity. Institute for Global Environmental Strategies (2019). The list of Grid Emission Factors, version 10.7 was applied for all non-SA emission factors. CDM project averages for countries that were available. The alternative of the UN Framework Convention on Climate Change – Standardised Baseline Grid emission factor for Southern African Power Pool was used for Botswana, Eswatini and Malawi.

Additional information

- Avenida was excluded from our reporting for FY22 and FY23.
- Scope 3 reclassification: PKL logistics was previously reported as 'downstream transportation and distribution'. On reassessment this has been reclassified as 'upstream transportation and distribution'. 'Upstream transportation and distribution' now represents inbound road and sea logistics for purchases from suppliers to Pepkor and PKL distribution to stores.

Scope 3 areas	Reasons for omission
Purchased goods and services	Added in FY22
Capital goods	Capital goods omitted due to lack of feasibility in calculation
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Electricity omitted due to lack of publicly available emission factors; Upstream emissions of purchased fuel included in FY23
Upstream transportation and distribution	Added in FY22
Waste generated in operation	Added in FY22
Business travel	Added in FY22
Employee commuting	Omitted due to lack of feasibility in calculation and complexity in estimating with any degree of accuracy
Upstream leased assets	N/A – reported under Scopes 1 and 2 under operational control
Investments	Omitted due to lack of feasibility in calculation
Downstream transportation and distribution	Under review
Processing of sold products	Under review
Use of sold products	Omitted due to lack of feasibility in calculation
End of life treatment of sold products	Omitted due to lack of feasibility in calculation
Downstream leased assets	N/A
Franchises	N/A
Other (upstream)	N/A
Other (downstream)	N/A

Sustainability KPIs (continued)

Water

	Unit	2023
Total water consumption		
Total water consumption	kℓ	796 157
Percentage municipal water	%	96.7
Total rainwater harvested	kℓ	26 162
Rainwater harvested as a percentage of total water consumption	%	3.3
Water intensity		
Average water consumed per square metre	kℓ/m ² /annum	0.3
Total water use per net sales	kℓ/ZAR	0.00001
Greenhouse gas emissions		
Scope 3		
Purchased goods and services – water usage	Emissions tCO ₂ e	712

Waste

	Unit	2023
Total waste generated by weight		
Total waste generated	kg	1 550 228
Percentage of recycled waste	%	75.0
Percentage of landfill disposal	%	25.0
Waste intensity	kg/sales revenue	0.00002
Non-hazardous solid waste composition		
Paper	kg	1 103 827
Plastic	kg	40 850
Glass	kg	404
Wood	kg	0
Production material	tonnes	72
E-waste	kg	13 804
Metals	kg	3 071
Hazardous solid waste	kg	0
Greenhouse gas emissions		
Scope 3		
Waste generated in operations	Emissions tCO ₂ e	436

Sustainability KPIs (continued)

B-BBEE scorecard

B-BBEE indicator scores	Industry average	2019	2020	2021	2022	2023
Ownership	18.03	2.12	3.44	3.70	18.76	24.19
Management control	10.63	6.03	7.24	8.39	8.43	7.61
Skills development	14.24	8.35	7.90	11.71	12.83	13.49
Enterprise and supplier development	28.73	19.37	27.43	30.44	22.89	22.08
Socio-economic development	4.76	5.00	5.00	4.66	5.00	4.75
	76.77	40.87	51.01	58.90	67.91	72.12

Calculated using the average of eight industry competitors (TFG, Clicks, MRP, Truworths, Spar, Woolworths, Pick n Pay and Shoprite) based on the latest available records published in 2023.

Communities

Community contribution	2022	2023
CSI spend (Rm)	64.6	62.9
Number of children in ECD centres	13 200	20 500
Number of schools supported	200	340
Number of academies	25	27
Value in product donations (Rm)	19.5	21.0

Sustainability KPIs (continued)

Employees

	2022	2023
Employees (permanent full-time equivalent (FTE))	49 700	50 000
Black employees (total previously disadvantaged individuals (PDIs)) (%) (SA only)	81.8	82.5
White employees (%) (SA only)	5.1	4.8
Foreign national employees (%) (SA only)	0.2	0.2
International employees (%) (outside SA)	12.8	12.6
Male (%) (all countries)	29.5	29.5
Female (%) (all countries)	70.5	70.5
< 55 years old (%) (all countries)	95.8	97.1
> 55 years old (%) (all countries)	4.2	3.0
Black male (%) (SA only)	22.7	22.9
Black female (%) (SA only)	59.2	59.7
Black male store managers (SA only)	955	975
Black female store managers (SA only)	3 159	3 279
Total store managers (SA only)	4 372	4 499
Employee turnover (%) (rolling 12-month average) (permanent full time only)	18.3	19.5

Targets for FY24

Area	Description	Target FY24
Environmental	Solar MWp added	2.5
Environmental	Tonnes second-hand boxes reused	2 000
Social	Learnerships	2 700
Social	Enterprise development (ED) target	1% of FY24 NPAT
Social	Supplier Development (SD) target	2% of FY24 NPAT
Social	Socio-economic development (SED) target	1% of FY24 NPAT
Governance	CDP rating	B- score
Governance	FTSE score	3.6

NPAT – Net profit after tax