



SUSTAINABILITY REPORT
FOR THE YEAR ENDED 2 JULY 2023



ENTER



Contents

Introduction

Achieving our purpose	01
Navigating our report	02
Group overview	02
Aligning to the UN SDGs	03
Investing through the cycle	04
About this report	06
Our operating overview	08
Our strategic growth drivers	09
Value created and preserved	10

Leadership reviews

Chief Executive Officer's foreword	13
Social and Ethics Committee Chairman's report	14
Head: Group Sustainability and CSI's message	15

Governance, compliance and risk management

Value-creating governance	17
Our contribution to South Africa's transformation	19
Materiality	22
Risk management and compliance	24
Stakeholder management	25

Economic sustainability

Customer-centricity	28
Customer experience	28
Supply chain resilience	36

Our social impact

Our social impact	42
Investing in our people	43
Our role in society	54

Our environmental impact

Environmental stewardship	63
Climate change	65
Energy and emissions	67
Sustainable packaging	69
Waste and recycling	72
Water	74
Biodiversity	76

Appendices

Appendix 1: Compliance training	78
Appendix 2: GRI Index	79
Appendix 3: TCFD Index	85
Appendix 4: UNGC Index	89
Appendix 5: Key sustainability indicators	90
Appendix 6: Our alignment with legislation and best practice	92
Appendix 7: Employee profile	93
Appendix 8: SASB Index	94
Abbreviations and acronyms	95
Shareholders' diary	96
Administration	96

Achieving our purpose

Underpinning our purpose to uplift lives every day is our commitment to pioneering access to the most affordable goods and services, creating economic opportunity and protecting our planet.

Shoprite Holdings Limited's (the Shoprite Group, the Group, the Company) intent is to deliver on our purpose by investing through the cycle. In doing so, we create considerable value for our stakeholders by:

- > investing in our employees
- > prioritising transformation, diversity and inclusion
- > investing in and supporting our communities
- > promoting customer-centricity
- > creating economic opportunities
- > investing in our technology systems and processes
- > enhancing responsible corporate citizenship
- > protecting our environment.

Living our values

Our values come alive through our actions and business activities; they include:



- > Putting our customers first
- > Acting ethically with excellence, integrity and care
- > Creating shared value for our stakeholders
- > Making a difference beyond our own doors
- > Improving food security and affordability
- > Prioritising transformation and equality
- > Providing our customers with the lowest prices
- > Improving efficiency and productivity and managing costs through frugal cost management and wastage reduction
- > Pursuing efficacy, opportunity and innovation
- > Helping others where we can
- > Investing in our people
- > Developing local (develop talent, grow local products and small, medium and micro-enterprises (SMME) suppliers, and contribute to social upliftment)
- > Embracing economic transformation
- > Supporting our communities
- > Creating opportunities

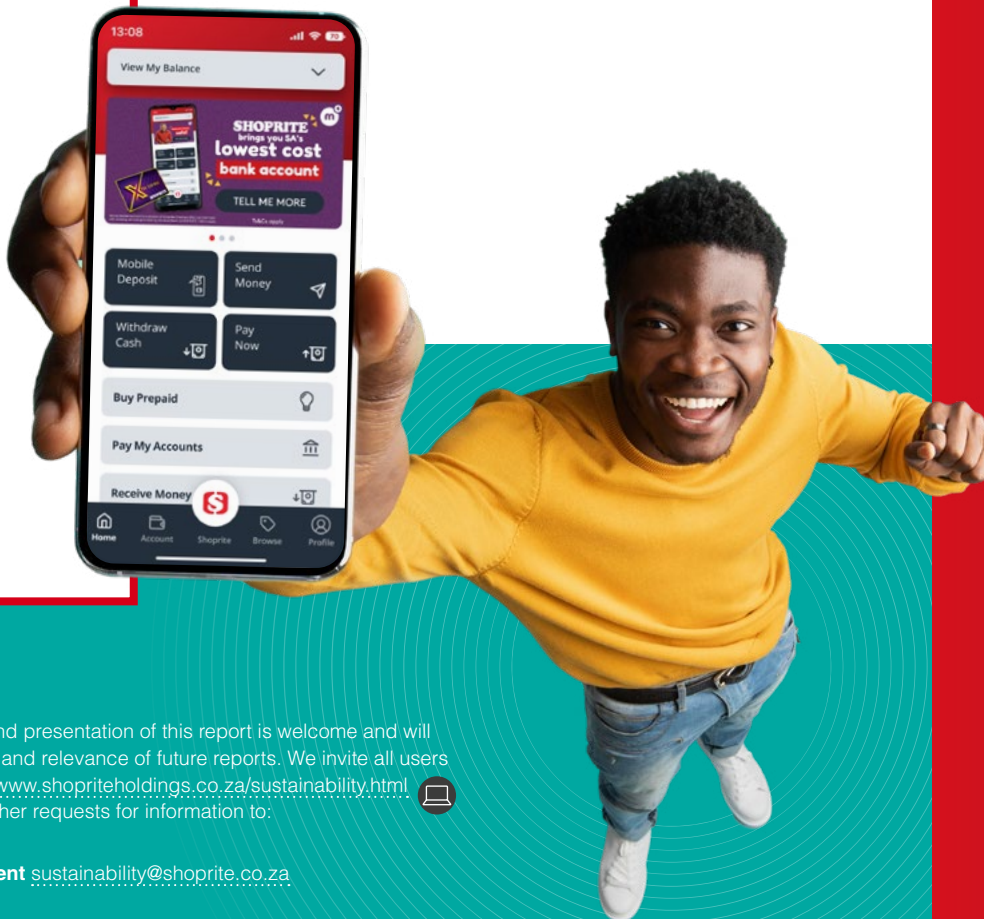


Navigating our report

How we report

This Sustainability Report has been designed for an enhanced digital experience and ease of use. The landscape layout supports readability on computer screens and tablets, while the digital navigation capability in the report will assist you, the reader, to easily move between different sections or topics in the report.

- Home/Contents
- Chapter start
- Back
- Forward
- This page reference icon is applied throughout the report to improve usability and shows the integration between relevant elements of this report
- Indicates where further information can be found online



Feedback

Your feedback on the contents and presentation of this report is welcome and will assist us in improving the quality and relevance of future reports. We invite all users of this report to visit our website www.shopriteholdings.co.za/sustainability.html for more information or direct further requests for information to:

Sustainability Department sustainability@shoprite.co.za

Group overview

About the Group

Who we are

The Shoprite Group is the largest South African retailer by market capitalisation, sales, trading profit and number of employees and customers.

We intend to be South Africa's most affordable, accessible, and innovative retailer. Our core business is food retailing, complemented by adjacent value-added retail services (furniture, pharmaceuticals, hospitality, ticketing, digital commerce, financial and cellular services, and clothing) and offerings across a range of industries.

Underpinning our purpose to uplift lives every day and achieve what we set out to do, we stay focused on the following:

- Being a responsible and innovative business
- Managing our capital, resources and relationships to create shared value for our stakeholders

Where we operate

Through our wide range of customer-facing brands, value-added services and operational support functions, we operate across the following:

South Africa, as well as **nine other African countries (FY 2022: 10)**

3 326
retail locations
(FY 2022: 2 989)

30
distribution centres
(FY 2022: 29)

80.8% and 91.0%
of our sales and trading profits, respectively, are generated from our supermarket segment in South Africa

13
industries to deliver our comprehensive product and services offering

Aligning to the United Nations Sustainable Development Goals (SDGs)

We have identified three SDGs to which we can make the most meaningful contribution.

Goals	How do we achieve them	Further reading
<p>Zero hunger</p> 	<p>We contribute towards ending hunger by 2030 by:</p> <ul style="list-style-type: none"> › delivering on our low-price promise › donating surplus food › improving nutrition in early childhood development (ECD) centres › investing in food security initiatives › promoting sustainable agriculture › supporting community food gardens. 	<p> See Affordability and accessibility across brands on page 28.</p> <p> See Socio-economic contribution on page 41.</p>
<p>Decent work and economic growth</p> 	<p>We promote inclusive and sustainable economic growth by:</p> <ul style="list-style-type: none"> › creating employment opportunities for our people, suppliers and communities › promoting supplier growth through enterprise and supplier development (ESD) › promoting youth skills development and employment opportunities (through the Youth Employment Services (YES) initiative and Retail Readiness Programme (RRP)) › investing in new stores and new store formats › investing in our supply chain › investing in technology and innovation. 	<p> See Economic sustainability on pages 27 to 40.</p>
<p>Responsible consumption and production</p> 	<p>We adopt sustainable consumption and production patterns by reducing our environmental footprint through responsible and sustainable consumption, particularly relating to:</p> <ul style="list-style-type: none"> › energy consumption and resultant emissions › water, waste and packaging › responsible sourcing and biodiversity. 	<p> See our Environmental stewardship on pages 63 to 76.</p>

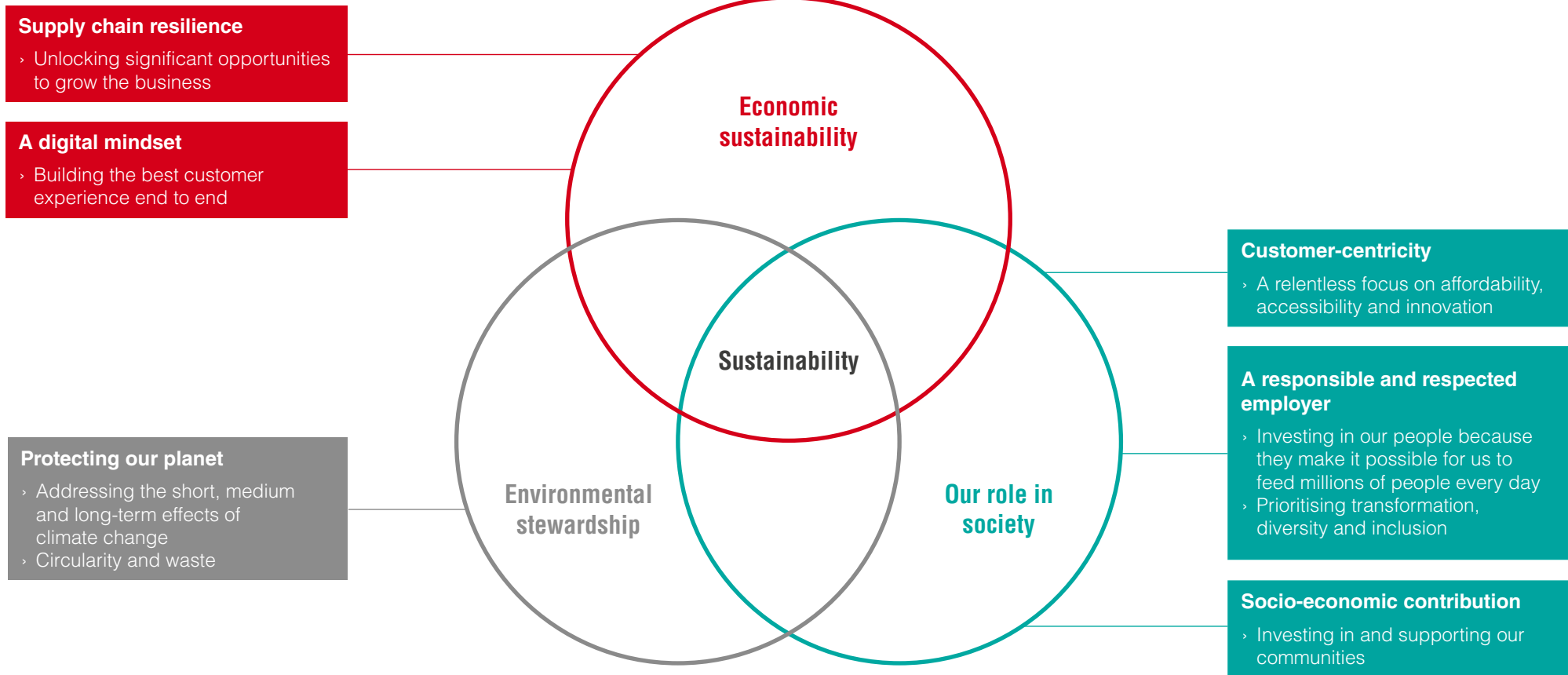


Through the Group's RRP, unemployed and unskilled young South Africans have the opportunity to gain the basic skills required to work in a retail environment, or to start their own business. When they complete the programme participants receive NQF Level 3 part-qualification.



Investing through the cycle

The theme of our reporting is **investing through the cycle**, which confirms our commitment to promoting long-term business and environmental sustainability.





Investing through the cycle continued

The purpose of this report is to demonstrate how our investment promotes long-term sustainability.

A responsible and respected employer

- › Attracting and retaining employees
- › Developing employee skills through training, internships and mentorship
- › Promoting employee safety, health, and wellness
- › Recognising and rewarding employee talent and performance
- › Unlocking employment opportunities for unemployed youth
- › Following fair labour practices to prevent work stoppages, labour law violations and discrimination
- › Enabling economic transformation through employee ownership
- › Prioritising employment equity, diversity and inclusion
- › Providing employment opportunities for people with disabilities

Socio-economic contribution

- › Focusing on financial inclusion
- › Offering and creating decent work and economic growth opportunities for our community members and society at large
- › Contributing to a reduction in food insecurity, focusing a large percentage of our corporate social investment (CSI) resources on hunger relief and food security, by:
 - providing affordable goods and services as we work towards our zero hunger ambitions
 - donating surplus food
 - serving 7.1 million (FY 2022: 5.6 million) meals through our Mobile Soup Kitchens
 - maintaining our disaster resilience and preparedness
- › Training and educating unemployed youth in South Africa through our:
 - RRP
 - YES initiative
- › Promoting diversity and development by:
 - investing in the sustainability of historically disadvantaged businesses and communities, contributing to economic and financial inclusion
 - investment in ESD
 - offering preferential procurement
 - developing local and small suppliers
 - promoting employment opportunities and SMME development

Customer-centricity

- › A relentless focus on affordability, accessibility and innovation through our:
 - R5 meal offering
 - mitigation of internal food price inflation, currently at 10.1% (SA food price inflation at 12.3% as per Stats SA)
 - private label ranges
 - Xtra Savings rewards programme
- › Enhancing customer convenience through:
 - innovative service and product offerings
 - growing our Checkers Sixty60 on-demand offering
 - convenient access to financial and lifestyle services
 - our smaller format Usave eKasi stores offering close-to-home convenience retail, which saves consumers both time and money for transport to town
- › Enhancing customer awareness about sustainability and responsible consumption by:
 - driving awareness and creating a dialogue around sustainability with our customers
 - providing environmentally friendly options to consumers
- › Enhancing and protecting customer health and safety
- › Maintaining our responsible marketing practices
- › Prioritising food safety

Supply chain resilience

- › Unlocking significant opportunities to grow the business
- › Having a resilient supply chain enables sustainable enterprise value by:
 - promoting local suppliers
 - growing SMMEs into large-scale suppliers
- › Enhancing our state-of-the-art distribution centres (DC) by:
 - training DC employees, drivers and store employees to improve efficiencies
 - improving and maintaining an advanced cold-chain management system
 - protecting our sophisticated information management system
- › Managing environmental and social risks and impacts in our supply chain
- › Improving efficiencies in our logistics
 - Our solar photovoltaic (PV) trailers can be switched off while the refrigeration and the tailgate lift continue to run on solar power
 - Our reverse logistics, where our drivers, having completed their delivery use their empty vehicles to pick up products from suppliers, saved the Group 1 620 tonnes (FY 2022: 1 023 tonnes) in greenhouse gas (GHG) emissions
- › Responsible sourcing
 - Sourcing sustainable packaging solutions
 - Considering human rights in our supply chain

A digital mindset

- › Using technology to improve operational efficiencies through:
 - real-time exception reporting
 - artificial intelligence (AI) and machine-learning stock replenishment
 - Cashier-less check-out (UNIQ)

Protecting our planet

- › Increasing the consumption of renewable electricity from roof-top solar PV systems
- › Increasing cardboard and plastic recycling across our operations
- › Reducing GHGs by increasing our energy efficiency through energy-efficient lighting, refrigeration and transportation
- › Reducing food waste
- › Using responsibly sourced palm oil, cocoa, seafood, paper and board



About this report

We are pleased to present our Sustainability Report for the financial year ending 2 July 2023. This report allows us to share our achievements and progress towards our sustainability ambitions as we strive to uplift lives every day.

Shoprite Holdings is an investment-holding company headquartered in Cape Town, South Africa. Our primary listing is in the



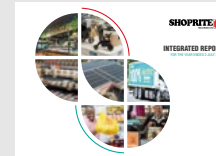
Food Retailers and Wholesalers' Sector of the Johannesburg Stock Exchange (JSE). We have three secondary listings on the A2X, the Namibian Stock Exchange (NSX) and the Lusaka Stock Exchange (LuSE). Our Integrated Report, Annual Financial Statements and Sustainability Report are published annually.

This report is supplemented by our reporting suite, online communications and publications, stakeholder communications and additional information available on our website www.shopriteholdings.co.za.

This report includes information on the combined sustainability performance of the Group's operations, including subsidiaries but excluding franchise stores. This year that includes 94 stores acquired from Massmart and no divestments. To obtain an overview of our business strategies and performance, this report should be read with the Integrated Report, remuneration review, and Annual Financial Statements for the financial year ended 2 July 2023.

Our reporting suite

Our reporting suite provides us with an opportunity to share our achievements for the period 3 July 2022 to 2 July 2023. This suite is supplemented by various online publications, stakeholder communications and additional information available on our website.



This **Integrated Report** is our primary report to stakeholders, including detailed information on the Group, strategy, performance and outlook.



Our full **Annual Financial Statements** are supplemented by our financial results announcement.



This **Sustainability Report** addresses all our stakeholders and provides insights into our sustainability programmes, targets and performance.



The **King IV™ application summary** is available online at www.shopriteholdings.co.za/governance.html. Our application summary includes our governance philosophy, leadership, and efforts to embed an ethical culture.



Scope and boundary

This report offers a detailed account of the Group's sustainability programmes, targets and performance. Alongside our Integrated Report, this report is intended to provide a holistic picture of our environmental and social impacts on stakeholder value in the short, medium and long term. While our Integrated Report is aimed primarily at providers of financial capital, this report is intended for a broader range of stakeholders.



The Group's main subsidiaries are listed in the Directors' report in the Annual Financial Statements, and we consider them when determining our material matters.

This report outlines our ESG-related commitments and progress in line with national and international frameworks, standards and goals. We take direction from the United Nations SDGs, King IV Report on Corporate Governance for South Africa 2016 (King IV™), Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), United Nations Global Compact (UNGC), the Task Force on Climate-related Financial Disclosures (TCFD), and Science Based Targets initiative (SBTi), which is a collaboration between the Carbon Disclosure Project (CDP), the UNGC, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

Materiality

We consider that a matter is material if it can substantively affect our ability to create and sustain value over the short, medium or long term. This report was informed by the principle of double materiality, and therefore, it offers a balanced mix of information to enable readers to assess our ability to create and preserve value.

No material restatements of information were made in the Shoprite Group's 2023 Sustainability Report.

Report approval

The Board is supported by the Social and Ethics Committee (SEC) and other subcommittees and acknowledges its responsibility to ensure the integrity of this Sustainability Report. In the opinion of our Directors, this report addresses all material matters, and offers a balanced view of our sustainability strategy and how it relates to our ability to create and preserve value in the short, medium and long term.

Assurance of key performance indicators (KPIs)

The KPIs we have identified as being critical to improving our environmental performance and reducing our impact on climate change over a three-year period are:

- › increasing our use of electricity from renewable sources as a percentage of our total electricity consumption
- › recycling of cardboard and plastic
- › sustainable packaging.

These KPIs and our carbon footprint analysis are externally assured by independent third-party assurance providers.

This report, for which the Board is ultimately responsible, is prepared under the supervision of senior management and is subject to rigorous internal and external assurance reviews by independent third-party assurance providers. Our SEC and Audit and Risk Committee (ARC) reviewed and approved this report as part of the reporting suite approval process. Both committees then recommended it to the Board for approval.

The Board has approved this report for publication.

Nonkululeko Gobodo
Chairman of Social and Ethics Committee

29 September 2023

Pieter Engelbrecht
Chief Executive Officer

29 September 2023



Our customers who travel by taxi are charged per bag they carry onto the taxi. We produced these larger recycled and recyclable bags so our customers have fewer bags to carry onto the taxi.

Forward-looking information

This report contains forward-looking statements regarding the Group's operations and its performance prospects. These statements involve an inherent level of uncertainty. They do, however, reflect our best judgement and estimates informed by the Group's Board-approved business plans as at the time of publication of this report. Within this context, the Group cannot take responsibility for updating or revising any forward-looking statements except as required by applicable legislation or regulation.

Our operating overview

Supermarkets

Revenue contribution
RSA 80.8%
Non-RSA 9.1%

Brand

Core supermarket business

SHOPRITE

Our flagship brand, serving customers in the mass middle-income market.

Employees	Stores	
	RSA	Non-RSA
73 191	615	147

Usave

Small-format stores serving customers in the lower-income market, mostly in non-urban areas. Introduced mobile eKasi truck stores.

Employees	Stores	
	RSA	Non-RSA
5 638	441	46

Checkers

Serving more affluent customers who prioritise convenience, quality and freshness and demand great value. Checkers Sixty60 is South Africa's #1 on-demand grocery delivery service.

Employees	Stores	
	RSA	Non-RSA
37 586	261	9

Checkers Hyper

Serving a cross-section of customers with large-format stores offering a wider range of products than Checkers.

Employees	Stores	
	RSA	Non-RSA
9 863	38	

LiquorShop LiquorShop

Serving the same Shoprite and Checkers customers, these stores are located adjacent to or near the supermarket brands and provide a range of local and international alcoholic and non-alcoholic beverages at supermarket prices.

Employees	Stores	
	RSA	Non-RSA
3 914	682	28

Other adjacencies

little m

Serving more affluent consumers, Checkers Little Me is a specialist baby store offering a wide range of top baby brands at great prices.

Employees	Stores	
	RSA	Non-RSA
38	9	

Outdoor

Serving more affluent consumers, Checkers Outdoor is a specialist outdoor store offering a range of top outdoor brands at great prices.

Employees	Stores	
	RSA	Non-RSA
34	8	

Petshop

Serving more affluent consumers, Petshop Science is a specialist pet store offering a wide range of top pet brands at supermarket prices.

Employees	Stores	
	RSA	Non-RSA
158	53	

UNIQ

Serving more affluent consumers, UNIQ is a clothing brand that is fashioned on simplicity, superior fabrics and great value. Catering for the entire family, the UNIQ range consists of premium basics.

Employees	Stores	
	RSA	Non-RSA
106	9	

Financial cellular services

k'nect

Servicing customers in the low- to middle-income markets.

Employees	Stores	
	RSA	Non-RSA
27	5	

Furniture

Revenue contribution
Furniture 3.3%

Brand

House&Home

Providing quality homeware, furniture, electrical appliances to serve more affluent customers.

Employees	Stores	
	RSA	Non-RSA
1 013	40	4

OK FURNITURE

Includes Power Express, providing quality furniture, electrical appliances and more to serve customers in the middle-income market.

Employees	Stores	
	RSA	Non-RSA
4 920	305	85

Other operating segments

Revenue contribution
Other 6.8%

Brand

Pharmaceutical Medirite+ Pharmacy

Located inside supermarkets, Medirite is well-positioned to meet the growing needs for easily accessible and affordable healthcare to customers across all income levels.

Employees	In-store pharmacies	Medirite Plus standalone stores	
		RSA	Non-RSA
1 208	134	6	

Transpharm

Our wholesale brand distributes pharmaceutical products and surgical equipment across South Africa.

Employees	DC	Fleet
917	1	130

Franchise

OK FRANCHISE DIVISION

Servicing customers across all income levels with recognised community-based formats including OK Foods, OK MiniMark, OK Express, Sentra, OK Liquor and Megasave (wholesale).

Employees	Stores	
	RSA	Non-RSA
215	456	79

Hospitality

RED STAR WHOLESALE

A quality supplier to the hospitality and catering industry.

Employees	Fleet
129	53

Ticketing

COMPUTICKET

Computicket is the leading ticketing agent in South Africa, specialising in selling tickets for concerts, sports events, theatre performances, sport entries, flights, accommodation and bus tickets.

Employees
92



Our strategic growth drivers

Sustainability is incorporated in all of our strategic growth drivers, which promote continuous improvement and growth opportunities for the Shoprite Group, and they underpin our sustainability framework.

Our vision is to create a smarter Shoprite using advanced analytics and technology to optimise our core retail business and personalise experiences for our customers. We target headroom opportunities in growth segments to increase our share of wallet and to leverage our retail platform to win in the long term.

Our commitment to investing through the cycle has enabled the achievement of our strategic objectives, unlocked alternative income streams, and enabled our efforts as a force for good.

The strategy driving our business is underpinned by our Group's purpose.

Our three strategic pillars – a smarter Shoprite, targeting headroom opportunities and winning in the long term – are underpinned by nine strategic drivers that provide our framework for growth, while ensuring our business remains relevant and a force for good in our operating context and from a best-in-class global retail perspective.

1

A smarter Shoprite

Smarter decisions. Fewer mistakes. Optimised for customers.

A truly customer-first culture

Customer-centric decision-making is driving our leadership in retail. It keeps us obsessed about what our customers want in our core business activities. Customer data powers decision-making at all levels of the organisation and drives continuous improvement. Personalisation is ultimately how customers experience a more seamless shopping experience.

Develop future-fit channels and talent

We are taking our people on a journey to embrace all the opportunities that AI and digital technologies present to remain a future-fit business.

Our expanded market penetration and leading brand portfolio caters to a wide range of customer needs and, together with our digital commerce platforms, forms a strong foundation for more seamless omnichannel customer experiences. Our ongoing investment in digital and closer-to-home store formats ensure we win the race for space and reach.

Enable precision retailing

Investments into advanced analytics on our digital transformation journey enables rapid action in a fast-changing environment. Customer insights are improving our business processes and helping our supplier partners improve products and services to benefit customers more than ever before. Smarter pricing, promotions, forecasting and ranging are the outcomes that keep us ahead.

2

Target headroom opportunities

We focus on closing the opportunity gaps where we have headroom for revenue growth.

Trusted, profitable private labels

Our scale allows us to build a meaningful private-label brand portfolio and route to market.

We develop and distribute products more efficiently, offering unrivalled choice and affordability and creating win-win partnerships with suppliers. We have established leadership positions in both our value and premium tier private label brands. Through our product innovation capability, we are able to develop new convenience foods to serve our customers' changing needs.

Grow share in premium and fresh food

Higher-income customers are increasingly looking for value without compromising on quality and freshness. We are serving this market segment in South Africa through an enhanced range of premium, convenience, and fresh foods. Meaningful market share gains have been made and our in-store food theatre is now a key differentiator for Checkers, while retaining our value foundation.

Stronger partnerships

We are building broad and diverse relationships with our franchisees, SMMEs and businesses through Shoprite Next Capital, and our supply chain finance offer CredX. We are collaborating with our suppliers and partners to provide better choices and product innovation through access to our store footprint and customer base to target headroom opportunities.

3

Winning in the long term

Technology will amplify our ability to continue providing operational excellence and outstanding customer experiences at scale.

Unlock alternative income

Our platform of 27.8 million engaged customers in South Africa (FY 2022: 24.4 million) – combined with investment in digital commerce – gives us the opportunity to unlock alternative income in the media and services space. Customer data powers the design of products that customers love and allows us to make better, more affordable options available to customers in new adjacent categories. In addition, it creates income opportunities in retail media through Rainmaker Media, as well as financial services and data ecosystems.

Force for good

The work we do uplifting lives in our communities, contributing to hunger relief, fighting waste, protecting our planet by taking action to reduce our carbon footprint and our use of water, as well as our role as the largest private sector employer in South Africa, all contribute to the long-term sustainability of people, the planet and our business. Our practice of good governance, which includes embedding an ethical culture, maintaining effective control and achieving compliance and legitimacy, positions the Group to win in the long term.

Leverage platform advantage

Our vast customer, store and digital presence enables us to offer customers access to a wide range of relevant products and services in a seamless manner at any time and from anywhere. Leveraging our platform allows us to commercialise our various physical, digital and customer assets to create more value through partnerships and new services for customers. Through this approach, we aim to empower best-in-class partners to co-create value for our customers across the ecosystem on the back of the scale advantage in our core supermarkets.



Value created and preserved

Economic sustainability

Social impact

Customer centricity

Value created in 2023

- › Kept our internal food price inflation below official food price inflation
- › Opened 38 Usave and 6 Usave eKasi stores closer to home (FY 2022: 36 Usave and Usave eKasi stores)
- › Won 39 awards recognising customer and brand excellence (FY 2022: 22 awards)
- › Sold 42.8 million of Shoprite's 600g in-house loaves (FY 2022: 76.8 million loaves)
- › Expanded our R5 offering
- › Supported financial inclusion through our zero-fee Money Market Account and a cash withdrawal fee of only R5
- › Provided over R13.5 billion in personalised savings (FY 2022: R9.4 billion) to more than 27.8 million Xtra Savings members (FY 2022: 24.4 million)
- › Increased our plant-based product offering to 302 products (FY 2022: 275 products)

Capitals affected

- › Financial capital
- › Manufactured capital
- › Intellectual capital
- › Human capital
- › Social and relationship capital

Supply chain resilience

Value created in 2023

- › Optimised our supply chain beyond our operations
- › Increased the efficiency of our fleet
- › Accounting for more than R326 million of the fresh produce we procure annually from South African SMMEs (FY 2022: R350 million)
- › In South Africa, 194 of our growers are SMMEs (FY 2022: 215)
- › Directed 11.5% of supplier spend to black¹ businesses (FY 2022: 10.8%) and 8.3% to black women-owned businesses (FY 2022: 7.2%)

Capitals affected

- › Financial capital
- › Manufactured capital
- › Intellectual capital
- › Human capital
- › Social and relationship capital

Socio-economic contribution

Value created in 2023

- › Contributed over R1.0 billion to communities through our CSI programmes since 2018
- › Invested R404 million into the communities in which we operate in South Africa (FY 2022: R335 million)
- › Donated R226 million in surplus food and goods (FY 2022: R157 million)
- › 73 474 kg of produce harvested from food gardens (FY 2022: 31 538 kg)
- › 215 community food gardens supported since the inception of this programme (FY 2022: 177 food gardens)
- › Supported 222 community food gardens to build community-level food security since the inception of the programme
- › Served 273 264 meals per day (FY 2022: 185 732) to vulnerable communities through all our CSI programmes
- › 27 Mobile Soup Kitchens in South Africa (FY 2022: 26 Mobile Soup Kitchens)
- › Supported 114 ECD centres (FY 2022: 107), benefiting 7 287 children (FY 2022: 7 151)
- › Trained 4 065 unemployed youth (FY 2022: 4 116) in the RRP
- › Provided 2 185 unemployed youth (FY 2022: 1 900) with workplace experience through the YES Initiative

Capitals affected

- › Social and relationship capital

Transformation

Value created in 2023

- › Level 6 B-BBEE score achieved (FY 2022: Level 7)
- › Diversity at Board level with five female Non-executive Directors (FY 2022: six female Non-executive Directors)
- › 45% of Non-executive Directors are black/coloured (FY 2022: 42%)

Capitals affected

- › Financial capital
- › Manufactured capital
- › Intellectual capital
- › Natural capital
- › Human capital
- › Social and relationship capital

Our people

Value created in 2023

- › 153 726 people employed (FY 2022: 145 595 people)
- › Invested R645 million in training (FY 2022: R560 million) through 2 887 816 training hours (FY 2022: 3 315 864)
- › 74.3% employee retention (FY 2022: 77.2%)
- › Trained 1 754 employees on environmental awareness (FY 2022: 2 040)
- › Launched a new sustainability course on our training platform

Capitals affected

- › Intellectual capital
- › Human capital

¹ Throughout this report, black is defined as in schedule 1 to the Codes of the Good Practice on Broad-based Black Economic Empowerment published in terms of section 9(1) of the Broad-based Black Economic Empowerment Act, 53 of 2007 (B-BBEE Act), published in the Government Gazette on 9 February 2007, as amended from time to time, and/or any other persons of African, Coloured or Indian descent.



Value created and preserved continued

Environmental impact

Energy and climate change

Value created in 2023

- › Increased the installed capacity of our solar PV systems by 28.4% (FY 2022: 82.1%)
- › Electricity consumption has reduced by 161 million kWh (FY 2022: 150 million kWh) through our LED lamp replacement project
- › Renewable energy used in our operations: 103 234 MWh (FY 2022: 54 138 MWh)
- › Reduced our carbon emission intensity by 2.3% (FY 2022: 3.3%)
- › Science-based targets implemented in accordance with the SBTi

Capitals affected

- › Intellectual capital
- › Natural capital
- › Human capital
- › Financial capital

Water security

Value created in 2023

- › Reduced our water use intensity by 6.6% (FY 2022: 7.5%)
- › Increasing the availability of clean drinking water in rural communities by expanding our support of PlayPumps to 53 sites (FY 2022: 37 sites) across South Africa, which benefits more than 18 000 people

Capitals affected

- › Intellectual capital
- › Natural capital
- › Social and relationship capital

Waste and recycling

Value created in 2023

- › Our commitment to building better digital systems has improved efficiencies and helps to minimise food waste
- › Recycled and reused 52 061 tonnes (FY 2022: 46 102 tonnes) of cardboard from stores and distribution centres
- › 6 350 tonnes of plastic recycled in our distribution centres and stores (FY 2022: 5 449 tonnes)

Capitals affected

- › Intellectual capital
- › Natural capital
- › Human capital
- › Social and relationship capital

Sustainable packaging

Value created in 2023

- › Diverted 16 021 tonnes of plastic waste from landfills and the environment (FY 2022: 10 242 tonnes)
- › 95.3% (FY 2022: 77.0%) of our private label products have on-pack recycling labels
- › Paid R940 408 in rebates (FY 2022: R857 629) to our customers for using our reusable Planet bags
- › Using 100% responsibly sourced paper and board in our in-store packaging, representing 6 948 tonnes (FY 2022: 3 242 tonnes)

Capitals affected

- › Intellectual capital
- › Natural capital
- › Social and relationship capital

Responsible sourcing

Value created in 2023

- › 100% paper and board certified as responsibly sourced
- › We collaborate with the South African Sustainable Seafood Initiative (SASSI) to ensure sustainable sourcing of seafood
- › The palm oil and cocoa we use in our private label products, Simple Truth and Forage and Feast, are responsibly sourced

Capitals affected

- › Intellectual capital
- › Natural capital
- › Human capital
- › Social and relationship capital



Leadership reviews

Chief Executive Officer's foreword	13
Social and Ethics Committee Chairman's report	14
Head: Group Sustainability and CSI's message	15



A guest who attended the launch of Shoprite's Homegrown private label range with her purchases. The products in the range are 100% South African and 10% of them are sourced from SMMEs.

Chief Executive Officer's foreword



The three elements of our purpose and one of the drivers of our strategy, a force for good, are the subjects of this report.

Through delivering on our purpose and our commitment to being a force for good, we are also making a meaningful contribution to the achievement of three of the SDGs: SDG 2, Zero hunger, SDG 8, Decent work and economic growth, and SDG 12, Responsible consumption and production.

Our hunger relief programmes and our obsession with contributing to food security by being the most affordable, accessible and innovative retailer on the African continent contribute to SDG 2. Our Group has a significant market share in essential foods, which have experienced accelerating inflation during the year under

review. We are mindful that because of this inflation, many of our customers are experiencing financial hardship, which is contributing to food insecurity. We focus on keeping our internal food inflation as low as possible by managing our stock levels and negotiating the best prices with our suppliers. We have also invested in lower prices to shield our most price-sensitive customers. We continue assisting our customers facing food insecurity by subsidising one million R5 loaves of bread weekly and offering a range of nutritious R5 deli meals in our Shoprite and Shoprite Usave stores. The Group's Mobile Soup Kitchens served 7.1 million meals and assisted with disaster relief when required. Our food garden programme also addresses hunger relief and food security.

Welcome to our Sustainability Report for the 2023 financial year. It will introduce you to the Shoprite Group's role in society and our efforts to create economic opportunity and protect our planet.

The Group's exceptional success over the past five years has created meaningful value for all our stakeholders and contributed to the long-term sustainability of our business. Our shareholders have benefited from the dividends they have received, and the Group has been able to invest in achieving its strategic objectives and delivering on its purpose. This is despite facing a challenging trading environment.

As the largest private sector employer in South Africa, offering decent work and economic growth to 153 726 employed people, and an investor in the training, development and, where possible, employment of unemployed youth through our Retail Readiness Programme and the YES4Youth initiative, we contribute to SDG 8 and fulfil our purpose of creating economic opportunity.

We have incredibly talented people working for us. We recognised their contribution to our success by increasing our internal minimum wage to above the prescribed sectoral minimum and further increasing our cashiers' minimum wage in recognition of their essential role in ensuring every customer leaves our store happy.

A milestone in the year under review was the establishment of the Shoprite Foundation and the evergreen Shoprite Employee Trust in FY 2022, which is contributing to the economic growth and financial inclusion of our employees. The value of the Shoprite Employee Trust distributions paid to our South African employees and equivalent benefits to Non-RSA employees amounted to R212 million during the 2023 financial year. We were proud that Dealmakers SA recognised the trust as the BEE Deal of the Year. The foundation will also contribute to our role in society

by empowering communities through education and skills development and funding ESD initiatives.

During the year under review, we established Shoprite Next Capital, which is dedicated to empowering and growing local commercially viable SMMEs by providing them with access to working capital on favourable terms and the resources they need to deliver on supply contracts with the Group. This initiative will contribute to decent work and economic growth as these SMMEs grow profitably and employ more people.

Recognition of our efforts to protect the planet

During the year under review, our efforts to reduce our impact on the environment were recognised when the Group was the only African company to earn a place on the CDP FY 2022 Supplier Engagement Leaderboard for taking action to measure and reduce climate risk within our supply chain. The Group received an A-level assessment for its consistent implementation of best practices, and we reached the leadership level in the convenience retail category. Only 27% of companies in the convenience retail category achieved leadership level globally.

This report will introduce you to our investment in increasing our production and use of renewable energy, energy and water use efficiency, and recycling initiatives. You will learn that 98% of all the packaging we use in-store is reusable, recyclable or compostable. One of our successes this year is the availability of biodegradable wet wipes on our shelves. Non-biodegradable wet wipes have a devastating downstream effect on the environment. I'm glad we have been able to introduce this product to the market and reduce the impact of non-biodegradable wet wipes on the environment.

It's disappointing that we released additional GHG emissions by burning diesel to keep operating and serving our customers during load-shedding. Hopefully, this will be much reduced by the time when we next report.

It is clear from this report that while we still have a long journey ahead of us towards achieving Net-Zero, we have made good progress. My thanks to our people who have made this possible by contributing to the success of our sustainability programmes and the achievement of our purpose as a force for good.

Pieter Engelbrecht

Chief Executive Officer

29 September 2023



Social and Ethics Committee Chairman's report



The Social and Ethics Committee is constituted as a formal committee of the Board of Shoprite Holdings Limited in terms of section 72(4) of the Companies Act No 71 of 2008, read with Regulation 43 of the Companies Regulations 2011 and the King IV™ Code. My role as the Chairman, to which I was appointed following the retirement of Dr Anna Mokgokong, from the Board of Shoprite Holdings on 14 November 2022, is to report to stakeholders for the financial year ended 2 July 2023 on the committee's statutory responsibilities and Board-approved terms of reference, which were reviewed and updated during the year under review. The terms of reference set out the requirements for its composition and meeting procedures.

During the period under review, the committee held three meetings. Members of the committee and their meeting attendance can be viewed below. Executives of the Company are invited to attend committee meetings.

Members	Attendance
Independent Non-executive Directors	
Nonkululeko Gobodo (Chairman)	3/3
Dawn Marole	3/3
Paul Norman ¹	2/2
Eileen Wilton	3/3
Wendy Lucas-Bull ²	3/3
Executive Director	
Anton de Bruyn	3/3

¹ Joined the SEC as a member on 1 September 2022.

² Stepped down as member from the SEC on 18 May 2023, but continues to attend meetings as an invitee.

The committee focuses on ESG strategies, policies and performance in respect of the Group's:

- › investment in people, including transformation and employment equity, promotion of equality and the prevention of unfair discrimination, learning and development and the implementation of the Human Rights Policy
- › improvement of the customer's experience, including public health and safety, consumer engagement and communications, and responsible marketing and brand management
- › ethical practices and the prevention of fraud, bribery and corrupt practices
- › role in society, including the CSI programmes focusing on hunger relief and food security, youth unemployment and enterprise supplier development

- › environmental stewardship, including climate change, water security, waste management, sustainable packaging and responsible sourcing
- › B-BBEE programmes and plans, including the annual verification process.

The committee reviews reports and presentations on the following:

- › People development, employment equity, transformation and youth employment
- › Occupational health, safety and wellness, and the actions taken to improve performance where necessary
- › Maintaining high levels of hygiene and food safety and the mitigation of these risks
- › The Group's CSI expenditure and its progress against plans
- › Environmental sustainability and stewardship, including performance against key performance indicators and CDP disclosures for water, climate change and forestry
- › Ethics and human rights performance, the hotline cases and progress on embedding an ethical culture in the Group
- › Implementation of the Shoprite Employee Trust
- › The impact achieved by our enterprise and supplier development initiatives
- › Minutes of the B-BBEE Committee, and progress against plans and targets
- › Compliance to relevant laws and other requirements to which the Group subscribes
- › Reporting on the Group's overall ESG plans and performances, as reported in its Sustainability Report

During the year under review, committee members visited a CSI project as well as a strategic private label supplier, which has recently outgrown its SME status. The visit provided the committee with first-hand experience of the crucial support that the Group provides.

The committee understands the role of small businesses in the overall success of the country, not only in terms of reducing unemployment, which remains high, but also in terms of providing value-added goods and services into our value chain. The committee focused on the role that the Group can play in assisting small businesses to achieve scale.

The committee also conducted deep dives into employment equity, youth development, supplier development and surplus food donations.

Climate change is a focus area for the committee as it seeks to understand of the impact of climate change on the Group and the impact of the Group's operations on climate change. The World Wide Fund for Nature (WWF) held an engagement session with the Board on climate change and environmental sustainability.

The committee monitored compliance with the following:

- › Various legislation, including the Employment Equity Act, Broad-based Black Economic Empowerment Act and amended B-BBEE Codes of Good Practice, Environmental and Consumer Protection Laws
- › JSE Listings Requirements
- › King IV™

- › Ten principles of the UNGC
- › Organisation for Economic Cooperation and Development (OECD) recommendations regarding anti-corruption

The committee also monitors the Group's support of the three SDGs the Group has identified as being the SDGs to which it can make a meaningful contribution: SDG 2 Zero hunger, SDG 8 Decent work and economic growth and SDG 12 Responsible consumption and production.

The SEC receives quarterly reports on the organisation's performance in the areas that fall within its mandate.

Conclusion

The committee is satisfied that the Group continued to meet its major objectives over which the committee has oversight. Appropriate policies, frameworks and position statements are in place. We are also satisfied that there has been no material non-compliance with legislation or non-adherence to codes of best practice in the areas within the committee's mandate during FY 2023. The committee has evaluated its performance in FY 2023 as part of the Board evaluation process and is satisfied that it has fulfilled its regulatory and Board-mandated responsibilities.

Nonkululeko Gobodo

Chairman of Social and Ethics Committee

29 September 2023

Head: Group Sustainability and CSI's message



Integrating sustainability is essential to our success

We know our success is directly linked to how we invest through the cycle, through investment in our people, our communities, the planet and towards inclusive economic prosperity. We invest in building skills and differentiating ourselves to empower our people, safeguard the environment, uphold human rights, enable affordability and accessibility for customers, and support community welfare and economic development.

Environmental stewardship

As the largest retailer on the continent, we place significant focus on environmental stewardship, which affects our direct operations, supply chain and the communities in which we operate.

Environmental stewardship requires collective effort and responsibility from ourselves, our suppliers, our employees and our customers. We focus on enhancing efficiencies as part of our frugal cost management strategy and reducing our climate change impacts (by minimising waste and reducing carbon emissions).

From the Board down to the operational level, we collectively work to mitigate climate risks and enhance the sustainability of our business. Our sustainability awareness campaigns ensure we build awareness around climate change and resilience, responsible consumption, waste recycling and reducing our carbon footprint. These initiatives have been well received and have positively influenced behaviours.

Further extreme weather (floods, droughts and cyclones) is predicted to plague South Africa in the medium term. Without removing climate change risks, the pending climate disaster will affect the most vulnerable among us. As a business, we are working towards achieving our SBTi-approved Net-Zero emissions target by 2050; this ambitious target will be achieved through improved energy efficiency in our retail, warehousing and logistics operations, and by using more renewable energy – with

our renewable electricity consumption increasing to 103 234 MWh (FY 2022: 54 138 MWh).

We recognise the impact of our operations on biodiversity while also recognising our dependence on biodiversity at the same time. We work closely with suppliers to encourage responsible production and sourcing by prioritising the inclusion of sustainably sourced commodities in all our private labels.

We are extremely waste conscious and have adopted industry-leading practices to reduce, reuse and repurpose waste to prevent waste ending up in landfills. This includes repurposing food products that, while fit for human consumption, may have reached their sell-by dates or food products donated to Shoprite CSI beneficiaries. Food products not fit for human consumption are used for animal feed or sent for composting. We ensure new private label packaging is more sustainably sourced and can be recycled or repurposed into new products. By embracing this circular waste management model, we can avoid most of our waste ending up in landfill; this year 72 000 tonnes of waste avoided landfill.

Business goals aligned with the SDGs

We have deepened our commitment to the SDGs, specifically the goals of Zero hunger, Decent work and economic growth, and Responsible consumption and production. These goals offer a powerful lens through which the Group can identify opportunities

to innovate our business and improve positive social and environmental impacts.

Through our business activities, we contribute towards hunger relief, create decent employment and promote environmentally friendly consumption and production. I am pleased with the progress we have made towards achieving these global goals this financial year.

Looking ahead

While we celebrate our sustainability progress thus far, we remain committed to doing more.

We have further sustainability plans in place to continue our good work and reduce negative environmental and social impacts, and take advantage of all opportunities presented to create value for our stakeholders.

Our progress thus far was made possible through our strong stakeholder relationships and collaboration with several partners. We continue to accelerate our efforts to collaborate more with government, business and civil society in order to achieve the scale required to turn the climate change needle back.

Sanjeev Raghubir

Head: Group Sustainability and CSI

29 September 2023

Food security and socio-economic contribution

We recognise the significant role we must play within our communities.

We are committed to actively serving, investing in and supporting our communities while recognising the significant role we play in society. Our goal is to improve the lives of the most vulnerable members by ensuring our CSI programmes support and create mutual value for our communities and ourselves.

By supporting sustainable and inclusive economic growth, we support our communities. We remain committed to nurturing impactful, mutually beneficial relationships to create shared value that facilitates long-term sustainability and enhances our competitiveness.

Poverty and food insecurity accelerate the socio-economic challenges our communities face. During the year, we invested R404 million in community CSI programmes (including our feeding

programmes at ECD centres and soup kitchens, community food gardens, food donations and community initiatives that serve community members during times of crisis).

Experience has shown that low-income communities and households face the most severe impacts of climate change through droughts, flooding and fires, which further exacerbate socio-economic challenges.

In the past five years, we have contributed over R1 billion to communities through our CSI initiatives, which include 215 food gardens to build resilience and enhance food security at a community and household level. We support 114 early childhood development (ECD) centres where 7 287 children receive one nutritious meal a day – hungry children cannot learn. We operate 27 Mobile Soup Kitchens in South Africa, which served 7.1 million meals. Our extensive network further enables our suppliers to join our CSI efforts and contribute to our beneficiary organisations through collaboration and sponsorship.



Governance, compliance and risk management

Value-creating governance	17
Our contribution to South Africa's transformation	19
Materiality	22
Risk management and compliance	24
Stakeholder management	25



Value-creating governance

The Board's collective responsibility for its primary governance roles

Strategic direction

Policy and planning

Oversight and monitoring

Accountability

Board inputs



Outcomes

Effective governance leading to:

Effective control

Embedding an ethical culture

Good performance against strategy

Legitimacy

Stakeholder inclusivity

Responsible corporate citizenship

Value creation at a profit, planet and people level



Value-creating governance (continued)

In line with Principle 7 of the United Nations Global Compact, we support a precautionary approach to environmental challenges. The precautionary approach we have adopted is based on best practice, legal compliance and maintaining our environmental and social licence to operate. In line with Principle 3 of King IV, the Board assumes responsibility for the Group’s role as a responsible corporate citizen by setting the direction of the Group’s approach.

The Board adopts a stakeholder-inclusive approach to ensure the interests and expectations of our stakeholders are considered.

King IV	Social and Ethics Committee (SEC)	Board composition	Sustainable development	Sustainability linked to remuneration	Departmental sustainability plans
<p>Principle 16 The SEC provides oversight over various sustainability matters and reports on these matters to the Board.</p> <p>Principle 3 Environmental sustainability is considered critical for the Group. The Board provides oversight of environmental sustainability, including climate and water-related issues.</p>	<p>The SEC takes responsibility for addressing all sustainability-related matters.</p> <p>The SEC comprises four independent Non-executive Board members and our Chief Financial Officer (CFO). The Chairman of the Board is an invitee.</p> <p>The Group Sustainability and CSI, along with other members of our management team, attend the committee meetings by invitation.</p>	<p>The Group’s governance structure, including its Board and committees are detailed in our Integrated Report, together with a description of the composition of the Board and committees, as are the nomination and selection processes.</p> <p>The Chairman of the Group’s Board is an Independent Non-executive Director.</p> <p>The majority of the Board members are independent Non-executive Directors. The aim of having independent Non-executive Directors, one of whom is the Chairman of the Social and Ethics Committee and Lead Independent Director, is to ensure the interests of under-represented social groups and our stakeholders are represented by these directors.</p> <p>We support the principles reflected in the Employment Equity Act and promote diversity in our Board.</p>	<p>We take measures to advance the Board’s collective knowledge on sustainable development. The Board attended a WWF engagement session on environmental sustainability and climate change during the year under review.</p>	<p>To promote the achievement of our sustainability objectives and targets, the Group has linked the remuneration of our leadership team to the achievement of environmental, social and governance (ESG) objectives and targets.</p> <p>The Group has specified a 20% ESG weighting for long-term incentives (LTI) geared towards transformation metrics, and a 20% ESG weighting for short-term incentives (STI) was linked to our strategy to reduce our carbon footprint, improve the recycling of waste cardboard and plastic, and to drive higher utilisation of sustainable packaging.</p>	<p>Various other internal reporting structures include the Supply Chain Sustainability Forum, Sustainable Packaging Forum, and monthly divisional meetings where sustainability is integrated into these operations.</p>

Oversight and monitoring

Oversight, monitoring and guidance provided by our governance structures are in place to ensure effective governance.

Oversight

The role of the Board, Social and Ethics Committee and the Group's senior executives regarding sustainable development are set out in the governance section of the Integrated Report, the report of the Chairman of the Social and Ethics Committee in this report, and the application of the King IV principles.

Monitoring

We meticulously monitor and measure our impacts on the environment, using widely adopted measures to monitor our performance, providing comparability and context.

A centralised system connects our network of electricity and water smart meters, which enables us to efficiently monitor our electricity usage and water consumption. This system enables us to proactively identify water leaks, validate the accuracy of our recorded usage in line with utility accounts, and effectively manage consumption. We are currently upgrading this system, with the anticipated completion date in FY 2024.

The role of the Audit and Risk Committee (ARC)

The ARC monitors and oversees the integrity of the Group's financial and integrated reporting; and the quality, integrity and reliability of its risk and compliance management, IT governance, information security and cyberrisk management.



SEC members visited a recently graduated SMME supplier, LBB Foods Proprietary Limited, who has contributed to the Homegrown private label range.

Our contribution to South Africa's transformation

Transformation is integral to our long-term sustainability and value creation.

We are committed to contributing to meaningful social change that will transform South Africa's unique socio-economic environment. We support transformation in multiple areas within our own operations, particularly in South Africa, where most of our operations are based.

By prioritising our transformation journey, we contribute to the transformation of the retail sector. Our goal is to create long-lasting inclusive value (broad-based benefits) for South African society. Our holistic approach to transformation is embedded and integrated into our operations – spanning across our stakeholder value chain (through workforce diversification and supplier network development).

We have implemented several steps to ensure effective and sustainable business transformation, which include:

- 1 Focusing on effective skills development and talent management of our workforce
- 2 Investing in ESD that promotes transformation, which benefits our industry and helps create a transformed and inclusive society
- 3 Promoting broad-based and inclusive economic growth





Ownership

Recognising the role our employees play in our success

- › The Shoprite Employee Trust benefits qualifying Group employees. Shoprite Checkers shares were issued to establish the Shoprite Employee Trust. Qualifying employees in South Africa receive a distribution aligned to the dividend declared by Shoprite Holdings each year, according to the number of units allocated to them.
- › Non-RSA employees benefit from a cash equivalent bonus.
- › We continue to recognise the value of our employees' contributions to the success of the Group. Distributions to the value of R212 million were paid out by the Shoprite Employee Trust during the year under review.
- › Black employees made up a collective 98.3% of the beneficiaries who received distributions.

Employment equity

Hiring and promoting to support equitable growth

- › Our employment equity policy guides our approach to hiring and promoting employees.
- › We consider employment equity during the appointment process.
- › We prioritise promoting from within.
- › We offer training and support to encourage employees (at all levels) to harness the development opportunities offered.
- › We support the communities in which our employees live and work by creating sustainable employment.

Skills development

Making a difference in the lives of unemployed youth

- › We recognise that true transformation cannot be attained without contributing towards skills and talent development.
- › Our training programmes are geared towards youth, with 69% of our learners aged 35 years or younger.
- › Our training programmes offer unemployed youth practical training to aid their employability within the retail sector.
- › Our successful RRP, as well as the YES initiative remain central to our efforts towards alleviating youth unemployment.
- › Our bursary programmes continue to provide the Group with specialist skills that it requires to run the organisation effectively.



Supplier development

Creating market access opportunities

- › Our preferential procurement, supplier development initiatives and investment in key SMMEs enable transformation beyond our own operations.
- › Preferential procurement provides SMMEs with valuable access to the retail market; it includes a preference towards black-owned and black women-owned suppliers.
- › Our approach to supplier development (see page 40) has developed significantly in the year under review.
- › Preferential procurement within the supply chain is supported through our efforts in supplier development.
- › SMME suppliers are supported through various programmes to encourage their growth.
- › Through Shoprite Next Capital, entrepreneurs are supported with marketing opportunities, working capital assistance, packaging and labelling support, data sharing, product range and geographic expansion.

Socio-economic development

Transforming the communities in which we operate

- › Our CSI programmes positively impact the communities in which we operate.
- › We contribute towards building resilience within our communities through hunger relief and food security programmes.
- › Our programmes include surplus food donations, the development of food gardens, mobile soup trucks, and our support of ECD centres.

SUPPORTING SUSTAINABLE TRANSFORMATION

The Shoprite Group's B-BBEE Scorecard

We understand

We understand that transformation is integral to our long-term sustainability and value creation.

We are committed

We are committed to upholding the principles of government's B-BBEE framework. We understand that economic transformation requires a collective effort to address some of the social challenges that South Africa faces.

Our transformation strategy

Our transformation strategy focuses on promoting employees through ownership, skills, talent development and retention. We invest in SMME development and partner with our communities to find sustainable solutions to their challenges. By focusing on our transformation strategy, we will continue to contribute to the growth and transformation of the retail sector.

Our scorecard

Shoprite Holdings Limited's consolidated B-BBEE scorecard reflects the progress we have made towards the transformation of our operations and it reflects our most recent performance.



Element	Weighting	2022	2023
Ownership	25	11.07	11.04
Management control	19	10.08	9.88
Skills development	20	12.95	13.98
ESD	42	27.45	28.55
Socio-economic development	5	5.00	5.00
Total	111	67.28	68.55
Participation in YES Initiative	One additional level	One additional level	One additional level
Final B-BBEE status (after considering the discounting principle and YES participation)		Level 7	Level 6

Through the implementation of the Shoprite Employee Trust, Shoprite Checkers (Pty) Ltd, the main subsidiary of Shoprite Holdings, obtained a Level 4 B-BBEE status in 2023, an improvement from a Level 5 in 2022.

Through the adoption of our diversity and inclusion policy, we hold ourselves accountable to promote diversity in our business. Diversity targets are allocated to each business unit.

Materiality

We take an integrated approach to identify matters¹ that could influence our ability to create value in the short, medium, and long term. These matters inform our strategy to manage the risks and maximise the opportunities that present themselves.

We recognise and have considered the concept of double materiality. This involves identifying and prioritising matters that could impact our ability to create value (inward-focused financial materiality), as well as their impact on society, communities and the environment (outward-focused impact materiality) through a stakeholder engagement process that is performed every second year. The relevance of material matters was established, their importance was assessed, and their priority, based on the scale of their internal and external impacts, was established and reviewed by the Board. The outcome of this process has helped guide this Sustainability Report and our reporting suite.

Our process for establishing the matters material to our business is provided below:

Our process

Inputs

We analyse and distil the feedback we receive from engaging with key stakeholders, which include:

- › interviews with members of senior management, the Executive team and Board members
- › engagement with in-office employees, in-store employees, customers, suppliers, shareholders and financiers, regulators, communities and trade unions.



Assessing trends

- › In our operating environment
- › Their possible impact on the resources we rely on in the form of the six capitals
- › Other factors material to our short, medium and long-term enterprise value



Analysing and distilling

We analyse and distil the material matters identified into those that can impact our business, and those that may result in our business impacting society and our external environment, and their role in creating, sustaining or eroding value



Agreeing on what is material

- › Presentation of Executive-approved material matters to our Board for approval



Outcome

- › The outcome of our materiality process informs our reporting



¹ The Integrated Report provides more details on how our material matters impact our ability to create, preserve or erode value over time. This report aligns with these identified matters and elaborates on selected ESG-related matters and broader themes.

Our material matters

The table below sets out our material matters and their descriptions. The impact of each matter and our response is unpacked throughout this report. The risks and opportunities our material matters create and our response to these is included in our Integrated Report.

Our material matters	Descriptions
The impact of technology, digitisation and data analytics	The Group's reliance on IT for the day-to-day operation of its business, as well as to optimise the business and take advantage of new opportunities, is made possible by our investment in technology and data analytics.
The impact of failing infrastructure, poor service delivery, high unemployment and extreme poverty	The Group's ability to respond to issues caused by these factors include how we approach negative impacts such as social unrest, food security and affordability, and supply constraints.
An unreliable power supply	Ensuring we can operate during load-shedding has a material impact on our operating costs. Load-shedding is also affecting our suppliers, for example, in the agricultural, manufacturing and processing sectors, which could disrupt food supply.
A responsible and respected employer	Providing fair and responsible remuneration that considers several factors, including diversity, gender equality, skills, and competitive remuneration, plays a critical role in our business, which is reliant on people for the execution of our day-to-day operations as well as progress on our future growth plans.
The need to be customer-centric	To achieve customer-centricity, we relentlessly focus on understanding and addressing our customer's needs, including delivery channels, speed, efficiency and tailor-made marketing. By expanding, adapting and securing our supply chain, we have enhanced its resilience and agility to serve our customers' growing needs. Delivering on our role as a responsible corporate citizen includes our responsible approach to environmental stewardship and our approach to encouraging consumer sustainability awareness through our <i>Better for our planet</i> campaign.
Capital allocation to support investing through the cycle in challenging economic conditions	Our Group's focus and execution of our strict capital allocation framework guide future investments that align to our ecosystem strategy and provide improved returns to our shareholders. This framework is essential to how we respond responsibly to our uncertain and volatile operating environment.
A values-based ethical culture	By implementing business policies, processes and responsible and responsive business practices, we are embedding a values-based ethical culture in our business that protects it from unethical and corrupt behaviour and ultimately contributes to our social licence to operate.

Our material matters	Descriptions
The short, medium and long-term effects of climate change on our business operations, customers and communities	Our sustainability strategy is focused on actively addressing our impact on the environment and society. It drives efficiencies in our operations through the efficient use of electricity and water; responsible waste management, including recycling and reducing food waste and responsible sourcing and reducing our impact on biodiversity. Our focus on these efficiencies is intended to reduce both our costs and our environmental impact. Our contribution to hunger relief and food security is also a key element of our strategy. Recent severe weather events in the provinces of KwaZulu-Natal and the Western Cape, during which we provided assistance to the communities affected, have brought home to us that climate change is not in the future, it is with us now.
The impact of pricing pressure on our supply chain	We are building resilience in our supply chain to address pricing pressures and global and local food shortages.
The loss of scarce skills	Our focus is on attracting, developing, and retaining the skills we need, as well as meeting our succession planning requirements.
Cybersecurity risks associated with data theft and ransomware	The organisation's effective response to protect itself and stakeholders against cybercrime, data theft, and ransomware is essential as the use of technology expands within the organisation and as cybercriminals develop more sophisticated means to commit cybercrimes. This includes compliance with regulations focusing on data security and customer privacy.
Continual increase in regulatory requirements	Meeting the increasing legislative and regulatory requirements is costly. To ensure we meet our commitments in this regard, the Group's Compliance Manager, supported by the Group Legal department, oversees our compliance with the complex regulatory environments across 13 industries and 10 countries and ensures we maintain the good reputation of our brands. We use our technology to aid and verify our compliance.

Read pages 22 to 27 of our Integrated Report for further information about our material matters.

Risk management and compliance

Risk management

Risk is unavoidable and intrinsic to our business. As a result, we must strike a balance between mitigating threats and exploiting opportunities.



Our risk management system is an integrated part of our overall governance and reporting process. It is defined by a risk management framework and is supported by our policies, processes and business activities.

The Board and key subcommittees provide an oversight function to our risk management activities and are ultimately accountable for our risk management. All risks and material matters are managed through a Board-approved Enterprise Risk Management (ERM) Policy and Framework that is modelled on ISO 31000 principles. These oversight principles help us identify, analyse and evaluate risks, while our sound governance structures enable us to respond accordingly.

Our combined assurance and risk management approach is aligned with King IV™. The ARC oversees the effectiveness of our combined assurance framework, together with the Group Risk Manager, Group Compliance Manager and the Internal Audit Executive, with the aim of achieving an effective combined assurance framework for the Group.

All changes within the risk environment are recorded in our combined assurance model, which is discussed on pages 28 to 29 of our Integrated Report.

Top six core risks

- 1 Non-compliance with laws and regulations
- 2 Weak internal controls over financial reporting
- 3 Stock losses (shrinkage and waste)
- 4 Breakdowns and interruptions in the supply chain
- 5 Unavailability of key systems
- 6 Information security including cyberrisk

For further information on the Group's risks and opportunities, refer to our Integrated Report on pages 22 to 27.

Roles of the ARC and the monthly risk forum

The role of the ARC

- › The ARC exercises ongoing oversight of Group activities related to ERM and the Group's sustainability-related risks and opportunities.
- › It monitors the impact of the external environment on the Group's core enterprise risks, financial performance and resilience.

Monthly Risk Forum

Our business units meet at a Monthly Risk Forum where risks and opportunities are identified, and Group strategy and appropriate actions are formulated to mitigate risk within policy.

Sustainability risks

Our risk universe addresses risks relating to our themes of sustainability: employees' skills development and talent retention, customer-centricity, supply chain resilience, socio-economic contribution and environmental stewardship. All risks are identified and assessed the same way, through the Group's integrated multi-disciplinary company-wide ERM process.

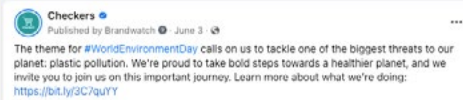
Environmental risks are a key consideration within our ecosystem of risks. The SEC is tasked with reviewing and guiding climate-related risk management policies and the Group Sustainability and CSI is responsible for the process of identifying, assessing and managing climate-related risks and opportunities. Environmental risks are assessed more than once a year and consider short, medium and long-term horizons. Future uncertainties, such as regulatory environment and climate change scenarios are accounted for, and the necessary planning is implemented.

Our climate-related disclosures and how we manage risks relating to climate change can be found within our TCFD Index, found on page 86. A more detailed description of how climate-related risks are considered can be found within our CDP climate change response. The Group discloses risks relating to biodiversity and forests by way of their CDP forests response and discloses risks relating to water by way of their CDP water response, and this is supported by the WWF Water Risk Filter 6.0.

Stakeholder management

Engaging with our stakeholders

Relationships are central to our purpose, and our stakeholders play an essential role in our value creation process. Our values guide the behaviour necessary to fulfil our purpose and define how we do business. Our engagement is designed to address the interests and concerns specific to each group of stakeholders.



We average three sustainability posts per month on social media.

Our stakeholders	The value we want to deliver to our stakeholders	How we deliver stakeholder value	How we engage
Customers	<ul style="list-style-type: none"> › Affordable products › Healthy and nutritious food choices › Rewarding customer experiences 	<ul style="list-style-type: none"> › Put our customers first › Be responsible towards our customers › Act ethically and with integrity 	We use traditional and new media channels to engage with our customers through daily in-store and online interaction. This includes television, radio, print and digital for mass awareness.
Employees	<ul style="list-style-type: none"> › Fair remuneration, benefits and incentives › Training and development › Providing an engaging work environment 	<ul style="list-style-type: none"> › Enable our people to do their best work by empowering them with technical and leadership skills aligned to our customer-first culture › Provide a working environment that prioritises respect for human rights and employee well-being › Through distributions to employees from the Shoprite Employee Trust, they participate in the Group's success › Diversity and transformation 	Our internal direct digital communication platform, SiyaRinga, is gaining popularity with our employees, with 91 782 of our employees signing up to the platform in FY 2023 (FY 2022: 81 877). We also engage through several internal newsletters and various other direct information channels, including a confidential hotline. Operational management addresses issues related to the employee's place of work, and the Group people team provides support and training and development across the Group.
Communities	<ul style="list-style-type: none"> › Develop and employ youth › Hunger relief and food security › ECD support › SMME development 	<ul style="list-style-type: none"> › Doing the right thing › Actively serving, investing in and supporting our communities › Investing in ECD centres › Youth employment opportunities 	Our dedicated CSI team engages with community members and organisations through our community projects.
Suppliers	<ul style="list-style-type: none"> › Mutually beneficial partnerships › ESD › Support local and women-owned suppliers 	<ul style="list-style-type: none"> › Ensure business continuity › SMME development through Shoprite Next Capital's grant funding › The Shoprite foundation's funding of ESD initiatives › Provide opportunities for SMMEs to build sustainable, profitable businesses 	One-on-one supplier/buyer relationships and our supplier onboarding process differentiates the Group. We also communicate with our suppliers through our Supplier Code of Conduct. Management of our extensive contractual arrangements and transaction interactions takes place through a supplier portal on the platform provided by our integrated enterprise resource planning (ERP) system.

More information on our stakeholders' concerns and how we have addressed them is available in the stakeholder engagement section of the Integrated Report.



Our stakeholders	The value we want to deliver to our stakeholders	How we deliver stakeholder value	How we engage
Shareholders, investors and financiers	<ul style="list-style-type: none"> › Ability to create sustainable enterprise value › Performance against strategy, including ESG › Risk and business continuity management 	<ul style="list-style-type: none"> › Investing through the cycle for future growth performance › Sustaining sales growth and market share › Improving the Group's returns and declaring a dividend › The Group's world-class ability to execute › Use our platform advantage to leverage our scale, network and data to unlock new income for the Group 	<ul style="list-style-type: none"> › JSE SENS announcements › Interim and annual results presentations › Integrated and Sustainability Reports › One-on-one and group meetings with our Executive team and Board members › Fund manager and analyst site and store visits › Attendance at fund manager conferences locally and offshore › Annual General Meeting
Regulators	<ul style="list-style-type: none"> › Compliance and participation in public policy › Health and safety standards › Transformation improvements 	<ul style="list-style-type: none"> › Ensure adherence to regulatory compliance › Maintain regulatory licences › Collaboration with government 	<ul style="list-style-type: none"> › Through a formal risk-based compliance process › Participation in industry forums › Provision of information with the aim of proactively contributing to policy development
Trade unions	<ul style="list-style-type: none"> › A mutually beneficial engagement on relevant operational activities and changes › Job creation, decent working conditions, remuneration and benefits › Employment equity 	<ul style="list-style-type: none"> › Long-term substantive agreements providing for fair and responsible remuneration of our employees › Maintaining a healthy relationship with our bargaining unit › Continuous consultation and engagement 	<ul style="list-style-type: none"> › Continuous consultation and engagement on relevant operational activities and changes › Participate as a signatory of the UNI Global Union, a global union federation

Providing mechanisms for engagement

We provide mechanisms for our stakeholders to engage when they have concerns or seek advice. The Group supports the United Nations International Guidelines for Consumer Protection and upholds the Consumer Goods and Services Industry Code of Conduct, and we participate in the Ombud Scheme. These codes and guidelines form the minimum standard for our internal codes and guidelines.

The Consumer Goods and Services Ombud reinforces the Consumer Goods and Services Industry Code of Conduct in line with the Consumer Protection Act and deals with customer complaints and allegations free of charge. We are a proud member of this scheme as we strive to provide unrivalled services and quality products to consumers.

If any employee or stakeholder believes that there has been a violation of any human right in our operations or in connection with any business dealing involving the Group, then they should report it immediately so that appropriate steps can be taken. Our Tip-off hotline or the Active Service Excellence South Africa (ASESA) email service (asesa.co.za) may be used, and employees can also use the Group's SiyaRinga platform.

Our key partnerships

Our partnerships with experts in their respective fields deepen and broaden the impact of our efforts to deliver on our sustainability commitments. We work with various sector education and training authorities (SETA), and with technical and vocational education and training colleges to offer accredited training programmes and workplace experience opportunities.

We also partner with various government departments¹, non-governmental organisations, disaster relief organisations and other key strategic partners to deliver on our sustainability commitments.

¹ The South African Department of Water and Sanitation, the South African Department of Social Development, the Department of Trade, Industry and Competition, the Department of Employment and Labour, and the Department of Health.



Economic sustainability

Customer-centricity	28
Customer experience	28
Supply chain resilience	36



Customer-centricity

We intend to promote inclusive and sustainable economic growth.

Meeting our customers' needs is central to our business success. In an operating environment marred by high inflation and chronic power outages, the socio-economic reality remains strained, where customer affordability and experience require a focused pursuit of affordability, accessibility and innovation.

Our customers are increasingly aware of the environmental and social issues. As a result, they become more relevant when developing our private label brands. Our product offering is tailored to the unique needs of our customers across geographies and income groups.

Affordability

SHOPRITE
42.8 million
 loaves of subsidised bread sold in this financial year
(FY 2022: 76.8 million loaves)

Ubrand and Ritebrand
 products sold close to home in our Usave retail stores

487
 Usave stores
(FY 2022: 457 stores)

535
 OK franchise stores
(FY 2022: 513 stores)

Accessibility

3 326 total
 store footprint
(FY 2022: 2 989 stores)

Private label
 products scope increased
 offering reach increased

28 million
 customers served through our 27 trusted brands
(FY 2022: 24 million customers and 23 trusted brands)

9
 new stores added and one new brand, UNIQ clothing

Innovation

Xtra Savings rewards, Money Market, Sixty60



MoneyMarket

MoneyMarket account



Products and services that meet safety and regulatory requirements



Supplier partnerships to support a customer-centric offering



Compliance with marketing and labelling legislation

Customer experience

We provide our customers with quality products and exceptional customer service regardless of the price point they are buying at. Our customers can access world-class quality and variety through our in-store product offering. We also provide innovative solutions to our customers in an increasingly digitised world through our online shopping experience.

Affordability and accessibility across brands

As socio-economic conditions worsen, we understand the continued affordability and accessibility pressures our customer's experience. Rising interest rates and inflation, plus the war in Ukraine have dramatically impacted the affordability of products. They have increased the cost of agricultural inputs, packaging, manufacturing and transport, and impacted both local and imported products.

To support our customers in these challenging times, we have focused on ensuring affordability and accessibility across our brands. We continued to promote affordable, nutritious and protein-rich foods (meat, eggs, dairy and beans), and kept prices on nutritional essentials as low as possible

and at times subsidised pricing to promote affordability – ensuring nutritional value for money to customers. Each of our brands has a distinct purpose, providing value for money across a range of income groups.

We have increased our accessibility and reach through Sixty60 and our Usave and Usave eKasi stores. Our Housebrand, Ritebrand and Ubrand product ranges ensure key product categories remain affordable, while our premium private label brands provide value for money, thereby democratising quality. We also ensure our staple private label products remain affordable. We work with suppliers to negotiate the best possible prices.

Maintaining inflation-beating low prices

As food price inflation in South Africa increases to **12.3%**

(FY 2022: 6.5%),

we have kept our internal food price inflation at **10.1%**

(FY 2022: 3.9%).

The rising cost of agricultural inputs and fuel price increases, directly impact pricing, consumers' affordability and food insecurity.

Our efforts to mitigate the inflationary impacts include managing our stock levels and negotiating the best prices with our suppliers. Efficiencies in our own operations play a critical role in keeping internal food price inflation low.

Our affordability-focused private labels (Ritebrand, Ubrand, Housebrand and Hyper Value) provide customers with access to uncompromising quality through a range of staple products at the lowest price possible. We have added an additional 615 products to our range of value and affordability-focused products, ensuring more quality products remain affordable (FY 2022: 676).

Savings events (such as Black Friday, our Big Red Weekend and our Usave four-day price slash promotions) support our ability to put products on our shelves at inflation-beating prices. During these promotions, our economies of scale strategy and significant negotiating power support customer affordability.

Our 30 distribution centres help to localise buying in our provinces; this helps to lower logistics costs which improves cost savings for our customers and supports our small to medium suppliers. The Group assists small emerging farmers to become local suppliers and grow their businesses.

Expanding our R5 offering

Our commitment to prioritising affordability and accessibility.

600g brown bread loaves	Deli meals	Financial services
To contribute towards addressing food security, we subsidised 823 402 brown bread loaves weighing 600g per week during FY 2023, which we have been selling for R5 a loaf since April 2016 when the average price of a standard 700g loaf of brown bread was R10.	We offer a variety of R5 deli meals in our stores to help customers access nutritious meals. We have subsidised 204.8 million R5 deli meals since mid-2017.	The need for affordable financial services is becoming as important as the need for affordable food. We work hard to ensure that our Money Market products carry the lowest costs possible. In-store transactions are free, except for a flat R5 fee for cash withdrawals.

Xtra Savings rewards programme

The Xtra Savings rewards programme (Shoprite and Checkers) provides customers with instant savings on multiple products while offering personalised customer offers based on each person's unique purchasing history.

27.8 million
Xtra Savings members
(FY 2022: 24.7 million)

R13.5 billion
total customers' savings through Xtra Savings
(FY 2022: R9.4 billion)

Xtra Savings rewards

are also linked to the Checkers Sixty60 delivery app, allowing customers to get their Xtra Savings promotions and personalised offers delivered within 60 minutes.



A soup and bread roll was added to the selection of R5 meals sold in Shoprite.

Smaller-format Usave

Our Usave eKasi stores are in underserved low-income communities. Their location (positioned close to customers' homes) reduces customer transport costs.

These stores sell a limited assortment of essential goods, including our Ubrand products across multiple categories, from toiletries and cleaning products to pantry staples (such as pasta, canned food and condiments).



Usave

No-frills brand that offers a limited range of basic products at the lowest price possible in small-format stores.



Usave eKasi

Usave-branded flexible-format container stores positioned mainly in rural areas close to customers' homes.

Six

new Usave eKasi stores opened in South Africa

(FY 2022: five)



Shoprite financial and cellular services (Money Market counters and Lifestyle services)

Enabling financial inclusion and offering more convenience






Financial services

289 million
financial service transactions supported
(FY 2022: 263 million)

2 380
stores with financial services
(FY 2022: 2 310)

Our financial and lifestyle services create an ecosystem that enhances accessibility and convenience, with Money Market counters providing access to essential financial services, thereby enhancing our customers' one-stop-shopping experience.



Service	Economic value created
 	<p>Our Money Market Accounts are accessible to South African citizens and foreigners living in South Africa, providing essential services to the unbanked. These digitally enabled services complement our savings stamps, trusted within the communities in which we operate.</p> <p>The Shoprite app enables customers to access their Money Market Accounts through WhatsApp and USSD, thereby linking our customers to a Money Market Account that offers free transactions, except for a flat cash withdrawal fee of R5.</p> <p>Our Shoprite Money Market Account was used by 3 251 048 customers (FY 2022: 1 629 540 customers).</p>
	<p>Customers can use their Xtra Savings card to access their accounts in-store where we provide in-person support.</p> <p>We provided our customers with R13.5 billion (FY 2022: R9.4 billion) in instant savings discounts.</p> <ul style="list-style-type: none"> › 27.8 million customers (FY 2022: 24.7 million customers)
	<p>Our Shoprite Send offering enables cross-border money transfers, which covers several corridors with distribution partners in countries that facilitate this service.</p> <p>We facilitated 87 928 money transfers to 65 different countries (FY 2022: 77 countries).</p>
	<p>K'nect Mobile is our virtual mobile network that offers customers 25% more airtime when topping up at our tills and offers the lowest priced data to Money Market account customers.</p> <ul style="list-style-type: none"> › 112 346 customers
South African Social Security Agency (SASSA) grants	<p>SASSA beneficiaries can elect to receive their grant payments in their Shoprite Money Market Accounts or collect their SASSA grant at any of our stores in South Africa. This includes Checkers, Usave and selected OK Food stores.</p> <ul style="list-style-type: none"> › 1 953 745 SASSA beneficiaries (FY 2022: 1 529 648) every month
Social Relief of Distress	<p>The R350 Social Relief of Distress (SRD) grant provides basic support for around 10 million unemployed people.</p> <p>Grant recipients can access their funds at any till point in Shoprite, Checkers, Usave and selected OK Foods supermarkets in South Africa.</p> <ul style="list-style-type: none"> › 12 248 106 SRD relief grants were paid out in FY 2023 (FY 2022: 71 518)
National Student Financial Aid Scheme	<p>We facilitate the National Student Financial Aid Scheme (NSFAS) payments to beneficiaries.</p> <ul style="list-style-type: none"> › R793.2 million NSFAS payments were made to 993 371 beneficiaries
Other financial and lifestyle services	<ul style="list-style-type: none"> › FNB bank card replacement service. › Savings stamps help customers save for big purchases and special events. › Virtual vouchers offered. › Contactless transactions through tap-to-pay and scan-to-pay facilities offered. › Computicket transactions offered.

Private label ranges

Our farm-to-fork approach strives to give people what they want:

- › affordable
- › quality
- › and sustainably produced and packaged products.

We have expanded our range of value-for-money options in our premium private label categories. Our private label brands and product offering grew by 19.4% (FY 2022: 14.5%) adding a total of 1 176 (FY 2022: 1 285) new private label products to our shelves.

In total, our private label offering now consists of 4 131 products (FY 2022: 3 861 products). In South Africa, private label participation accounted for 18.9% (FY 2022: 18.8%) of sales.

Our private label offering

We offer a wide variety of private label ranges and products, which include:



'Homegrown' speaks to the products within the new private label being 100% South African.

Our exclusive private label Homegrown range is locally sourced from primarily SMMEs. The Homegrown brand creates opportunities for emerging enterprises to thrive in the retail space. Access to market via 615 Shoprite supermarkets nationwide enables SMMEs to get their products onto shelves and impact their local communities by creating more jobs.

The range consists of everyday favourites including chutney, tomato sauce, atchar, biscuits, chips and candy. It also provides an opportunity for customers to buy a quality range at Shoprite stores, without compromising their budget.

Our Shoprite Next Capital division is dedicated to capacitating and growing commercially viable SMMEs to further our continued efforts to support small suppliers.





Our Forage and Feast product range is available at Checkers and Checkers Hyper stores.

Forage and Feast offers customers food products made from top-quality, responsibly sourced ingredients, including fish, palm oil and cocoa.

The range covers all you need to make the in-home dining experience an exceptional one, from premium sustainably sourced seafood and decadent desserts to crystal wine glasses and tablecloths.



Simple Truth is a healthier alternative.

Simple Truth meets customer demands for offering healthier alternatives and environmentally friendly products and now includes 260 product lines (FY 2022: 209), 51 of which were added in the year under review (FY 2022: 39).



Oh My Goodness! is for children.

We promote products that are better for children, especially through our Oh My Goodness! range.

More product choices through agencies

We use the logistics and employees of existing supermarkets to establish logical agencies and offer our customers the convenience of one-stop-shopping.



Little Me

Little Me offers a range of top baby brands, including maternity wear exclusively designed and manufactured by Cherry Melon, a local supplier. This includes the popular and affordable Miyu range, which is exclusive to Little Me.

We offer three dedicated Little Me departments in selected Checkers stores (FY 2022: 11), with nine stand-alone Little Me stores (FY 2022: one store).



Petshop Science

We have opened 31 dedicated stores (FY 2022: 21 stores), which feature everything pet owners could want or need at supermarket prices.



Outdoor

The first Checkers Outdoor store opened in 2022. By year-end, there were eight Outdoor stores, and we plan to open another three Outdoor stores in FY 2024.



Medirite Plus

Medirite Plus stores offer a one-stop health and wellness destination for customers, offering affordable and accessible product ranges.

Six stand-alone pharmacies (FY 2022: two) enable customers to fill their prescriptions and select other specialised healthcare items.

UNIQ

UNIQ

Our new clothing brand, UNIQ, which caters for the entire family through a range of premium basics, opened its first stand-alone store in Cape Town at the end of March 2023. By year-end, nine stores had been opened.



Customer delivery options

As part of our drive to improve accessibility for our customers, we introduced and expanded our delivery service options, including:



Sixty60 delivery service

Sixty60 is our one-hour on-demand grocery delivery service, which offers customers a home delivery service and the option to search for specific product categories.

Sixty60 now also offers a service guarantee that will refund the R35.00 delivery fee if a delivery is more than 30 minutes late or if a customer receives less than 80% of their first-choice products.

As part of our drive to reduce our environmental footprint, all Sixty60 bags are recyclable, with messages to create customer awareness about recycling.

Sixty60 is available through 466 of our Checkers stores across all nine provinces in South Africa (FY 2022: 300).



The Medirite Courier Pharmacy Service is now integrated with our external courier partner's systems; a seamless more efficient process.

Promoting sustainability consciousness among consumers

We ensure our private label products are not only affordable but environmentally sustainable as well.

Our goal is to promote awareness and give our customers more sustainable product options. Customers are more conscious about their health, consumption habits and environmental impacts. As a result, they are seeking healthier product options and products with lower environmental and health impacts.

When developing and packaging our private label products, we ensure environmental sustainability is top of mind during the development stage. To achieve this, we engage with vendors to understand what they can offer early in the product development process and promote suppliers who develop environmentally sustainable options. This ensures our consumers have a wide variety of environmentally sustainable products available to them.

Sustainability awareness campaigns

Brands, environmental campaigns

Our *Better for our planet* campaign focus on issues relevant to our own operations and the lives of our customers. Through these campaigns, we share the progress made so far and encourage our customers to make better choices.

Supplier environmental awareness

Many suppliers' product lines are now more environmentally sustainable due to increased environmental awareness.

We encourage suppliers through several environmental marketing campaigns that promote environmentally sustainable products beyond our private label offering.



Health-focused and environmentally friendly offerings

Plant-based product offerings

We offer 302 plant-based products (FY 2022: 275 products).

We have partnered with the LiveKindly Collective to ensure we provide a wide variety of plant-based products to our customers. By providing these products, we are helping our customers be more environmentally responsible.

Health-focused offering/endorsement and certification of private label products

We continue to focus on health and well-being through our:

- › Checkers' Simple Truth
- › Oh My Goodness! brands
- › Live Better product offerings.

These products provide customers with the options they need to eat for better health through their everyday shopping experience.

Several of our private label products are:

- › endorsed by various foundations and certification bodies
- › endorsed by Beauty Without Cruelty
- › endorsed by the Heart and Stroke Foundation
- › certified by Diabetes South Africa.



Responsible marketing and brand management

We value the trust our customers have in our brands.

We recognise that responsible marketing directly impacts how our customers, communities and suppliers perceive our brands. The marketing of our private label brands is aligned with our values while also adhering to the Code of Advertising Practice administered by the Advertising Regulatory Board (ARB). We also monitor the adherence of our suppliers' product marketing to the Code of Advertising Practice.

The Code of Advertising Practice is based on the International Code of Advertising Practice, which is prepared by the International Chamber of Commerce. This is internationally accepted as the basis for domestic systems of self-regulation. The principles laid down in the International Code are then contextualised to the circumstances of advertising in South Africa.

We intend to abide by the Code of Advertising Practice. To this end, we remain committed to ensuring that:

- › our advertising is informative, factual, honest, decent and does not violate any laws
- › the Group uses a mix of advertising channels to offer customers tailored promotions
- › we do not accept any advertising that conflicts with the Code and will withdraw any advertising deemed unacceptable by the ARB, Advertising Appeals Committee or Final Appeal Committee
- › our marketing and labelling goes beyond regulations and legislation while also meeting increasing customer demands.

Advertising mix and social media presence

We have increased our use of digital channels, including SMS, WhatsApp and online promotions, which offer personalisation that complements our traditional channels (television, radio, leaflets and newspaper advertisements). We also use these digital channels to get feedback from our customers. Customers can easily log a complaint, pay us a compliment, ask a question or get more information on a particular topic via our digital channels.

The number of followers we have on social media channels

	Facebook	Twitter	YouTube	Instagram	LinkedIn	TikTok
Checkers	1 290 212 (FY 2022: 1 266 188)	275 455 (FY 2022: 263 350)	16 170 (FY 2022: 12 850)	162 527 (FY 2022: 138 218)	–	93 714
Shoprite	1 492 178 (FY 2022: 1 270 732)	220 864 (FY 2022: 210 500)	9 498 (FY 2022: 9 210)	80 321 (FY 2022: 65 800)	–	43 151
The Shoprite Group	–	–	1 437	–	289 985	–
Shoprite^x	–	–	325	–	15 336	–
Act for Change	–	21 348	–	11 100	–	–

Customer health and safety

We prioritise customer health and safety by ensuring all products meet specific quality and safety standards.

We monitor various aspects of health and safety by focusing on our stores, delivery channels and supply chain.

Health and safety

We endeavour to meet all regulatory requirements by maintaining the internal health and safety standards in all our stores.

Supply chain

Multiple stakeholders influence our ability to safeguard food and product quality in our supply chain. Through continued engagement with these stakeholders, we are able to meet regulatory standards in our countries of operation and international best practice standards.

Ensuring in-store safety

The physical safety of our customers and employees is a priority in our stores.

Our centralised command centre manages safety within our operations and uses technology and software systems to manage crime-related risks. The in-house team includes former police members, detectives and an expert criminal lawyer.

We take preventative action and play our role in the arrest and prosecution of criminals who undermine our operations and safety.

6%
reduction in violent and serious crimes in the year under review

(FY 2022: 11%)

Prioritising food safety

Food safety remains a key priority.

We have instituted multiple food safety interventions based on a food safety management system aligned to:

Food safety interventions	<p>The Group's food safety is built on the following three pillars:</p> <ul style="list-style-type: none"> › a focus on food safety when onboarding new suppliers › ensuring food safety in our stores and distribution centres through independent audits and subsequent mitigation measures › review customer complaints to identify potential issues every week.
Employee training	<ul style="list-style-type: none"> › Our food safety training courses support our operations, protect our customers and upskill our employees. › 154 727 employee training interventions held on food safety this year (FY 2022: 176 884 employee training interventions).
Store hygiene audits	<ul style="list-style-type: none"> › We did not receive any significant negative food safety audit outcomes through diligent compliance with our food safety protocols. › We conducted 3 625 store hygiene audits (FY 2022: 3 214 audits).
Product recalls	<ul style="list-style-type: none"> › We recorded one product recall in the year under review resulting in 4 512 units being withdrawn from market, of which none were private label products. Our Quality Assurance department manages the upliftment of impacted products from our stores. We have revised the definition of product recalls to better align with the SASB standards. Our reporting now focuses specifically on recalls related to food safety, as opposed to the previous practice of reporting on all types of recalls. <p>A food safety-related recall is defined as the withdrawal of a marketed product where there is reason to believe that a food could result in harm to consumers' health. Owing to this revised definition, the comparative figures for 2022 are not available.</p> <ul style="list-style-type: none"> › 12 private label products were voluntarily withdrawn from sale.
Customer incidents	No customer incidents related to products were reported.



Supply chain resilience

Our extensive supply chain enables us to meet the varied needs of our customers.



OUR SUPPLY CHAIN

Reaches from our **suppliers**
(growers and farmers)

through our own **warehousing and logistics operations**

to our **stores**

Through our 44 years of retail experience, we have learnt strong relationships with our suppliers are essential to our success.

Investing in technology

Our continued investment in technologically-enabled systems and infrastructure ensure we maintain and, in many cases, enhance efficiencies throughout our supply chain. For example, technology helps us improve our on-shelf availability while reducing food waste.

Diligent planning

We diligently manage all facets of our supply chain to keep our affordability promise and reduce our environmental footprint; this includes planning, forecasting, procurement, warehousing and distribution.

Relationship building

Through our 44 years of retail experience, we have learnt strong relationships with our suppliers are essential to our success.

We have developed long-standing relationships with our suppliers, who are primarily local suppliers in the countries where we operate. This approach enables us to deliver on affordability while reducing our environmental impact.

Our scale, footprint and distribution routes to market support the development of local suppliers (where possible) and promote overall availability per country.

How our supply chain enables retailing

State-of-the-art distribution centres (DCs)

DISTRIBUTION CENTRES

2022	2023
29	30

Employee training focused on improving efficiencies

Advanced cold-chain management

A sophisticated information management system

A fleet of trucks and trailers

DRIVERS

2022	2023
1 531	1 408

TRUCKS

2022	2023
903	1 001

TRAILERS

2022	2023
1 360	1 394

TRAILERS WITH SOLAR PV PANELS

2022	2023
1 041	1 001

Delivery to our stores

CASES OF PRODUCT DELIVERED TO OUR STORES

2022	2023
351.4 million	374.9 million

We support local suppliers to support local economies and develop local and small suppliers.

Building a resilient supply chain

Local supplier understanding and support

- › We support local suppliers to support local economies and develop local and small suppliers.
- › In developing our private label ranges, we prioritise local suppliers, except when local supply does not meet demand, or where production is geographically bound.
- › Our private label grocery products are 88.8% locally produced (FY 2022: 88.4%).

Managing supply chain challenges

- › We manage existing and emerging challenges in our supply chain through proactive engagement and collaboration with our suppliers. Our ability to exercise a high level of control over our supply chain from end to end allows us to rapidly implement changes.
- › In difficult times, our supply chain has remained agile and resilient.

Supply chain diversification

- › The changing operating environment (from a climate and socio-economic perspective) has increased the need to diversify our supply chain to remain resilient to external challenges.
- › The volume and range of products we need to procure necessitate that we work with a wide variety of suppliers, from large multinational companies to SMMEs.
- › Our buyers engage directly with our network of suppliers and producers. Our extensive DC network guarantees our produce is delivered fresh and efficiently.
- › In South Africa, 194 of our growers are SMMEs (FY 2022: 215), accounting for more than R326 million of the fresh produce we procure annually (FY 2022: R350 million).



THE IMPACT OF SUPPORTING SMALL BUSINESS

We launched an exclusive new private-label product range called Homegrown, sourced primarily from local SMMEs. Khayelitsha Cookies form part of the initial Homegrown range launching into stores:

Established in 2011, Khayelitsha Cookies is co-owned by former employees Adri Williams, who bought the indebted company for R1 in 2013, and Eunice Nyobole, who brings 18 years of experience with the business to the table.

Khayelitsha Cookies is devoted to **empowering and training unemployed women** from the local community to hand bake and pack cookies at the company's factory in Parow, Cape Town.

The partnership between Adri and Eunice has resulted in a thriving bakery with **87 employees** who share ownership of the business through a trust.

“Shoprite and Homegrown have made the impossible possible. Most SMMEs don’t have direct access to the market or the capabilities to be on the shelves of the biggest retailer in Africa,” says Adri.

Eunice adds: “We’re also able to employ more people, and through buying our products, customers are supporting many families.”

Khayelitsha Cookies’ range of Homegrown products includes Strawberry Flavoured Cookies with White Chocolate Chips and Lemon Flavoured Cookies.



Building a resilient supply chain continued

Systems and processes

Systems and processes are supported by technology and people to help improve efficiencies.

Improving forecasting

We remain focused on improving our forecasting and replenishment to support affordability and reduce waste.

Distribution network efficiency

Building a reliable and efficient distribution network

We have a centralised distribution network of 30 DCs (FY 2022: 29 DCs) from which products are dispatched to our stores via a fleet of trucks and trailers. By reducing the distance travelled from supplier to DC and DC to store, we have developed the shortest and most responsive supply chain in South Africa. A short supply chain supports a wider variety of local suppliers and reduces the carbon footprint of the products we sell, lowers transportation costs and promotes the delivery of high-quality fresh produce.

Our on-shelf availability indicates whether stock is available when and where our customers need it. In this financial year, our on-shelf availability reached 97.0% in our South African stores (FY 2022: 97.5%).

Our AI-enabled forecasting and replenishment tool uses AI and machine learning to monitor short shelf-life products and improve our replenishment process. Replenishment automation speeds up the process and increases stock accuracy by reducing the resources needed and the waste created. We use this for all our short shelf-life products, such as our Freshmark brands, poultry, eggs, dairy products, and chilled processed cold meats. We intend rolling it out to our breads over the next three months.

Our investment in 780 fuel-efficient trucks offsets the cost of fuel and lowers our carbon footprint.

Optimising the products available on our shelves can reduce overstocking and logistics costs and waste to landfill. We intend to exceed customer expectations while minimising waste.

Supplier engagement

We value transparency and accountability and thus work with suppliers to improve their overall social and environmental impact to lower our supply chain's impacts, and build upon our relationship and professional ties with our suppliers.

Suppliers must sign our Supplier Code of Conduct as part of our vendor onboarding process. All prospective suppliers must commit to this code of conduct before becoming a supplier to the Group.

Our annual Supplier Sustainability Survey helps us understand our suppliers' sustainability profiles in the context of climate and water-related challenges. We use the insights from this survey to mitigate supplier risks (where possible).

238

suppliers completed our supplier survey

(FY 2022: 204 suppliers)

Most of our suppliers are adopting responsible sourcing and sustainable packaging policies. On occasion, they assist many of our CSI programme beneficiaries as well.

Annual Supplier of the Year awards

Our annual Supplier of the Year awards recognise the valuable contribution suppliers make to the success of the Group.

We included an SMME award and a Sustainability award for the first time this year. Recognised as our most innovative and outstanding SMME supplier in 2022 was Browns Foods who supply the Group nationally with corn dogs. Infection Protection Products won the Sustainability award.

Infection Protection Products provides the Shoprite Group with trolley wipes that are recyclable. They recycle their products into furniture and pallets. They also recycled some of their products into a jungle gym for one of the ECD centres the Group sponsors.

Finalists across 10 categories were evaluated on criteria such as the extent to which they had contributed towards Shoprite's growth and improved earnings, their stockholding and service levels, the efficiency of their administration processes, and the manner in which they provide support at store level. The 2022 winners in each category were:

Groceries: Futurelife

Health and beauty: Colgate-Palmolive Company

Perishables: Eskort

Beverages/liquor and wine: South African Breweries

SMME: Browns Foods

Fruit and vegetables: Wildeklawer

Butcheries: Malu Pork

Sustainability: Infection Protection Products

Convenient food and private labels:
Feinschmecker Deli Meats

General Merchandise: Duracell



Mabel Akinlabi from Brown Foods, winner in the SMME category, with the winner of the Sustainability category, Annette Devenish from Infection Protection Products, at the Group's 2022 Supplier of the Year awards.



Nigel and Christynn Jacobs' business, Jacobs Jam, has seen exponential growth since becoming a supplier to the Group. Their business has expanded from supplying 10 Checkers stores to 20 across the Western Cape province. The business employs 12 people.

SMME supplier diversity and development

We promote transformation through our ESD initiatives, which benefit our industry, helping to create a transformed and inclusive society.

We rely on a diverse network of suppliers. Our network and scale offer us a unique opportunity to grow SMMEs into large-scale suppliers by providing them with a route to market.

We intend to grow our SMME supplier network by spending more with black-owned and black women-owned businesses. As these businesses grow, more employment opportunities are created for community members. During the year, R16.8 billion was spent on black women-owned suppliers (FY 2022: R12.6 billion).

Discretionary procurement

The Group's procurement from suppliers owned by under-represented social groups (black-owned suppliers) increased by 24.6% year on year. Our procurement from black women-owned suppliers increased 33.8% year on year.

Investing in SMMEs

Shoprite Next Capital helps SMMEs with funding and provides the support necessary to encourage the growth of these businesses. This will take place through compliance assistance, working capital assistance and training.

Through Shoprite Next Capital, entrepreneurs are supported with marketing opportunities, working capital assistance, packaging and labelling support, data sharing, product range and geographic expansion.

In the past financial year, our procurement from small suppliers has facilitated the expansion of several of these suppliers both geographically and via product extension.

We have always partnered with SMMEs, but the establishment of the Shoprite

Next Capital division comes with dedicated staff and resources, focused on their needs.

During the year under review, the Group continued to support our strategic suppliers with funding.

R23.3 billion

spend on black-owned suppliers in FY 2023
(FY 2022: R18.7 billion)

R16.8 billion

spend on black women-owned suppliers in FY 2023
(FY 2022: R12.6 billion)

R135.2 billion

expenditure on B-BBEE compliant businesses in FY 2023
(FY 2022: R117.7 billion)



Our social impact

Our social impact	42
Investing in our people	43
Our role in society	54



Our social impact

Upholding the principles of the UNGC

By incorporating the Ten Principles of the UNGC into our policies and procedures and establishing a culture of integrity, the Shoprite Group is upholding its responsibilities to people and the planet and setting the stage for long-term success.


The Ten Principles of the UNGC are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption.

Promoting an ethical culture

In everything we do, we create a working environment that prioritises respect for human rights while promoting health, wellness, safety and career growth. We prioritise employee well-being by creating a safe and fair work environment.


We provide an environment that empowers people to perform optimally while meeting our customer-first culture. We expect all our people to reflect our purpose, values and ethical culture and to deliver on our strategic growth drivers.

We use our disciplinary code to manage incidents when reported. In cases where unethical behaviour is discovered, we thoroughly investigate the incident and institute corrective actions.

 Refer to pages 34, 43 and 75 of the Integrated Report for more information on trade unions, the whistle-blower hotline, and our role in society, respectively.

Our position on human rights

We recognise our corporate responsibility to respect and protect human rights in our operations and business dealings. We do not tolerate any infringement of any person's human rights. We intend to uplift lives; thus, human rights are central to creating our ideal business culture.

 Our Human Rights Policy (<https://www.shopriteholdings.co.za/governance.html>) confirms our commitment to respect and uphold all international human rights standards. This policy applies to all Shoprite Group companies, trading divisions, brands and employees. The Group expects all business partners and suppliers to respect and observe its principles, values and respect for human rights.

If any employee or stakeholder believes that there has been a violation of any human right in our operations or in connection with any business dealing involving the Group, then they should report it immediately so that appropriate steps can be taken. Our Tip-off hotline or the Active Service Excellence South Africa (ASESA) email service (asesa.co.za) may be used, and employees can also use the Group's SiyaRinga platform.

We ensure all human rights risks are identified, with appropriate mitigation plans actioned, and have systems in place to monitor and evaluate the effectiveness of these plans. Our code of conduct outlines our approach to human rights.

Application and focus

Employees

We care deeply about the human rights of our employees and are dedicated to ensuring there are avenues for human rights issues to be addressed. All employees have access to our human rights policy.

We commit to the following:

- › Adopting a zero-tolerance approach to any form of unfair discrimination in the workplace
- › Ensuring there is no forced labour
- › Ensuring there is no child labour
- › Freedom of association
- › Recognising the right to collective bargaining

Suppliers

We uphold human rights through our suppliers by requiring full compliance with our sustainability policies and guidelines, especially regarding health, hygiene and safety, social responsibility, and labour standards.

We commit to the following:

- › Asking our suppliers to comply with our policies and guidelines concerning social responsibility, labour standards and human rights
- › Encouraging suppliers to comply with all international human rights standards
- › Encouraging suppliers to share our values
- › Holding suppliers accountable for any human rights violations

Communities

We respect the human rights of the members of our communities. We comply with legislation and observe the cultural values of our communities. We promote the well-being, safety and sustainability of our communities, and seek ways to identify and address community interests.

We commit to the following:

- › Observing legislation and the cultural values of our communities
- › Promoting the well-being, safety and environmental preservation of communities within or close to our operations
- › Protecting international human rights standards
- › Seeking ways to identify and address community interests

Human Rights Policy

Our Chief Executive Officer and our management team are accountable for the implementation of our Human Rights Policy. The Chief People Officer oversees our Human Rights Policy, ensuring it aligns with our operational processes and procedures.



Investing in our people

Our people strategy's fundamental role is to make the Shoprite Group a compelling place to work. It makes it possible for all our employees to perform at their best and delight and inspire our customers.

Employee profile

Our 153 726 people (FY 2022: 145 595 people)

include full-time, part-time and fixed-term contract employees as at 2 July 2023.

Employee demographics

2022	2023
AGE <30 <small>(employees under the age of 30 excluding RRP and YES learners)</small>	
41.8%	39.8%
AGE >30 TO 50	
52.3%	54.2%
AGE >50 (%)	
6.0%	6.0%
FEMALE	
64.6%	63.9%
MALE	
35.4%	36.1%

Black employees

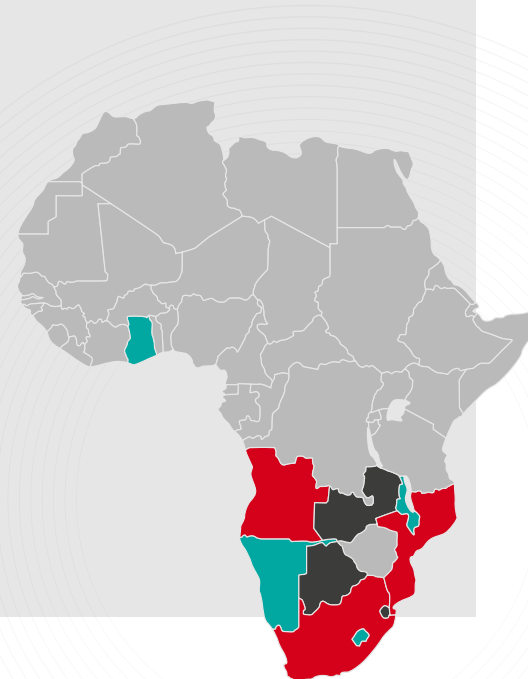
2022	2023
97.4%	97.6%

Employees with disabilities

2022	2023
366	274



SOUTH AFRICA
Female 88 550 Male 47 782



Other African countries

	ANGOLA Female 1 350 Male 1 638
	BOTSWANA Female 774 Male 635
	GHANA Female 312 Male 300
	KINGDOM OF ESWATINI Female 732 Male 425
	LESOTHO Female 678 Male 478
	MALAWI Female 179 Male 188
	MOZAMBIQUE Female 644 Male 584
	NAMIBIA Female 2 894 Male 1 699
	ZAMBIA Female 2 064 Male 1 820

Transformation, diversity and inclusion

We are committed to creating a diverse, inclusive, transformed and equitable workplace.

We support the principles reflected in the Employment Equity Act and have implemented an employment equity policy to promote diversity in our business. The Group has allocated targets for each business unit to ensure our progress aligns with our broader transformation objectives. We are pleased with our progress so far and that our black and female representation within the Group is on track to meet stakeholder expectations and achieve our FY 2025 targets.

In our efforts to provide a fair and safe working environment, we do not tolerate unfair discrimination. This includes discrimination in employment decisions relating to race, gender, ethnicity, nationality, social background, religion, sexual orientation, family responsibilities, disabilities, political opinion or age. We use frequent employee engagement campaigns to raise awareness about discrimination.

Gender representation at management levels in South Africa

Progress with transformation at management levels in South Africa

Top management			
Female	FY 2024 Target	Black	FY 2024 Target
27.1%	26%	36.3%	39%
Senior management			
Female	FY 2024 Target	Black	FY 2024 Target
29.1%	30%	66.8%	68%
Middle management			
Female	FY 2024 Target	Black	FY 2024 Target
47.9%	48%	82.3%	82%

Winning in the long term by creating future-fit channels and talent

Our people strategy has three focus areas designed to support the Group strategy:

- › Attract and retain the right talent
- › Enable our talent to do their best work (empowerment)
- › Elevate the impact of our people team and people processes

The key strategic focus areas in FY 2023 were on our leadership culture; how we reward and recognise our cashiers and branch managers; uplifting lives through our Shoprite Employee Trust; enhanced decision-making based on people insights and dashboards; and the delivery of a digital learning platform.



Investing in future-fit learning infrastructure and technology

Developing the capabilities of our employees is an essential part of our succession management and capacity-building initiatives. By creating opportunities internally and equipping employees with the skills they need, we can grow their careers and our business. Our people plan details work tracks that specify further focus on development to ensure our workforce remains future-fit.

Learning, development, and training help drive efficiencies, promote business growth, and create

a competitive advantage. We believe in easy access to learning, which enriches the everyday experience of our employees. A newly constituted Talent and Learning Investment Committee comprising key business leaders, prioritises our learning outcomes and resources.

By leveraging eLearning technology, virtual learning and traditional forms of learning delivery the learning and development team was able to support the development of employees across all the countries that we operate in while bolstering critical skills in the Group.



Nombuso Bhengu, a deli assistant at Checkers Hillcrest.

Our Shoprite Leadership Way

The Group's CEO and Executive team co-created Our Shoprite Leadership Way, which underpins our new leadership interventions, recognising that high employee engagement drives how customers experience our business. In crafting Our Shoprite Leadership Way, which is linked to our purpose, strategy and values, we identified WHAT we are good at as leaders and HOW we can improve.

Our Shoprite Leadership Way forms the foundation of our leadership interventions including our six Leadership Signature programmes. All six of the Signature programmes had launched by June 2023. The three-year process designed to embed Our Shoprite Leadership Way is integrated in the:

- › Leadership onboarding
- › Leadership Signature programmes
- › Me and the Shoprite Leadership Way
- › Us and the Shoprite Leadership Way
- › Leadership coaching
- › Leadership conversations
- › Leadership connect sessions

Attracting and retaining talent

We link our success directly to the skills we attract. We focus on finding and retaining the right people with the right experience, skills and capabilities, and we act proactively to ensure we remain an employer of choice.

Our people are our brand champions and integral to our success. Our employees enable us to meet our customer's needs and create great consumer experiences. We must attract and retain quality talent that will adopt our customer-first culture and grow and retain our customer base.

We gear our workforce to meet our long-term objectives and focus on skills development, supporting rising talent and specialist skills. We focus on talent attraction, acquisition, and career and skills development. Capacity-building and succession planning are thus core to ensuring our talent is future-fit. We can provide long-term sustainability by aggressively investing in skills development and early-career offerings (especially in scarce skills disciplines like technology).

This deliberate 'growth' strategy in talent development emphasises learning and capacity-building and supports fulfilling careers beyond immediate roles. It also mitigates any succession risk, which is instrumental in achieving our business objectives.

Developing talent internally

Developing capabilities among our existing employees is an integral part of our succession planning and capacity-building initiatives.

Skills development and training help drive efficiencies, promote business growth and create our competitive advantage. We believe learning should be highly accessible and enrich the everyday experience of our employees. This creates a platform for our people to take control of their careers, roles and learning evolution while encouraging self-driven development. Our people plan details work tracks that specify further skills development to ensure our workforce remains future-fit.

By creating opportunities internally and equipping employees with the capabilities, we can grow their careers and our business. We support and help drive our company culture through fair and firm leadership, active employee engagement, and creating safe and nurturing working environments for our employees.

To support the development of technical skills within our business, a consolidated Tech Academy was launched during the year under review with a view to addressing the critical skills gap in various areas of technology and to create opportunities for apprentices to thrive in the IT industry. In addition to providing apprentices with valuable skills, this initiative also contributes to youth employment in South Africa. The Tech Academy provides a comprehensive learning journey for apprentices in fields such as software engineering, software testing cybersecurity, data science, data engineering and SAP specialisation. It aims to equip apprentices with the necessary skills, mentorship and practical experience they need to become competent data science practitioners. During FY 2023 the Academy provided training to 31 apprentices (FY 2022: 12).

The academy offers employees a formalised and structured approach to data science training. We employed 43 data scientists (FY 2022: 51 data scientists) in our South African operations during the year.



Developing artisans to safeguard retail excellence

Through our artisanal programmes, we develop scarce and critical skills in partnership with the Wholesale and Retail SETA. These programmes are geared towards providing skills in logistics, baking, meat processing, deli practices and assistant chef practices.

Developing frontline employees

We also invest considerable time and resources into our frontline employees because these employees must deliver a differentiated customer experience. Our cashier training initiative, The Year of the Cashier, provides our cashiers with recognition programmes and incentives to bolster the retention of these employees.

Increasing sustainability-related capabilities

Learning and development is an enabler of our sustainability strategy. We now provide a variety of courses that focus on critical sustainability issues. These include training on:

- › environmental sustainability awareness
- › surplus food donations
- › sustainable seafood practices
- › waste management

Digitalisation training and development

We have sought to bolster our capacity-building by implementing a digital learning platform. This has provided an opportunity to offer globally recognised learning experiences using virtual learning delivery platforms. The benefits of virtual learning include standardisation of learning experiences and increased training efficiency across our portfolio of African countries.

1 211

E-learning courses offered

(FY 2022: 1 093)

246

E-learning courses offered – newly added in the financial year

(FY 2022: 308)

3 286

Individual e-learning devices

(FY 2022: 2 991)

6 611

Learners on accredited learning programmes

(FY 2022: 5 750)

11

Countries with e-learning kiosks

(FY 2022: 13)

R645 million

Total rand value invested in training

(FY 2022: R560 million)

1 566

Sites with e-learning kiosks

(FY 2022: 1 445)

99

Bulletin courses offered

(FY 2022: 123)

1 024

Learners who successfully completed a skills programme

(FY 2022: 721)

Our remote learning programmes enable us to remotely deliver Wholesale and SETA-accredited training.

Retail Varsity ¹	2022	2023
Active courses	2 227	3 118
Number of beneficiaries trained per year (all training)	170 339	171 442
Training hours	3 315 864	2 887 816
Average training hours per employee per year	19	17
Learners (employed and unemployed) graduated from the Retail Varsity with a national qualification	719	1 582

Bursary offering

We offer bursaries as a vehicle to attract talent to highly skilled roles including pharmacy, chartered accounting, information technology and retail business management. Our bursaries, which offer comprehensive financial assistance towards tuition and on-campus accommodation, are linked to work-back agreements. This benefits the students who are assured of employment after graduation and it benefits the Group by channelling highly skilled individuals into key areas of the business.

Due to the review and deliberate alignment of our bursaries to critical skills in the business, there was a slight decrease in bursaries during FY 2023. We anticipate that there will be an increase in the number of bursars aligned to our critical skills in FY 2024.

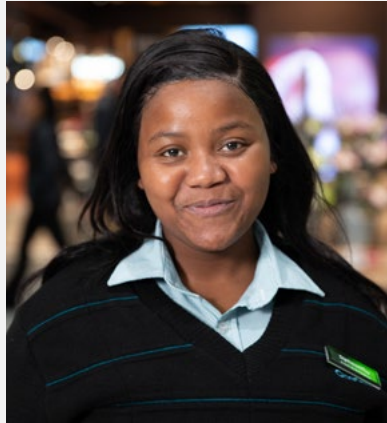
Bursaries	2022	2023
Number of bursaries per academic year	206	200
Value of anticipated spend for following academic year	R17.5 million	R17.5 million
Value of bursary spend per fiscal – RSA and Non-RSA	R16.4 million	R14.9 million
Trainee accountants who completed articles (per fiscal year)	7	10
Value of actual spend on bursaries per academic year	R13.6 million	R11.7 million

¹ These figures are inclusive of active and inactive employees.



Unlocking opportunities for unemployed youth

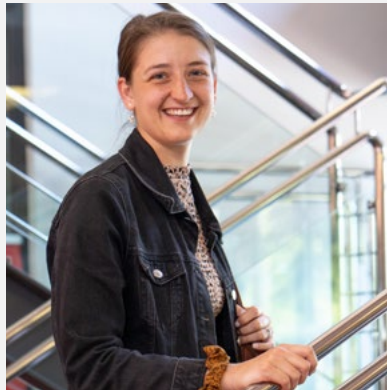
Offering early career opportunities is critical to our succession planning and to solving the matter of unemployed youth. The retail sector is an exciting and attractive opportunity for young people – we use our unemployed youth programmes to build capacity, create early-career opportunities and attract youth in line with our employment equity goals (gender, race and disabilities).



See more information about our [YES initiative and RRP](#).

Impact of a tertiary study and work experience opportunity

Bursary recipient Neline Potgieter (23) spent the past year gaining work experience in over 26 different departments in the Shoprite Group. Neline now works as a store replenishment analyst alongside the Group's supply chain and logistics experts to ensure the efficient and frictionless movement of goods from suppliers to the Group's vast network of stores across the country.



Our comprehensive bursary covers tuition and accommodation and offers on-the-job training as well as guaranteed employment upon graduation.

R14.9 million invested to uplift 200 young people through our bursary programme

(FY 2022: R16.4 million and 206 bursaries awarded)

We urge young talent to apply for a bursary today:

[Apply here](#)

Job creation

We promoted 14 130 employees in FY 2023 (FY 2022: 11 909 employees).

During the year, we created 8 131 jobs (FY 2022: 2 993) through 382 new store openings.

New jobs created	2022	2023
Under 30 years old	(152)	365
30-50 years old	3 173	7 165
Over 50 years old	(28)	601
Total	2 993	8 131

Impact of our growth on job creation

In a first for KwaZulu-Natal, a **Checkers** and a **Shoprite** store opened on the same day (5 April 2023) in the same mall in Tongaat.

The new Checkers in oThongathi Mall is the first to open in the area and has created 174 job opportunities, while the mall's new Shoprite supermarket – the second in town – created jobs for 140 people.



Employee turnover

We want to create an environment where our people feel inspired to grow their careers while promoting business sustainability and continuity for the Group. We do, however, value new insights gained through recruiting new talent.

Understanding and proactively managing employee turnover rates is an important part of ensuring we maintain a stable workforce and deliver consistent levels of service to our customers.

Losing employees not only has measurable cost implications, but it is also detrimental to our company culture. In the year under review, our Group full-time employee turnover rate reached 25.7% (FY 2022: 22.8%), an increase of 2.9 percentage points from the previous year.

Year	Management turnover %	Full-time employee turnover, excluding management %	Part-time employee turnover %
2019	17.0	19.8	14.8
2020	12.9	13.2	34.1
2021	9.3	12.1	28.5
2022	10.7	22.8	30.6
2023	11.2	25.7	34.8

The retail industry is seen as gateway career into the job market, an intermediate step, before moving onto another career path.

Remuneration and benefits

Our remuneration is benchmarked against the market using third-party national and retail surveys for employees below Executive level, and a peer comparator group for Executives. Given the Group's competitive position in the market, adjustments may be made to attract and/or retain scarce or critical skills.

Benefits can enhance remuneration packages and are allocated in appropriate formats, across different levels of employment, based on levels of responsibility and the Group's need to retain specific skills. These include incentives that encourage desired behaviours and support the Group's business and strategic objectives, as defined in individual performance criteria. These are:

- › All permanent employees: Guaranteed salaries. Those with two years' service or longer and who are not benefiting from any short (STI) or long-term incentive (LTI) scheme, participate in the Shoprite Employee Trust, which holds 40 million Shoprite Checkers shares. The distributions paid

out are aligned with Shoprite Holdings' declared dividends per share to ensure the benefits that flow to employees are transparent and employees enjoy the benefits flowing from the Group's continued achievement of strong operational and financial results.

- › Managers: Incentivised for enhanced business performance, which can include STIs and LTIs.
- › Qualifying employees: Job-specific incentives, such as sales commission and monthly incentives.
- › Managers and Executives: Eligible for STIs and LTIs linked to Group and business unit or operational performance.
- › Non-executive directors: Fees paid for the time required to prepare for and attend Board and sub-committee meetings. The Chairman of the Board receives an all-inclusive fee.

Remuneration is guided by the remuneration policy presented annually to our shareholders. We provide more detail in our Integrated Report ([click here to view remuneration review](#)).

Non-financial benefits include skills development opportunities, education grants and benefits of awarded bursaries, as well as employee discounts.

Recognising and rewarding our employees

We use reward and recognition to harness individual performance outcomes and achieve overall business success. We want to help our employees to thrive and we provide fair and competitive performance-related remuneration and benefits. We also recognise performance through employee awards, such as the Year of the Cashier and our Good Performance awards.

The Group invested wages, salaries and employee benefits valued at R17.0 billion in the year under review (FY 2022: R14.8 billion).

Internal minimum wage

Our internal minimum wage is higher than the prescribed South African national minimum wage.

Short and long-term incentives

Managers within the Group are incentivised against key business performance metrics, which include short and long-term incentives.

Qualifying employees within the organisation are, as a norm, given job-specific incentives, such as sales commission and monthly incentives.

Shoprite Employee Trust

Qualifying employees in South Africa receive distributions aligned with Shoprite Holdings' declared dividends per share while Non-RSA employees receive equivalent bonus payments, twice a year.

Benefits

We also look to incentivise employees through non-financial benefits such as providing skills development opportunities, educational loans and bursary benefits, as well as employee discounts.





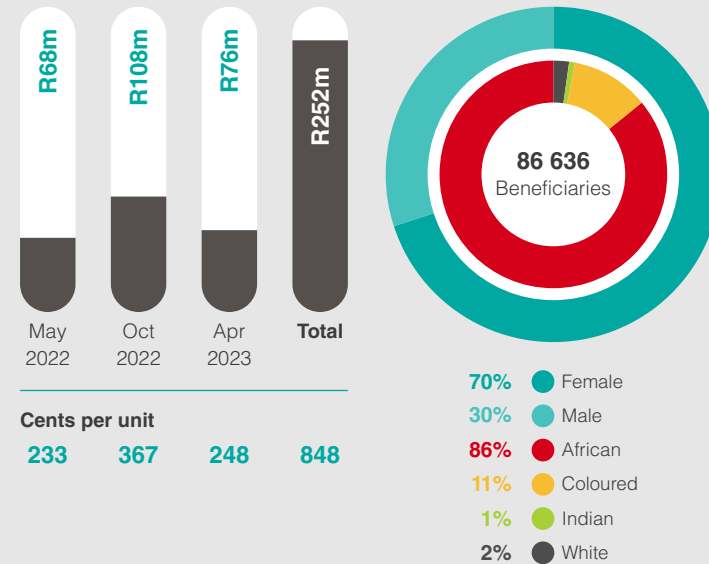
Shoprite Employee Trust

Shoprite Checkers Proprietary Limited, a subsidiary of the Group, established the Shoprite Employee Trust in FY 2022. The trust holds 40 million Shoprite Holdings Ltd shares valued at R8.9 billion. The transaction effectively increased the B-BBEE ownership in Shoprite Checkers to 19.2%.

Qualifying employees employed in South Africa benefit directly through the trust as unit holders in the trust, while Non-RSA employees receive equivalent cash benefits through their respective payrolls. Dividend entitlements are aligned with Shoprite Holdings' declared dividends per share.

Shoprite Employee Trust Distributions

Distributions paid to beneficiaries Beneficiaries' demographics



The transaction was awarded the BEE Deal of the Year at the DealMakersSA Gala.

BEE Deal of the Year | DealMakersSA (dealmakerssouthafrica.com)

Labour relations management

All employees benefit from the role the trade unions play in negotiating on behalf of their members, and protecting employees' rights.

Employees covered by collective bargaining agreements

	2022	2023
RSA		
Employees that are union members	31%	31%
Number of trade unions with recognised agreements	7	6
Non-RSA		
Employees that are union members	53%	47%
Number of trade unions with recognised agreements	8	8

Our employees have a right to freedom of association and can join a trade union and engage in collective bargaining. We work with recognised trade unions to effectively manage our labour relations.

A framework agreement between Shoprite Checkers and UNI Global Union Alliance, in place since 2010, is an important forum that encourages global social dialogue to promote good industrial relations.

We regularly engage with recognised trade unions and hold proactive quarterly meetings between our Group people team and the trade unions representing our employees. Through this regular interaction, we are able to identify and address any labour concerns before they result in a formal dispute. We recognise 14 trade unions representing the interests

of our employees, the largest of which is the South African Commercial, Catering and Allied Workers Union (SACCAWU).

The Group supports the International Labour Organization's (ILO) Protocol and UNGC Principle 4, which means we support freedom of association for our employees and they can join trade unions of their choice through which they can engage in collective bargaining. We also support the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, the elimination of discrimination in respect of employment and occupation, and a safe and healthy working environment. In addition, we have well-established grievance mechanisms available to our employees.

The wage strike in the Western Cape Distribution Centre in December 2022 had hardly any impact on our business operations/service levels. The employees abandoned the strike after striking for six weeks and resumed work.

There are well-established grievance mechanisms within the Group that employees can access. Monitoring of labour relation risks is ongoing. We also conduct robust investigations that take place following allegations.



THE GROUP'S CODE OF CONDUCT, POLICIES AND PROCEDURES ALIGN WITH:

The principles of the UNGC

Chapter 2 of the Constitution of the Republic of South Africa

United Nations' Universal Declaration of Human Rights

International Labour Organization's core Conventions on Labour Standards

Workplace of choice

By creating a healthy and safe environment for our employees to work in, we can remain a workplace of choice.



We use various channels of communication to engage with our people and to build an engaged culture that inspires employees to create a great customer experience. This includes our data-free digital communication platform, SiyaRinga.

Themes of communication include our employee wellness programme, inspiring our employees with news of success stories and awards, opportunities for our employees to contribute to our CSI programmes, employment benefits and information.

Employee wellness

All employees have access to the Group's Health 24/7 employee wellness programme tailored to meet Group needs. The programme's benefits are available to employees and their direct family members at no cost.

The programme, managed by an independent organisation, offers professional and confidential support through telephonic assessments, referrals and short-term counselling for personal problems and work-related stress that may impact physical and mental health, emotional well-being and work performance.

Information is shared with employees regularly via our SiyaRinga platform and our monthly newsletter.

	2022	2023
Employees who engaged with Health 24/7	22 442	28 106
Employees who are connected on SiyaRinga	81 877	91 782

Health and safety management system and scope

THE SHOPRITE GROUP'S HEALTH AND SAFETY MANAGEMENT SYSTEM IS BASED ON THE REQUIREMENTS OF ISO 45001. THE SYSTEM WITHIN ITS SCOPE INCLUDES:

Relevant health and safety legislation such as the Occupational Health and Safety Act (85 of 1993) including its Regulations and the Compensation for Occupational Injuries and Diseases Act (130 of 1993).

Monitoring the activities of the Shoprite Group, its contractors and how they affect the health and well-being of its employees, visitors, and customers.

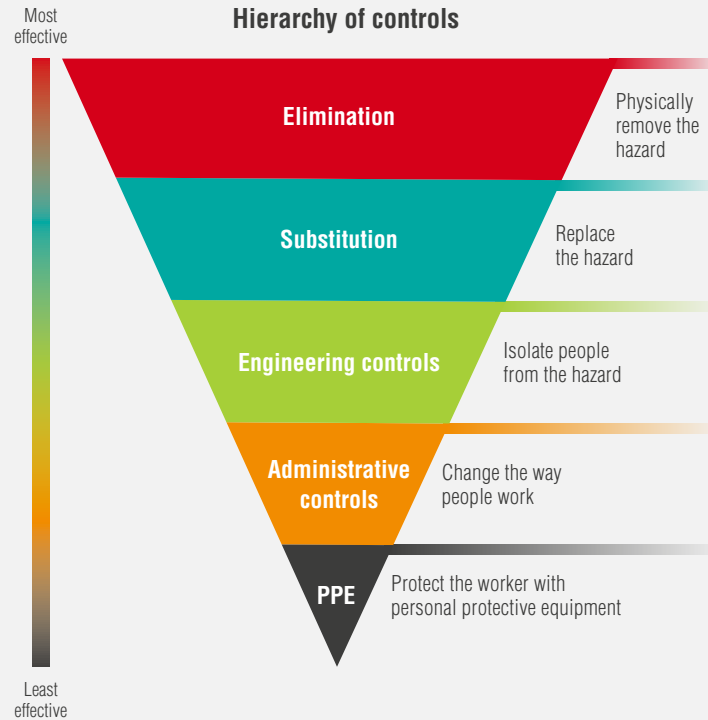
The implementation of electronic solutions has standardised the way in which the health and safety management system is deployed and maintained. These systems include:

MetricStream

The Shoprite Group recently introduced an electronic enterprise risk management system through MetricStream. Assessments are performed in terms of the Shoprite Group risk and health and safety frameworks. These assessments include the identification of hazards and risks within the work environment and the controls required to avoid incidents and accidents. Controls are selected in terms of a prescribed hierarchy set out in the graphic, Hierarchy of controls.

WorkTrainer

The Group uses an electronic system, which allows for communication of legal and regulatory requirements; a central repository for all Group health and safety documented information (an electronic health and safety file for each workplace); risk and compliance checklist capturing; and store compliance management and monitoring.



Safety on the road

The optimum performance, efficiency and safety of our significant fleet of vehicles and their drivers play an essential role in our supply chain.

The training of our drivers (see the section on Health and safety training and awareness programmes on the next page) and the maintenance of our fleet are a key focus. To further improve safety, the Group installed fatigue management technology in its fleet during the period under review. By monitoring our drivers, the system translates visual cues into data. Using advanced algorithms and machine learning, this data is used to statistically predict critical fatigue events before they happen. With only seconds to react, the system uses both audio and physical stimuli to warn drivers. A review of the data provided by the system indicates that its interventions have prevented a number of potential accidents.

Clinics

The clinics established at our main distribution campuses (Canelands, Basson and Centurion) continue to add value through access to on-site primary healthcare, medical fitness assessments and emergency incident response.

Management of contractors and permit offices

The contractor health and safety permit offices established at our main distribution campuses (Canelands, Basson, Brackenfell, and Centurion) continue to drive effective risk and compliance verification and in so doing, reduce incidents and increase our safety-first culture. The offices are equipped with well-trained, experienced, and dedicated employees that, in addition to the main distribution campuses, service the broader supply chain through a virtual permit office solution.

Our CSI investments are the primary means through which we demonstrate our active involvement in communities, while our ESD programmes help to grow businesses and create jobs in the communities where we operate.

Health and safety training and awareness programmes

The Health and Safety department works closely with both the Group's Wellness and Learning and Development departments to deploy new programmes, revise current programmes and continually monitor progress. The programmes take both a leading indicator theme geared toward equipping employees with the knowledge and skills to avoid incidents and accidents; and a lagging indicator theme to account for lessons learned through past incidents and accidents. During FY 2023, 65 400 health and safety training interventions were conducted (FY 2022: 281 074).

Safety performance

(The table to includes employees, members of the public and contractor injuries/fatalities)

	FY 2022	FY 2023
Number of fatalities		
Employees	0	4
Contractors	8	9
Number of medical treatment cases (MTC)	602	900
Number of lost-time injuries (LTI)		
Employees	1 551	1 897
Contractors	102	78
Total number of recordable injuries, including MTCs, LTIs and fatalities	2 469	2 902
Fatal injury frequency rate (FIFR, i.e. number of fatalities per 1 000 000 person hours worked)	–	0.013
Lost-time injury frequency rate (LTIFR, i.e. number of LTIs per 1 000 000 person hours worked)	6.3	6.2
Total recordable injury frequency rate (TRIFR)	8.4	9.5

Tragically, despite all our efforts to keep our people safe, we were not able to achieve a fatality-free year. The majority of the fatalities were traffic accident-related. The Board and Management of the Shoprite Group extend their condolences to the families, friends and colleagues of the deceased.



15 Golden Rules and 2023/2024 campaign Mindset for safe decisions

The 15 Golden Rules continue to add value through the simplistic communication of the controls required to avoid incidents and accidents within the workplace.

To further drive these required controls, a behaviour-focused campaign will be introduced in FY 2024: Mindset for safe decisions. The intent of the programme is to better understand the factors that drive unsafe decisions and how controls can be amended or introduced to further reduce incidents and enhance our safety culture.



Rule 1

Contribute to a safe and healthy environment both in and out of the workplace.



Rule 6

Comply with relevant health, safety and environmental signage.



Rule 11

Never work under the influence of drugs and alcohol.



Rule 2

Wear the prescribed personal protective equipment and use the equipment correctly.



Rule 7

Do the work that you are trained to do and never assign work to someone who is not fully trained to do so (such as operating a forklift or repairing electrical equipment).



Rule 12

Never work at heights if you are not authorised or trained to do so



Rule 3

Evaluate risks before you do a task. Always ensure you practice safety first!



Rule 8

Prevent tampering with safety devices and equipment (such as fire extinguishers and machine guards).



Rule 13

Never walk under a suspended load.



Rule 4

Report unsafe acts and conditions immediately.



Rule 9

Respect the environment and do not litter.



Rule 14

Never use a cell phone, tablet or earphones when operating any machinery or vehicles.



Rule 5

Report incidents and accidents immediately.



Rule 10

Ensure that a lockout is completed before work is performed on any equipment with live or stored energy.



Rule 15

Never exceed the speed limit when operating any machinery or vehicles

Our role in society



Total investment in our communities

Our total investment in RSA in FY 2023 was R409 million (FY 2022: R335 million).

To achieve our purpose of uplifting lives every day, we actively serve, invest in and support our communities through our CSI programmes.

Our CSI strategy is aligned to our purpose, our values and our strategic priority to be a force for good. Our CSI programme leverages our scale and has three focus areas – hunger relief, unemployed youth development and financial inclusion. It is demand-driven and aligned to the needs of communities and our business. Our programmes strengthen community relationships and achieve long-term measurable socio-economic and mutual benefits.

As the largest private sector employer in South Africa, the Shoprite Group is a meaningful contributor to employment and employment growth in the communities it serves.

We have refined our CSI programmes to focus on:

- 1
Hunger relief
and food security
- 2
Unemployed youth
development
- 3
Financial inclusion
through ESD and discretionary procurement

Hunger relief **2022**
R24 million
Served 273 264 meals per day to vulnerable communities through our CSI programmes (FY 2022: 185 732). **2023**
R28 million

Community support **2022**
R16 million
Since inception, we have invested in 215 community food gardens to address community-level food security in RSA (FY 2022: 177). **2023**
R23 million

Early childhood development **2022**
R3 million
Supported 114 ECD centres (FY 2022: 107), benefiting 7 287 children (FY 2022: 7 151). **2023**
R7 million

Total CSI spend in RSA **2022**
R43 million
Total investment into communities as % of net profit after tax (NPAT) – **2023**
R58 million
RSA 6.9% (FY 2022: 5.6%).

Our CSI investments are the primary means through which we demonstrate our active involvement in communities, while our ESD programmes help to grow businesses and create jobs in the communities where we operate.



We invest in CSI programmes that:

		2022	2023
Provide hunger relief	<ul style="list-style-type: none"> › We assist in providing hunger relief and contribute to food security by donating surplus food and goods to beneficiary organisations in our communities within South Africa. › Our mobile soup trucks play a crucial role in providing prompt hunger relief to our local communities on a daily basis, while our food garden initiatives contribute to sustainable and long-term food security. › Our ECD nutrition feeding programmes provide children with the nutritional support required to relieve hunger and support their development. › Our community food gardens also help to address hunger relief and food security, while bolstering resilience in our communities. 	R190 million	R274 million
Address youth unemployment	<ul style="list-style-type: none"> › We support training and educational programmes in South Africa linked to youth unemployment through our pivotal YES initiative and Retail Readiness programmes. 	R145 million	R135 million

Contribution to hunger relief and food security

Surplus food donations

Surplus food is donated to community beneficiaries. Through these donations, the Group helps our communities and reduces the environmental impact of food waste.

R217 million

Surplus donations in RSA

(FY 2022: R147 million)

+

R9 million

Surplus donations in Non-RSA

(FY 2022: R11 million)

=

R226 million

Total surplus donations

(FY 2022: R157 million)

67 million meals

(FY 2022: 46 million meals)

Surplus food was donated to 544 beneficiary organisations (FY 2022: 507), amounting to R226 million (FY 2022: R157 million). Our beneficiary organisations include community centres, disability care, aftercare facilities, shelter, old age homes, orphanages and soup kitchens. These donations enabled us to serve 67 201 192 meals in South Africa in FY 2023 (FY 2022: 45 957 844 meals).

We have introduced the use of AI to help us prevent the wastage of food, which can instead be donated to feed those in need. All donated surplus food is scanned to monitor our social and environmental impact. Surplus goods donations were 43.6% higher than last year due to improvements in our scanning process, enabled by technology support from our Group IT.

Beneficiary organisations

All beneficiary organisations are vetted internally to ensure donated food is safely stored, handled, prepared and served.

Application and handover processes

- We have simplified our non-profit organisation (NPO) application and handover processes.
- We also ensure all surplus food collection boxes are reusable to reduce our environmental impact.

Employee training

We ensure our people are given training on our process, procedure and policy in terms of surplus food donations. A total of 631 people were trained on systems and 6 744 employees completed surplus food donations awareness training.



Surplus food being packed for donation to a beneficiary organisation.



The children from the Thutukani Care Centre had a surprise in the form of a festive season party provided by one of the Shoprite Mobile Soup Kitchens.



One of our Mobile Soup Kitchens helping to feed members of the Quarry Road community in KwaZulu-Natal.

Supporting food security through community gardens

Types of gardens established in the year under review

18

Production gardens

(FY 2022: 15)

19

Social gardens

(FY 2022: 16)

315

Household gardens

(FY 2022: 884)

1

Learning garden

(FY 2022: 0)

Our Mobile Soup Kitchens

This year marks the 15-year anniversary of serving nutritious meals through our Mobile Soup Kitchens – which have served more than 61.1 million meals since 2007.

We have 27 Mobile Soup Kitchens in South Africa, one in Angola, two in Namibia, and one in Zambia. These kitchens served 7 091 756 warm meals (FY 2022: 5 607 802 meals), representing a year-on-year increase of 26.5%. Despite the number of meals served, we are aware that the demand for meals outweighs the supply and continues to expand as community members battle high unemployment and inflation.

We also use our Mobile Soup Kitchens in times of disaster (such as extreme weather events or social unrest) and are often among the first to respond to distressed communities. The soup is a ready-mix fortified powder that is served with two slices of bread sponsored by our partners.

Supplier CSI partnerships and collaborations

We understand the challenges our CSI beneficiaries face. While our donations create a significant impact, we recognise that more can be done.

By collaborating with our beneficiary organisation networks and suppliers, we offer them an opportunity to jointly implement their CSI through our CSI programme network and can secure product donations from suppliers to help our network of beneficiaries. By creating this collaborative space, we can offer more support and impact for our beneficiaries. Our stakeholders see us as a reputable partner in effecting change where it is most needed.

Our supplier partners include:



Community food gardens

We support food security through community and household food gardens.

We contribute to food security through our community and household food gardens. In addition to contributing to food security, these gardens also assist with building resilience against climate change, through water conservation and planting trees, while building skills and creating income-generating opportunities at community and household levels.

Since the programme's inception, we have supported 215 food gardens in South Africa and seven in Non-RSA countries (FY 2022: 177 and six) amounting to a total investment of R50 million (FY 2022: R42 million) since inception, which includes R8 million invested in the year under review (FY 2022: R8 million). We established 38 additional food gardens this financial year in South Africa (FY 2022: 31 food gardens).

Since inception, our food garden programmes have indirectly impacted 61 064 beneficiaries (FY 2022: 53 515 beneficiaries), with 7 529 beneficiaries benefiting in the financial year (FY 2022: 8 035 beneficiaries).

Our social impact continued

Implementation partner	Our implementation partner, Food and Trees for Africa, conducts community-needs assessments on our behalf, ensuring our funds are deployed ethically and to maximise impact.
Training programmes	Our mentorship and training programmes cover all educational information needed by beneficiaries – from seed and water management to entrepreneurship.
Harvest produced	Our food gardens have produced a harvest of 73 474 kg (FY 2022: 31 538 kg) and provided 2 580 community members with training opportunities to learn about food gardening (FY 2022: 2 796).
Market days	<ul style="list-style-type: none"> Our Market Days provide beneficiaries with the opportunity to sell their produce in a formal retail environment; 112 food gardens sold surplus produce through our two Market Days (FY 2022: 102 food gardens and two Market Days). More than 30 local community food gardens were also invited to sell their fresh and organically-grown produce directly to the public at selected Shoprite and Checkers supermarkets nationwide on 17 November 2022 and 7 June 2023. The Group is working towards increasing its food garden footprint in countries outside of South Africa with seven food gardens in Non-RSA countries (Lesotho and Namibia).
Food gardens at home	Our Garden in a Bucket helps community members start their own household food gardens. Community members also receive the necessary training to maintain their gardens. The gardening kits contain a variety of seedlings, fertiliser and gardening tools. Each kit secures produce for a family of four for a year. By sponsoring 315 food gardens, we helped 1 260 household beneficiaries through our household food garden programme in the year under review (FY 2022: 884 food gardens and 3 536 beneficiaries).



Planting trees

The Trees & Gardens for Home campaign aims to create a greener environment, develop skills in the community while mitigating the effects of climate change. The campaign issues trees to community members to create a greener environment, develop skills in the community and mitigate the effects of climate change. Community members are provided with fruit trees and the necessary training and tools to grow food at home.

To date 1 520 trees (FY 2022: 570 trees) have been donated to communities where our food gardens are based. A total of 770 beneficiaries (FY 2022: 285 beneficiaries) each received one indigenous and one fruit tree.

Botshabelo's success

The success of three community food gardens in Botshabelo, Free State, motivated Shoprite to donate 520 indigenous and fruit trees to 270 community members to ensure greater food security and further expand its support in the area. Donations also assist with urban greening and combating climate change. Shoprite has been assisting the Botshabelo community since 2017 – including two community food gardens, four ECD centres and various surplus food beneficiaries.



The Garden in a Bucket, which contains a variety of seedlings, helps community members in the Gqeberha area start their own household gardens.

Our Garden in a Bucket helps community members start their own household food gardens.

Supporting ECD beneficiaries

Adequate nutrition is an essential part of creating an environment where learning can take place, because hungry children cannot learn. We provide support to ECD beneficiaries, which enhances the day-to-day experience of children educated in these centres.

		Value created
ECD support	<p>We contribute to the nutrition of 8 000 children through the meals they receive at our ECD beneficiaries facilities. Our employees' children attend 55 centres.</p> <p>Our focus on nutrition provides a daily nutritious and balanced meal to children up to the age of five years every school day. Our implementation partner, The Lunchbox Fund – an NPO focused on the nutritional needs of children, ensures its meals provide nourishment for physical health, growth and boost mental concentration. These meals are provided to reduce the risk of stunted growth in children.</p>	<ul style="list-style-type: none"> › We helped 114 ECD centres (FY 2022: 107), which supported 7 287 children in South Africa and Lesotho (FY 2022: 7 151 children). › Several of our employees' children attend our beneficiary ECD centres, which further reinforces the value our involvement creates for our people and communities.
ECD practitioner training	<p>We provide ECD centres with skills development and training, presented by the Early Care Foundation.</p> <p>The foundation focuses on training practitioners to develop their day-care centres into safe and mentally stimulating places for children in the community.</p>	<ul style="list-style-type: none"> › We provided training to 61 ECD practitioners (FY 2022: 186).
ECD training programmes	<ul style="list-style-type: none"> › C.A.R.E. programme provides practitioners with training on early childhood nutrition, learning and day-to-day classroom activities. › The Money Management programme provides ECD principals with training that encourages the financial sustainability of the ECD centres. › The Child Development programme mentors the ECD centres and focuses on providing emergent ECD practitioners with a good grounding in the understanding of ECD. › Fire training was presented by Working on Fire. 	<ul style="list-style-type: none"> › In total, 7 287 children benefit from training provided by ECD practitioners.





The ECD facilities that are beneficiaries of our contributions are able to serve 7 287 children a balanced nutritious meal every day. The meals are designed to nourish physical health and growth and boost mental concentration.

Community support

Our efforts to assist communities extend beyond what we have direct control over. We support our customers and employees in making a difference.

Employee volunteerism

We encourage our employees to be active volunteers within their communities.

Fundraising initiatives

We use our extensive footprint and scale to raise funds via customer donations when they make their purchases, in-store fundraising events and customer donations at our till points.

The funds raised are distributed to vetted NGOs across South Africa. In 2023, we distributed funds to Gift of the Givers, Meals on Wheels, Operation Hunger, SA Red Cross – Eastern Cape, SA Red Cross – Western Cape, and Rise Against Hunger.

We further enabled customers to make a difference at minimal cost to themselves in the year under review. Customers can donate as little as R5 to the Act for Change Fund. In addition, the Group donates a meal for every three swipes customers make using their Xtra Savings card through our Swipe for Good programme.

Value created:

- › #ActForChange Fund – R576 831 customer donations at till point (FY 2022: R1 257 091)
- › R1 001 086 donations through purchases (FY 2022: R1 545 820)
- › R1 330 070 in in-store fundraising events (FY 2022: R1 246 183)
- › R385 730 in donations in tins in aid of Childline (FY 2022: R309 921)

Taking Care of Business – Repair Programme

The Repair Programme provides unemployed community members with training in the technical skills needed to repair damaged appliances. Participants are then able to earn an income from selling repaired appliances and by offering repair services in their communities.

Training includes broader financial, business and life skills needed to run a successful business. The programme not only creates income-generating opportunities but reduces the amount of electrical appliance waste going to landfills.

Developing the youth through learning initiatives

Youth development and training

We invest in and train both employed and unemployed youth who are interested in pursuing a career in retail.

We invest in several youth development initiatives to attract and develop youth who meet our employment equity targets and come from diverse locations. The YES initiative and RRP prepare unemployed youth for a career in retail.

These initiatives are aimed at training and upskilling people not previously employed by the Group and are focused on helping unemployed youth gain the skills they need to secure jobs in the retail industry. We believe that skills development drives our business and the economy and can transform the lives of many employees and job-seeking young people.

The RRP, which is understood to be the largest and most successful skills development initiative undertaken by a South African retailer, comprises five weeks of practical training in our stores and two weeks of theoretical training, which provide the participants with the basic skills to work in a retail environment or start their own business. Successful participants receive NQF level 3 qualifications.

Through the YES programme, a business-driven initiative that works together with government and labour to build economic pathways for black youth to reduce unemployment, we have created 5 931 youth work opportunities over the past three years, making it the highest impact employment creator in the programme.

A total of 6 490 (FY 2022: 6 016) unemployed youth were trained through our RRP and participated in the YES initiative.

YES initiative

The YES initiative is a strategic contributor offering employment for YES learners at the various new ventures the Group is undertaking.

Our Sixty60 drivers are included in the YES programme. We are pleased with our progress to enrol more female drivers, thereby, enabling more women to gain employment and self-employment opportunities through our involvement.

	2022	2023
Unemployed youth trained	1 900	2 185
Number of participants offered jobs within the Group	456	2 249
Investment per year	R86 669 853	R91 479 929
YES, unemployed youth were placed at supplier development initiatives	309	146
YES, unemployed youth were placed at our retail operations	1 591	1 869
YES, unemployed youth were placed at OUTsurance	302	390
YES, unemployed youth were placed at Packa-Ching	7	20

Retail readiness

The RRP is the largest retail programme in South Africa. It is a W9 SETA NQF3 programme during which 4 065 learners receive two weeks of teaching followed by a five week in-store training opportunity. We offer training in five metros to make learning and employment opportunities more accessible.

	2022	2023
Unemployed youth trained	4 116	4 065
Participants who completed the programme	78.0%	78.7%
Number of participants offered jobs within the Group	790	1 293
Average absorption rate	19.0%	32.0%
Investment per year	R58 135 950	R43 113 861
Investment since inception	R542 212 009	R585 327 974



Enterprise and supplier development

Through our community support programme, we build resilience and support sustainability in our supply chain through ESD investments and preferential procurement. These investments help grow businesses and create jobs in the communities where we operate by pursuing opportunities for local and small suppliers – giving SMMEs valuable access to our retail markets and supporting their development through various programmes to encourage their growth. For additional information on ESD see page 40 of this report.



Mitchells Plain-based Non-Profit Company (NPC) 3Fold Life Support was contracted by Shoprite and Checkers to stuff and stitch its imported teddy bears and other plush toy skins. This initiative created employment for 26 people, many of whom are single mothers.

We promote transformation through our enterprise and supplier development initiatives and help to create a transformed and inclusive society.



Urban Grown is a black women-owned urban farm that supplies Shoprite with fresh produce including spinach, baby marrow, patty pans, baby cabbage, kale and herbs.



Yes! Definitely, has experienced tremendous growth since partnering with the Shoprite Group, growing from supplying just five Checkers stores to 50 across the Western Cape in a year. The company produces spring water in unique bottles adorned with artwork by local artists. The bottles are made in part of repurposed plastic and are reusable.



Our environmental impact

Environmental stewardship	63
Climate change	65
Energy and emissions	67
Sustainable packaging	69
Waste and recycling	72
Water	74
Biodiversity	76





Environmental stewardship

A force for good

As a force for good and the largest private sector employer in South Africa, the work we do towards uplifting lives in our communities and protecting our planet all contribute to the long-term sustainability of people, the planet and our business.

Our practice of good governance and reporting against best practice frameworks (such as the TCFD and CDP), and our focused approach to embedding an ethical culture, maintaining effective control and achieving legitimacy, positions the Group to win in the long term.

Our goal is to safeguard our natural resources and to uplift lives every day.

We recognise that effective environmental stewardship requires a collective effort and responsibility from ourselves and our stakeholders. As Africa's largest fast-moving consumer goods retailer and the largest private-sector employer in South Africa, we acknowledge our responsibility to operate sustainably. We do so by leveraging our key enablers and building climate change resilience within communities.

We strive to continuously reduce our environmental impacts by increasing our operational efficiencies, guiding our supply chain to act responsibly, and monitoring and managing our electricity supply, water usage and waste generation while analysing local and global practices and trends.

We have partnered with our customers, employees, suppliers and communities to help us reduce our consumption as we work towards achieving our SBTi-approved Net-Zero targets.

Our awareness campaigns include planned engagements aimed at our employees, customers, suppliers and communities to provide disclosure about sustainability programmes and matters to influence their behaviours and reduce impacts.

Our environmental focus areas

Our key environmental focus areas are set out below. In each of these focus areas, we aim to understand our impact, create awareness and influence the right behaviours among our key stakeholders, especially our suppliers, our employees, customers and community base.

FOCUS AREAS

- | | |
|--|--------------------------------|
| 1 Energy and climate change | 4 Sustainable packaging |
| 2 Water security and wastewater | 5 Biodiversity |
| 3 Waste (including food waste) | 6 Responsible sourcing |

KEY ENABLERS

- | | |
|--------------------------------------|--|
| 1 Measuring and reporting | 4 Investing in key stakeholder relationships and partnerships |
| 2 Training and awareness | 5 Ensuring sound governance and accurate reporting |
| 3 Communicating and marketing | |

We have developed a clear and ambitious environmental strategy that aligns with our purpose. We invest in programmes that support the achievement of our strategy.

Key performance indicators: Performance against targets

Measure	Description	Units	2022	2023	Target	
Renewable energy	Electricity from renewables	kWh generated from renewable sources as a % of total electricity consumption	%	2.8	5.5 ✓	5.0
Waste recycling	Cardboard recycling	Volume of cardboard reused and recycled	Tonnes	46 102	52 061 ✓	48 408*
	Plastic recycling	Volume of plastic recycled	Tonnes	5 449	6 350 ✓	5 721*
Sustainable packaging	In-store packaging – reusable, recyclable or compostable	Packaging used in-store	%	91.3	97.8 ✓	91.3
	In-store packaging – recycled content	Packaging used in-store	%	68.0	72.7 ✓	68.0

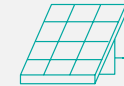
* Represents a 5% increase on 2022 volumes.

✓ Target met.

Our challenges

We remain committed to minimising our impact on the environment through responsible environmental stewardship. It has proved extremely challenging to achieve our intent during the year under review due to increased load-shedding, which has materially impacted our environmental performance. In South Africa, load-shedding has resulted in our generator diesel usage increasing by 364.6%.

Other environmental sustainability targets



Energy and climate change

Reduce absolute Scope 1 and 2 GHG emissions **42%** by FY 2030 from a FY 2020 base year.

Reduce absolute Scope 3 GHG emissions from use of sold products **25%** by FY 2030 from a FY 2020 base year.



Water security

Reduce water use intensity 20% by FY 2030, using FY 2020 base year.

2% reduction per annum



Waste

Zero organic waste to landfill by 2025.

Halve food waste by 2030, using FY 2020 base year.



Sustainable packaging

100% of packaging to be reusable, recyclable or compostable by 2025.

30% average recycled content across all packaging by 2025.



Responsible sourcing

- ✓ **100% responsibly sourced palm oil** and cocoa in premium private labels by end 2021/22.
- ✓ **100% sustainable seafood** for all premium private label seafood by end 2022.

Climate change

Our position on climate change

Our long-term sustainability depends on our ability to protect our natural capital and reduce our impacts on the environment.

We recognise that climate change can directly impact the sustainability of our business and erode value for stakeholders, communities and the countries where we operate. We, therefore, support the UNFCCC goal of limiting global temperature rise to below 1.5°C above pre-industrial levels. We have signed up to Science-based targets and our targets have been approved by the SBTi.

In order to understand what we need to do to meet our Net-Zero commitments, we are committed to understanding how climate change impacts our business, and how we contribute to climate change; this includes how we consider risks and opportunities and adapt our disclosure in accordance with the recommendations set out by the Task Force on Climate-Related Financial Disclosures (TCFD), while also embracing a science-based approach. Our climate change CDP score is B.



Solar panels installed on the roof of the Sitari Village Centre Mall, Cape Town, Western Cape province.

We focus on six objectives to mitigate climate change and adapt to a changing climate:

Reducing greenhouse gas emissions	Embracing energy efficiency throughout our operations (in stores, distribution centres and transportation), and using more renewable energy to reduce greenhouse gas (GHG) emissions.
Science-based targets	We have set science-based GHG emission reduction targets for the medium and long term, as well as renewable energy usage targets.
Strengthen climate change resilience	Building climate resilience has become a business imperative to safeguard our business against catastrophic events. We believe that assessing our climate change risks and opportunities and putting plans in place to mitigate risks and take advantage of these opportunities, ensures our long-term sustainability. Our climate-related risk management processes consider the full life cycle from sourcing through our supply chain to final consumption and waste disposal.
Build adaptive capacity	Building adaptive capacity in our operations and supply chain to ensure responsible business continuity.
Stakeholder engagement and collaboration	Collaborating and partnering with key stakeholders including regulators, suppliers, NGOs and other organisations, and sharing climate change information with employees, customers, suppliers and investors to build knowledge and capacity.
Responsible disclosures	Disclosing our strategy, targets, performance and risk mitigation and adaptation plans.

Reporting on progress

Our reporting is aligned with several international reporting frameworks and guidelines. While this Sustainability Report outlines our plans, efforts and performance related to climate change mitigation and adaptation, our TCFD information provides detailed disclosures on the climate-related risks and opportunities we face.

Our Scope 1 and 2 emissions and use of renewable electricity have third-party verification or assurance processes in place and details regarding this assurance can be found within our CDP climate change response.

Our TCFD index can be found in Appendix 3 on page 85 of this report.



This year marks our 13th year of submission to the CDP. Our CDP climate change score is ranked within the B category (FY 2022: B). Visit our website to access our CDP climate change response report.



Our renewable energy targets can be found on page 64 of this report.





Impact study

We are proud to be the only African company to have earned a place on the CDP's FY 2022 Supplier Engagement Leaderboard, for taking action to measure and reduce climate risk within our supply chain.

Our Company achieved an A-level assessment for consistent implementation of best practices. We were also among only 27% of companies that reached Leadership level within the convenience retail category, which means we are paving the way to truly meaningful environmental action within the corporate arena.

CDP is a not-for-profit charity that focuses investors, companies, cities and governments on building a sustainable economy by measuring and acting on their environmental impact. The world's economy looks to CDP as the gold standard of environmental reporting with the richest and most comprehensive dataset on corporate and city action.

See <https://lnkd.in/eM7Gza2j>



Climate change governance

The Board is ultimately responsible for the governance of our climate-related risks and opportunities and is supported by our SEC, ARC and the Group's Sustainability team.

The Board and its committees consider climate change targets, related metrics and strategic objectives when setting the Group's sustainability KPIs, risk and opportunity framework and budgets. We have linked these KPIs to employee STI rewards to ensure alignment with and execution of strategy.

To ensure effective oversight, the Board and committees receive quarterly reports from the Sustainability team regarding climate change-related matters and progress on the following:


- › Carbon footprint reduction opportunities
- › Climate matters and decarbonisation initiatives
- › Physical and transition risks
- › Resource use performance and efficiencies

Risk and opportunity management

We follow an integrated process of identifying, assessing and managing climate-related risks in our overall risk management process.

The Board sets our climate-change risk appetite and tolerances, strategic objectives and accountability. Our Sustainability team is responsible for ensuring our climate change-related risks, and opportunities to mitigate their potential impacts, are identified to improve our:

- › climate change adaptability
- › energy efficiency
- › pollution and waste management
- › Scope 1, 2 and 3 emissions
- › surplus food donations
- › sustainable packaging
- › water supply and efficiency.

 For more information on how we manage risk, refer to our risk section in our Integrated Report (pages 22 to 27).

Net-Zero intentions

We are actively monitoring our progress towards our Net-Zero target and have made substantive headway in improving environmental performance in the critical areas of waste, water and energy by reducing our consumption, lowering emissions and reviewing the impacts our operations and supply chain have on our communities and the environment. We have, thus, prioritised mitigation and adaptation efforts wherever possible. Our mitigation initiatives include renewable energy usage from rooftop solar PV systems and wheeling opportunities.

Metrics and targets

We have committed to supporting the UNFCCC goal of limiting global temperature rise to below 1.5°C above pre-industrial levels. This commitment is in line with the SBTi's urgent call for corporate climate action and we have committed to setting near-term company-wide emission reduction targets in line with climate science with the SBTi, as well as renewable energy usage targets. Our targets have been approved by the SBTi.

We are deliberate in our effort to reduce our carbon footprint and risks. Through mitigation initiatives, we reduced our carbon emission intensity by 2.3% during the year under review (FY 2022: 3.3%). We will continue to operate responsibly by considering the environment and the needs of the communities we serve.

Shoprite Holdings Ltd commits to reduce absolute Scope 1 and 2 GHG emissions 42% by FY 2030 from a FY 2020 base year. Shoprite Holdings Ltd also commits to reduce absolute Scope 3 GHG emissions from use of sold products 25% within the same timeframe.

Energy and emissions

We embrace energy efficiency throughout our operations (in stores, distribution centres and transportation), and using more renewable energy to reduce GHG emissions.

Scope 1, 2 and 3 emissions

	2022 tCO ₂ e	2023 tCO ₂ e
Scope 1	527 012	725 405
Scope 2	1 872 913	1 724 725
Scope 3	16 705 771	15 895 070
Total carbon emissions (Scope 1, 2 and 3)	19 105 696	18 345 200

We intend to decarbonise our energy and reduce our carbon footprint. Several opportunities exist to reduce our Scope 3 emissions, including recycling, reusing, diverting waste from landfills, and helping customers reduce their emissions. We recognise the decarbonisation of national grids will have the biggest impact on reducing our Scope 3 emissions.

Energy

Energy consumed

	2022	2023
Electricity used	1 911 388 MWh	1 870 729 MWh
Total fuel used	54 739 951 litres	102 992 343 litres
Total energy consumed	2 458 451 MWh	2 899 525 MWh

Investing in energy-efficiency initiatives

The Group continually seeks out ways to make more efficient use of our resources. We are also committed to accelerating our transition from fossil-based fuels to reliable clean energy solutions, and continue investing in these initiatives.

LED replacement project

Our LED replacement project has reduced our electricity consumption by 7.2% year on year. In the year under review, we retrofitted 212 (FY 2022: 280) supermarkets, furniture outlets and DCs, investing a further R76.3 million (FY 2022: R48.4 million). Over one million tubes have been replaced since the inception of this project.

In total, we have saved 161.3 million kWh (FY 2022: 150.4 million kWh) this year, thereby removing 167 722 tonnes of CO₂e (FY 2022: 159 724 tonnes of CO₂e), and accounting for 11.7% of our annual electricity consumption.

	2022	2023
Electricity use reduction achieved through our LED replacement project	150 435 988 kWh	161 289 828 kWh
Reduction in electricity cost as a result of LED replacement project	R288 692 240	R340 781 571
The investment in our LED project	R48 365 563	R76 276 325
tCO ₂ e saved as a result of our LED project	17 895 tCO ₂ e	6 576 tCO ₂ e

Increasing our use of renewable energy

106 141 tCO₂e

Emissions reduction due to renewable energy used
(FY 2022: 57 480 tCO₂e)

103 234 MWh

Renewable electricity consumed on sites
(FY 2022: 54 138 MWh)

36 441 MWh

Solar power generated by PV panels – annually
(FY 2022: 31 552 MWh)

We made notable progress in our use of renewable energy and have set targets to increase the percentage of renewable electricity we consume.

Five point five percent of our electricity came from renewable sources, exceeding our target of 5.0% (FY 2022: 2.8%). We consumed 103 234 kWh (FY 2022: 54 138 kWh) of renewable energy, which reduced our emissions by 106 141 tCO₂e (FY 2022: 57 480 tCO₂e).

We increased the installed capacity of our solar PV systems by 28.4% (FY 2022: 82.1%) at 73 sites (FY 2022: 62 sites) increasing our total installed capacity to 34 127 kWp (FY 2022: 26 606 kWp). We now have 69 sites (FY 2022: 58 sites) in South Africa and four sites (FY 2022: four sites) in Namibia.



Managing the energy consumption of the Group's fleet

We have prioritised the installation of solar PV on trailers, since trucks with solar PV trailers can be switched off while the refrigeration and the tailgate lift continue to run on solar power. We save 3.2 litres per trailer per day.

We continuously strive to increase the energy efficiency of our fleet through route and network optimisation, which includes sourcing locally and developing a network of distribution centres, increasing the energy efficiency of our trucks and training drivers on how to reduce fuel consumption. Through this focus, we can lower the comparative impact of the distance our fleet travels every year. Our efforts included training our drivers to be frugal, cautious drivers both from a fuel efficiency and safety perspective.

We have imported over 100 Euro 5 compliant trucks, which produce fewer GHG emissions and are more fuel efficient. We are currently testing an electric vehicle doing local deliveries, which is recharged using our solar installation.

Reverse logistics

We have further reduced the environmental impact of our broader supply chain through reverse logistics that saved 1 620 tCO₂e (FY 2022: 1 023 tCO₂e) in the year under review.

Load-shedding

While we have introduced various solutions to reduce the impact of load-shedding, which include the use of generators and the installation of solar PV panels on the roofs of our distribution centres, the country does require decisive action from all parties (Eskom, municipalities and landlords) to solve this crisis. In the meantime, we will continue to seek renewable solutions that solve our immediate energy needs.



The solar panels on our trucks provide eco-friendly truck refrigeration.

Sustainable packaging

We acknowledge the need for sustainable packaging. Our goal is to innovate and renovate how we package our private label products by ensuring our packaging is sustainable.

Packaging usage is on the increase globally, which places enormous pressure on natural resources and energy. At Shoprite, we recognised the need to develop sustainable packaging solutions to relieve the pressure on natural resources and to minimise the impact on the environment. We acknowledge that packaging has a major role to play by:

- › acting as a tamper barrier
- › creating shelf appeal, and identifying the product
- › protecting the product during transportation from manufacturing to storage, to stores, and to our customers' homes
- › relaying important characteristics and legal information about the product.



We recognise the need to develop sustainable packaging solutions to relieve the pressure on natural resources and to minimise the impact on the environment.



Food packaging has a critical role to play in food safety and hygiene levels, as well as the shelf-life and preservation of food, and consequently in the reduction of food waste.

While these packaging characteristics are beneficial – packaging is, however, a major source of waste and environmental degradation if not managed responsibly. We recognise the environmental impact (to land and marine life) of packaging, and the current emerging crisis due to a lack of global collaboration.

To mitigate our packaging impact on the environment, we support a circular economy approach whereby packaging waste is diverted from landfills to recycling facilities instead of the linear make-use and dispose-of approach.

We realised that in order to implement our strategic goals and to deliver on

our commitments, we must manage the packaging material types that we use for our private label product ranges. To enable this, we formed key partnerships with our packaging suppliers.

Our multidisciplinary team sets the specifications to ensure our packaging enables and promotes food safety, legal compliance and sustainability. This design-for-sustainability approach helps minimise our environmental footprint.

The sustainable packaging targets we set for FY 2023 were that 91% of our in-store packaging would be recyclable, reusable or compostable, and 68% of the content would be recycled content. We exceeded these targets, with 98% of our in-store packaging being recyclable, reusable or compostable and 73% of the content being recycled content. We are making steady progress towards our 2025 targets.



Our commitment to sustainable packaging, includes:

Design-for-sustainability approach	Adopting a design-for-sustainability approach to packaging based on life cycle thinking and innovations, particularly for our private label brands, including correct and non-confusing reusable, recyclable or compostable labelling.
Circular economy	Embracing the circular economy concept in our operations supports producer responsibility for packaging, including in-store recycling of certain waste streams.

We have set commitments and targets to ensure we use sustainable packaging, especially for our own private label brands and in-store formats (such as carrier bags and fresh food packaging) including:

Reusable or recyclable or compostable packaging	100% of packaging to be reusable or recyclable or compostable by 2025.
Use recycled content across all packaging	Use 30% average recycled content across all packaging by 2025.
Collaborating and partnering	Collaborating and partnering with key stakeholders including regulators, suppliers and other organisations equally concerned about this issue.
Recycling initiatives	Supporting local community recycling initiatives.
Sustainable packaging information	Sharing and promoting sustainable packaging information with employees, customers, suppliers and investors by reporting and being transparent about our efforts and performance.

New product packaging process

When a new product is launched, we start with an innovation forum where a cross-functional team (from marketing, buying, packaging and technical) creates a full business case that decides on the viability, positioning, pricing and packaging for the product. Subsequently, the packaging team will liaise with the packers, buying, quality, regulatory, supplier and technical development teams to ensure the packaging materials meet the demands of packing equipment, food safety and legal compliance, communicating to the customer, functional, preservation and shelf-life.



Improving the sustainability of our in-store packaging

We are proud that all our in-store paper and paperboard packaging used in our delis, bakeries and fresh fish departments are Forest Stewardship Council or Sustainable Forestry Initiative certified.

72.7%

Average recycled content used for our in-store packaging
(FY 2022: 68.0%)

97.8%

In-store packaging that is reusable, recyclable or compostable
(FY 2022: 91.3%)



We have made good progress in transitioning key packaging categories. Technology is a vital enabler of our progress. We are in the process of building packaging needs into our recipes and reordering system that will enable us to better manage packaging stocks and losses from a centralised Group level.

Recycled content and recyclability of private label products	Recycling labels on private label packaging	Appointing specialists and researching alternatives	Staying abreast of on-pack developments in the packaging industry
<p>The packaging used for our private label products is designed with sustainability principles in mind, including using recyclable materials. Increasing the recycled content used in our private label packaging is an important part of contributing to the circular economy – ensuring they are recyclable, reusable or compostable.</p>	<p>Correct labelling that indicates whether packaging is recyclable is an essential part of increasing recycling rates as it helps guide customers when they recycle.</p> <p>On-pack recycling labels are widely recognised and used to provide customers with a consistent message on the recyclability of a product.</p>	<p>Developing expertise within our packaging team to support our commitments exemplifies our commitment to increasing the sustainability of our packaging.</p>	<p>By engaging suppliers on developments in the packaging industry, we can assume a leadership role by encouraging suppliers to adopt sustainable developments.</p>

Waste and recycling

We have made substantial investments in the optimisation of our waste management plans to ensure recycling is maximised and waste is minimised.

Waste

Surplus food

Food waste represents a lost opportunity to address hunger and food security and has a negative impact on the environment. As part of our purpose to uplift lives, we are committed to improving food security by reducing food waste. We are also a core signatory of the Consumer Goods Council of South Africa's food loss and waste voluntary agreement.

To avoid sending surplus food to landfill, we apply a hierarchical approach to managing waste. Firstly, surplus food is assigned for community donations. All food that is not fit for human consumption is then assessed for animal feed eligibility and composting.

We use technology to monitor and reduce food waste while maintaining on-shelf availability and data analytics to identify and address hotspots.



Read more about our surplus food donations on page 56.

Circularity and waste

One of the primary sources of waste within our operations is secondary packaging (like cardboard and plastic). While we can control the waste generated in our operations, we are aware of the waste that occurs upstream in our supply chain in the production of the products we sell, as well as downstream in the disposal of products by customers. Our approach to this, as well as within our operations, focuses on diverting waste from landfills by embracing the circular economy and aligning our efforts with the waste management hierarchy.

During the year under review, we have been able to increase our plastic recycling by 16.5% and our cardboard recycling by 12.9%. Using IT enhancements, scan-to-donate, and the support of our stores we have been able to increase our surplus goods donations this year by 43.6%.



Packa-Ching has a positive impact on multiple communities as their recycling centres make recycling more accessible and promote waste removal. They also provide an income-earning opportunity for those who bring in recyclable materials.



Bio-digester bins at a distribution centre.



In 2022, Shoprite rolled out trolleys made 100% out of recycled milk bottles.

Our environmental impact continued

Recycling

Recyclable and reusable shopping bag options

Throughout our operations, we offer 100% recyclable and reusable shopping bag options. These bags are made from 100% post-consumer waste recycled material, which helps customers make more sustainable choices. We also incentivise shoppers to reuse shopping bags through our Planet bags and our rebate programme. We have paid out rebates to the value of R940 408 (FY 2022: R857 629).

Our Sixty60 paper delivery bags are recyclable and contain 100% recycled FSC-certified content. The stores send these on to the DCs along with other recyclable packaging waste from our operations. This year, we improved the paper labels used with the bag. They are fully recyclable and can be recycled along with the paper bag.

	Unit	2022	2023
Total number of recyclable shopping bags sold	bags sold	772 195 993	1 086 694 524
Recycled plastic used in recyclable shopping bags	tonnes	8 795	13 365
Reusable bags sold (Planet bags)	bags sold	2 868 033	2 941 182
Value of rebates given on reusable bags (Planet bags)	R	857 629	940 408

Innovative recycling initiatives

Recycled plastic crates	We use recycled plastic crates to move produce from the farmer through our distribution centres to our stores. These crates are reused and reduce the volume of cardboard boxes used.
Recycled trolleys	<p>Checkers initially rolled out shopping trolley baskets made from 100% recycled plastic but the recycled content has since reduced to 50% to increase the lifespan and durability. Our trolleys have contained at least 35% recycled content since 2018.</p> <p>The new trolley baskets come in classic and mini sizes, each made from old milk bottles.</p> <p>https://www.shopriteholdings.co.za/newsroom/2022/checkers-hundred-percent-recycled-trolleys.html </p>
Recycled plastic shelving	The Group's fittings, fixtures and equipment team used 115 tonnes of shelving made out of recycled plastic during FY 2023. The plastic used for the shelves is collected from homes, businesses and institutions. The final product, made from 100% recycled polyolefin thermoplastic, is robust, maintenance free, long-lasting and non-toxic.

Towards a circular economy

The Shoprite Group's support of the Packa-Ching polycy recycling initiative aligns with our purpose of uplifting lives daily, creating economic opportunity and protecting our planet. Since launching its first mobile unit in August 2017 in Langa, Cape Town, Packa-Ching has paid over R10 million to waste entrepreneurs and diverted over 10 million kilogrammes of waste from landfills.

The entrepreneurs collect and deliver recyclable packaging materials to a Packa-Ching mobile unit, where they are weighed, and the entrepreneur is paid immediately via a cashless eWallet system for the material delivered. The materials Packa-Ching buys back include plastic, glass, cans and paper. The entrepreneurs can use these funds at any participating retailer or withdraw or transfer them to anyone in South Africa.

Packa-Ching's unique model is entrepreneur-focused, with each mobile unit being owner-operated, providing an income-earning opportunity for community members and waste entrepreneurs. It has 15 mobile units operating nationally in low-income areas with limited recycling infrastructure. The units service more than 80 communities and schools across South Africa. Packa-Ching has created more than 57 new jobs via the Shoprite Group's participation in the Youth Employment Service (YES) since its inception. The Group's sponsorship and support have allowed Packa-Ching to pay its employees, who are also provided with an education that enhances their personal development and prepares them for further opportunities in the waste and recycling industry.

	2022	2023
Number of entrepreneurs supported	4	5
Number of entrepreneurs supported since inception	12	16
Weight of recyclable material collected (kg)	3 009 766	6 750 000
Weight of recyclable material collected since inception (kg)	6 248 605	12 998 605
Money paid into mobile wallets per year	R2 556 554	R7 640 372



Water

Responsible management of our water resources is a crucial concern for the Group, from both a moral and commercial perspective.

Water is an essential resource for the Group, despite not being a significant consumer of water. Our water strategy focuses on two key deliverables:

To minimise our consumption wherever possible

To engage with multiple stakeholders to better manage this critical resource

Through water-saving initiatives to proactively respond to the inherent risks that are posed by changes in the water supply and manage our water resources effectively, we have implemented improved measures to account for all our water sources and monitor (using technology and smart metres) all withdrawal volumes, sources, consumption and recycling.

Water security

As an African retailer, many of the countries where we operate face severe water security challenges, a situation likely to be significantly exacerbated by the effects of climate change.

The Group recognises that access to clean water remains a human right and is a precursor to economic development, notwithstanding the availability of water to maintain the integrity of ecosystems.

We require a dependable and reliable source of clean water for our direct operations, mainly for food preparation and hygiene purposes. Our supply chain (farms and manufacturers) is, however, extremely dependent on the availability and accessibility of water.

Ensuring the security and safety of our water supply

Optimising water consumption

Water optimisation

We continued our installation of water loggers (Smart meters) to better understand and manage our water consumption. In 2023, we installed 207 online water loggers (FY 2022: 108), which helped us identify leaks and reduce our consumption.



The Shoprite Group has increased the availability of clean drinking water in rural communities by expanding its support of PlayPumps to 53 sites across South Africa benefiting more than 18 000 people.

We do not withdraw any water from non-renewable fresh or groundwater sources in South Africa and continue to discharge all wastewater in South Africa to municipal wastewater treatment facilities. All wastewater from stores and DCs undergo an on-site pre-treatment before being discharged to municipal wastewater treatment facilities.

Our employees are trained in the appropriate management of wastewater and the cleaning of pre-treatment equipment. Water management plans are in place at each of our facilities. As 33.1% of our facilities are located within water-stressed regions, we engage with municipalities in each of these areas.

We continually look for ways to reduce our water usage, and in the past year, our water consumption intensity has decreased by 6.6% (FY 2022: 7.5%).

	Unit	2022	2023
Total consumption	kℓ	4 535 307	4 430 000
Total: Water use intensity (kℓ per occupied space)	kl/m ²	0.914	0.855

Our progress made against quantified targets to reduce our water use across the whole Company is disclosed in our CDP water security response at shopriteholdings.co.za/sustainability.html

WWF Water Risk Filter

We use the WWF Water Risk Filter to better understand the risks we face in the diverse landscapes in which we operate. These details are reported on in our CDP submission. This online tool has updated water prediction models that assist us with assessing and responding to water-related risks.

The WWF Water Risk Filter considers risks at a basin level. This means each of our 2 840 facilities (FY 2022: 2 525) are mapped into the WWF Water Risk Filter to determine water availability, the water quality risk, ecosystem and habitat risks, and the risk of conflicts concerning water resources. The implications on key commodities/raw materials and water-related regulatory frameworks are also considered.



Water resilience

Community resilience

We recognise that providing access to water to build resilience is critical for the rural communities in which we operate.

PlayPumps

We are increasing the availability of clean drinking water in rural communities by expanding our support of PlayPumps to 53 sites (FY 2022: 37 sites) across South Africa, which benefits more than 18 000 people.

PlayPumps are “merry-go-rounds” that pump water from boreholes into reservoirs as children play on them, providing a reliable source of clean drinking water while also giving children who lack play equipment a constructive and rewarding way to use their energy.

Providing community access to water helps to build resilience and promotes economic stability. As a result, we maintain water PlayPumps in the communities in which we operate and include water conservation training modules in our community food garden training material.

Food gardens

In our support of food gardens, water infrastructure needs are assessed. If a need exists, we provide support in fixing any water-related infrastructure, issuing water tanks or establishing boreholes.

Community engagement

During the Eastern Cape drought between 2015 and 2020, we created community awareness by playing water-saving messages in our stores in the Eastern Cape to constantly remind customers to reduce their water use, as part of a wider communication plan.

Own operations resilience

We have installed 2 160 water tanks and 1 730 water pumps in our operations to ensure our operations can continue during water outages and disruptions.

Biodiversity

Deforestation, biodiversity loss and sustainable land management

We mainstream biodiversity protection by reducing food waste across our operations, using more sustainable packaging, and fighting and adapting to climate change.

We know that as a business, we are directly dependent on ecological services, such as pollination and germination for example. Yet at the same time, we create impacts on biodiversity through our supply chain and our direct operations.

We understand that maintaining the biodiversity within our natural systems is essential to our long-term sustainability, and we recognise that we must manage our impacts proactively, despite having an indirect, yet high dependency on various ecosystems; therefore, we are intent on reducing our impact on these vital systems through various environmental and social programmes, including responsible sourcing.

The paper and board we use is FSC 100% certified as responsibly sourced, and the palm oil and cocoa we use in our private label products, Simple Truth and Forage and Feast, are also responsibly sourced. As a WWF-SASSI participant we are committed to seafood sustainability. We collaborate with SASSI to develop and implement responsible seafood sourcing solutions to address our key seafood sustainability challenges.

We are aligned with the SDGs that highlight the importance of biodiversity and healthy ecosystems, particularly SDG 14 (life below water), and SDG 15 (life on land). To this end, we commit to:

- adopting the biodiversity loss mitigation hierarchy of avoidance, minimisation, restoration or rehabilitation and offsetting; and applying a 'no net loss' approach for our own operations; or a 'net gain' approach where appropriate
- collaborating and partnering with suppliers and other organisations to promote responsible sourcing of key agricultural, aquatic and forestry products
- increasing the mainstreaming of biodiversity into the Group's direct operations to articulate key biodiversity dependencies and identify opportunities to reduce biodiversity harm
- reporting on and being transparent about our efforts and performance
- setting plans and targets to continuously reduce biodiversity loss and improve responsible sourcing
- sharing information related to responsible sourcing with employees and customers to build knowledge and create awareness.

Biodiversity footprint according to the Biological Diversity Protocol

The loss of biodiversity is one of the biggest challenges of our time, and the Group's business has an indirect yet high dependency on various ecosystem services, such as pollination, soil, climate and/or water-related services, including the work of various micro-organisms. Our Biodiversity and Responsible Sourcing positioning statement, available on our website, has been approved by the Social and Ethics Committee.

We requested support from the Endangered Wild Life Trust with the assessment of our biodiversity footprint in accordance with the Biological Diversity Protocol. This support has allowed us to take informed decisions and to encourage increased biodiversity awareness and mainstreaming in our direct operations.

We are currently developing our biodiversity action plan and setting targets that will allow us to measure progress, which will be implemented during FY 2024.

During FY 2023, 68% of the fish products we stocked were considered to be sustainable fish products, as per the South African Sustainable Seafood Initiative (SASSI) guidelines (FY 2022: 74%).

During FY 2023, we provided training in sustainable fishing practices for 47 of our suppliers (FY 2022: 47).

Supporting sustainable agriculture in South Africa

Going forward, we are eager to learn more about our growers' sustainability efforts and the obstacles they face when it comes to adopting more sustainable practices.

We support sustainable agriculture in South Africa through our Sustainable Initiative of South Africa (SIZA) membership and require that all our suppliers obtain a good agricultural practice certification through localg.a.p brand or GLOBALG.A.P., which supports the quality, safety and sustainability of the produce on our shelves. GLOBALG.A.P. features rigorous sustainability criteria on biodiversity, water, plastics, pest management and more.

SIZA provides agricultural stakeholders within South Africa with a platform to conduct ethical and environmentally sustainable trade, ensures there is transparency in our supply chain, and focuses

on continuous improvement in practices over time. The SIZA Environmental Assurance Model is based on eight principles, including healthy soil practices, water-use efficiency, prevention of contamination to soil and water bodies, and restoration of natural ecosystems.

We play a pioneering role in the creation of localg.a.p. certifications in South Africa. This supports SMME suppliers in overcoming barriers to market access and helps SMMEs begin their sustainability journey.



Agrikool, a small agricultural business, showing exponential growth delivering fresh produce worth over R3 million to the Shoprite Group. An agricultural scientist works with over 22 farmers in KwaZulu-Natal, creating a local economy within the farming community.



Appendices

Appendix 1: Compliance training	78
Appendix 2: GRI Index	79
Appendix 3: TCFD Index	85
Appendix 4: UNGC Index	89
Appendix 5: Key sustainability indicators	90
Appendix 6: Our alignment with legislation and best practice	92
Appendix 7: Employee profile	93
Appendix 8: SASB Index	94
Abbreviations and acronyms	95
Shareholders' diary	96
Administration	96



The Shoprite Mobile Soup Kitchen serving warm meals to communities affected by severe flooding in the Western Cape in June 2023.



Appendix 1: Compliance training

Disclosure	Intervention hours	Number of people trained
Anti-bribery and corruption, and fraud	51	51
Anti-money laundering	89 144	46 542
Competition law	91	91
Consumer protection laws	3 318	3 318
Corporate governance and ethics	34	3
Credit law	377	173
Data protection privacy and cyber laws	56 623	22 725
Environmental and sustainability	1 754	1 754
Financial services insurance, money transfers	41 164	37 436
Food safety and hygiene	154 727	49 318
Health and safety	205 238	65 400
Labour and employment law	360	356
Licences and permits	9 750	1 737
Liquor laws	7 958	6 652



Appendix 2: GRI Index

Disclosure number	Disclosure title	Disclosure location	Omissions
GRI standard: General Disclosures 2021			
2-1	Organisational details	Integrated Report 2023 (IR 2023) inside the front cover	
2-2	Entities included in the organisation's sustainability reporting	Sustainability Report 2023 (SR 2023) Scope and Boundary, page 7 Annual Financial Statements (AFS) Directors' report, page 4	
2-3	Reporting period, frequency and contact point	SR 2023 About this report, Our reporting suite, page 6	
2-4	Restatements of information	SR 2023 About this report, page 7	
2-5	External assurance	SR 2023 Assurance of KPIs, page 7 IR 2023 Expanding our investment in key environmental programmes, page 85	
2-6	Activities, value chain and other business relationships	SR 2023 Group overview, page 2 IR 2023 Introduction pages 2, 4, 5 and 6	
2-7	Employees	SR 2023, Employee profile, page 43	2-7-e omitted Reason: not applicable Explanation: Shoprite employee data reported was not subject to variations such as seasonal fluctuations
2-8	Workers who are not employees		Data is unavailable
2-9	Governance structure and composition	SR 2023 Value-creating governance, page 18 IR 2023 pages 37 to 42	
2-10	Nomination and selection of the highest governance body	SR 2023 Value-creating governance, page 17 IR 2023 pages 37 to 42	
2-11	Chair of the highest governance body	SR 2023 Value-creating governance, page 17 IR 2023 pages 37 to 42	
2-12	Role of the highest governance body in overseeing the management of impacts	SR 2023 Value-creating governance, pages 17 and 18 IR 2023 pages 37 to 42	
2-13	Delegation of responsibility for managing impacts	IR 2023 pages 37 to 42 Application of the King IV Principles, Principle 4, page 2	
2-14	Role of the highest governance body in sustainability reporting	SR 2023 Sustainability-related governance, page 17	
2-15	Conflicts of interest	Application of the King IV Principles, Principle 1: Leadership 1.1	

GRI standard: General Disclosures 2021 (continued)



Disclosure number	Disclosure title	Disclosure location	Omissions
2-16	Communication of critical concerns	IR 2023, Value creating governance, page 41	
2-17	The collective knowledge of the highest governance body	SR 2023, Sustainability-related governance, Sustainable development, page 18	
2-18	Evaluation of the performance of the highest governance body	Application of King IV Code Principle 9, 9.1 and 9.2	
2-19	Remuneration policies	IR 2023 Remuneration review, page 94	
2-20	Process to determine remuneration	SR 2023, Sustainability-related governance, Sustainability linked to remuneration, page 18 IR 2023 Remuneration review, page 95	
2-21	Annual total compensation ratio	Not included	Legislation regarding this disclosure is under development in South Africa. Once we are provided with clarity as to the metrics relevant to pay ratio and pay gap, we will be able to provide information.
2-22	Statement on sustainable development strategy	SR 2023, CEO's foreword, page 13	
2-23	Policy commitments	SR 2023, Social and Ethics Committee Chairman's report, page 14 IR 2023, What our Board and Social and Ethics Committee focused on in FY 2023, page 42	
2-24	Embedding policy commitments	SR 2023, Social and Ethics Committee Chairman's report, page 14 IR 2023, What our Board and Social and Ethics Committee focused on in FY 2023, page 42	
2-25	Processes to remediate negative impacts	SR 2023 Oversight, monitoring and guidance provided by the structures in place to ensure effective governance, page 19 SR 2023 Our position on human rights, page 42	
2-26	Mechanisms for seeking advice and raising concerns	SR 2023, Our position on human rights, Providing mechanisms for engagement, page 42	
2-27	Compliance with laws and regulations	SR 2023 Our alignment with legislation and best practice, page 92	
2-28	Membership associations	SR 2023 Our alignment with legislation and best practice, page 92	
2-29	Approach to stakeholder engagement	IR 2023 Stakeholder engagement, pages 27 to 31 SR 2023 Stakeholder engagement, page 25	
2-30	Collective bargaining agreements	SR 2023 Labour relations management, page 49	

GRI standard: GRI 3: Material Topics 2021



Disclosure number	Disclosure title	Disclosure location	Omissions
3-1	Process to determine material topics	SR 2023 Materiality, page 22 IR 2023 Our double materiality process, page 23	
3-2	List of material topics	SR 2023 Our material matters, page 23 IR 2023 Material matters and the risks and opportunities they create, page 24	
3-3	Management of material topics	IR 2023 Material matters and the risks and opportunities they create, page 24 to 26	
GRI standard: GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	AFS	
201-2	Financial implications and other risks and opportunities due to climate change	CDP Climate change, C2	
GRI standard: GRI 203: Indirect Economic Impacts 2016			
203-2	Significant indirect economic impacts	SR 2023 Supply chain resilience, page 36 IR 2023 Economic sustainability, Supply chain and replenishment page 64	
GRI standard: GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	IR 2023 Local supplier spend, page 64 IR 2023 Discretionary B-BBEE compliant procurement, page 84 SR 2023 Black-owned procurement, page 40 IR 2023 Black women-owned procurement, page 40 IR 2023 page 84 and SR 2023 page 40 SMME procurement IR 2023 Black-owned SMME procurement, page 84 IR 2023 Black women-owned SMME procurement, page 84 IR 2023 Supplier development, page 84	
GRI standard: GRI 301: Materials 2016			
301-2	Recycled input materials used	SR 2023 Our environmental focus areas, page 63 SR 2023 Waste and recycling, Recycling, page 72 IR 2023 KPI performance against targets, page 79	
GRI standard: GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	SR 2023 Energy and emissions, page 67	
302-2	Energy consumption outside of the organisation	CDP Climate change response, section C6.5	
302-3	Energy intensity	SR 2023 Key sustainability indicators, page 91	
302-4	Reduction of energy consumption	SR 2023, Energy, Investing in energy initiatives, page 67	
302-5	Reductions in energy requirements of products and services	SR 2023 Key sustainability indicators, page 91	



Disclosure number	Disclosure title	Disclosure location	Omissions
GRI standard: GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	CDP Water security response section W3	
303-2	Management of water discharge-related impacts	CDP Water security response section W1.2	
303-3	Water withdrawal	CDP Water security response section W1.2b, W1.2h	
303-4	Water discharge	CDP Water security response section W1.2b, W1.2i	
303-5	Water consumption	CDP Water security response section W1.2b, W1.2d	<p>Part omitted Reporting requirements c, d</p> <p>Reason Information not available</p> <p>Explanation Not reported, and method of calculation is not mentioned</p>
GRI standard: GRI304: Biodiversity 2016			
304-2	Significant impacts of activities, products and services on biodiversity	SR 2023 Biodiversity footprint according to the Biological Diversity Protocol page 76	
GRI standard: GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	SR 2023 Key sustainability indicators, page 90	
305-2	Energy indirect (Scope 2) GHG emissions	SR 2023 Key sustainability indicators, page 90	
305-3	Other indirect (Scope 3) GHG emissions	SR 2023 Key sustainability indicators, page 90	
305-4	GHG emissions intensity	SR 2023 Key sustainability indicators, page 90	
305-5	Reduction of GHG emissions	SR 2023 Key sustainability indicators, page 90	
305-6	Emissions of ozone-depleting substances (ODS)	CDP Climate change response section C6.5	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	CDP Climate change response section C7.1	<p>Part omitted Reporting requirements a ii-vii</p> <p>Reason Not applicable</p> <p>Explanation These emissions are not significant so not reported in CDP, other than NOx</p>



Disclosure number	Disclosure title	Disclosure location	Omissions
GRI standard: GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	SR 2023 Waste management, page 73	
306-2	Management of significant waste-related impacts	SR 2023 Surplus food waste and Circularity and waste, page 73	
306-3	Waste generated	SR 2023 Total waste generated by weight, page 91	
306-4	Waste diverted from disposal	SR 2023 Total waste generated by weight, page 91	
306-5	Waste directed to disposal	SR 2023 Total waste generated by weight, page 91	
GRI standard: GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	SR 2023, Job creation, page 48	<p>Part omitted Reporting requirements a</p> <p>Reason Information not available</p> <p>Explanation The Group does not record its new employee hires by age group</p>
GRI standard: GRI 403: Occupational Health and Safety 2018			
403-3	Occupational health services	SR 2023 Ensuring employee health and safety, page 51	
403-5	Worker training on occupational health and safety	SR 2023 Ensuring employee health and safety, page 53	
403-6	Promotion of worker health	SR 2023 Employee wellness programme, page 50	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 2023 Ensuring employee health and safety, page 52	
403-8	Workers covered by an occupational health and safety management system	SR 2023 Ensuring employee health and safety, page 51	
403-9	Work-related injuries	SR 2023 Incidents and accidents, page 52	



Disclosure number	Disclosure title	Disclosure location	Omissions
GRI standard: GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	IR 2023 Our people, page 69 SR 2023 Retail Varsity, page 46	
404-2	Programmes for upgrading employee skills and transition assistance programmes	SR 2023 Developing talent internally, page 45 IR 2023 Our people, page 70	
GRI standard: GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	IR 2023 pages 36 and 69 SR 2023 Transformation, diversity and inclusion, page 44	
GRI standard: GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programmes	SR 2023 Our social impact overview, pages 42 to 61	
GRI standard: GRI 416: Customer Health and Safety 2016			
416-2	Assessment of the health and safety impacts of product and service categories	SR 2023 Prioritising food safety, page 35	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR 2023, page 36	
GRI standard: GRI 417: Marketing and Labelling 2016			
417-2	Incidents of non-compliance concerning product and service information and labelling	Prioritising food safety, SR 2023 page 36	
417-3	Incidents of non-compliance concerning marketing communications	Responsible marketing and brand management, SR 2023 page 34	
GRI standard: GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantial complaints concerning breaches of customer privacy and losses of customer data were experienced	

Appendix 3: TCFD Index

Given the potential for climate change to destabilise the global economy, the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) was established to enhance information to investors, lenders and insurers so that the risk and opportunity are recognised, assessed and priced in.

By way of this index, we highlight our efforts to integrate and align our operations with the TCFD recommendations. This is our third year of disclosing in our Sustainability Report in line with the recommendations of the TCFD. It is pleasing that the work we have done previously on climate change and the broader sustainability issues has made this possible. The TCFD framework is structured around four sections: Governance, Strategy, Risk, and Metrics and Targets. We indicate below where TCFD-related information is disclosed in our 2023 CDP climate change submission, with additional references from our Sustainability Report and Integrated Report. CDP's disclosure platform provides the mechanism for reporting in line with the TCFD recommendations. This year marks our 14th year of submission to the CDP. Our CDP climate change score is ranked within the B category. Visit our website to access our CDP climate change response report.

Governance

Disclosure	CDP	SR/IR	Additional information
a) Describe the Board's oversight of climate-related risks and opportunities, including: Process and frequency of information	C1.1a, C1.1b and C1.1d	SR page 18	The Board is our highest level of governance and is supported by the SEC, which provides direct oversight of ESG-related matters, including climate change. Board level oversight is the responsibility of the Chair of the Board and the Chief Executive Officer. The short, medium and long-term effect of climate change on our business operations, customers and communities is identified as an issue material to our business and our stakeholders. Understanding the impacts of climate change on our business and taking steps to mitigate its impact is key to ensuring the sustainability of our business.
Influence on business planning and goals How the Board assesses progress against goals	C1.1b		
b) Management's role in assessing and managing climate-related risks and opportunities, including: Description of the associated organisational structure	C1.2, C1.3 and C1.3a	IR pages 40 and 44	Our CEO and Executive Management provide the day-to-day leadership and management needed to drive change in key sustainability issues, including climate change. Our dedicated sustainability team provides guidance for management on ESG matters.
Processes by which management is informed How management monitors climate-related issues			ESG KPIs are presented in monthly divisional meetings and finance meetings. In this reporting period, the short-term incentive scheme for the Exco was changed to include a 20% weighting to non-financial measures. The non-financial measures include renewable energy consumption (solar PV contribution), waste recycling (plastics and cardboard recycling) and sustainable packaging usage (reusable, recycled and compostable).



Strategy

The potential material impacts of climate-related risks and opportunities on our business, strategy, and financial planning.

Disclosure	CDP	SR/IR	Additional information
a) Climate-related risks and opportunities identified over the short, medium, and long term, including:	C2.1	SR page 66	
Description of time horizons	C2.1a	SR page 66	
Description of the specific climate-related issues. If relevant, description of their risks and opportunities by sector and/or geography	C2.2a, C2.3a and C2.4a	SR page 66	
Description of the process(es) used to determine which risks and opportunities could have a material financial impact	C2.1b and C2.2	IR pages 22 to 27	
b) Impact of climate-related risks and opportunities on our business, strategy, and financial planning, including for:	C2.3a, C2.4a, C3.3 and C3.4		
Products and services, supply chain and/or value chain, adaptation and mitigation activities, investment in research and development and operations	C4.3a, C4.3b and C4.5a		
How climate-related issues serve as an input to the financial planning process, the time period(s) used, and how these risks and opportunities are prioritised	C3.4		Expected costs are integrated through our budgeting processes and meetings. We also have project approval processes which include capital expenditures related to climate risk. An example includes installing water meters.
Impact on financial planning for: operating costs and revenues, capital expenditures and capital allocation, acquisitions or divestments and access to capital	C3.4		
Description of climate-related scenarios used to inform strategy and financial planning	C3.4		
c) The resilience of our strategies, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	C3.1, C3.2, C3.2a and C3.2b		Community (and hence consumer) resilience strengthened contributions to community food gardens and water conservation. Operational resilience improved using water store tanks and pumps, with plans for a water master plan; warehouse placement to reduce route distances; and use of AI and technology to minimise food waste.
How resilient the strategies are to climate-related risks and opportunities, taking into consideration a transition to a lower-carbon economy consistent with a 2°C or lower scenario			
Where the strategies may be affected by climate-related risks and opportunities.			
How the strategies might change to address such potential risks and opportunities			
The climate-related scenarios and associated time horizon(s) considered			



Risk management

How we have identified, assessed and managed climate-related risks.

Disclosure	CDP	SR/IR	Additional information
a) Our processes for identifying and assessing climate-related risks	C2.1a and C2.1b		
Description of considerations of existing and emerging regulatory requirements related to climate change as well as other relevant factors considered	C2.2 and C2.2a	SR, Material matters and the risks and opportunities they create, pages 22 to 27 SR, Environmental risks, page 66	
Processes for assessing the potential size and scope of identified climate-related risks	C2.1b		
Definitions of risk terminology used or references to existing risk classification frameworks used	C2.2		
Determining the relative significance of climate-related risks in relation to other risks	C2.2		
b) Our processes for managing climate-related risks	C2.1a and C2.1b		
How decisions to mitigate, transfer, accept or control those risks are made	C2.2		
Processes for prioritising climate-related risks, including how materiality determinations are made	C2.1b		
c) How processes for identifying, assessing and managing climate-related risks are integrated into our overall risk management	C2.1a, C2.1b, C2.2 and C2.2a		



Metrics and targets

The metrics and targets used to assess and manage relevant material climate-related risks and opportunities.

Disclosure	CDP	SR/IR	Additional information
a) The metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process	C2.3a, C2.4a, C4.1a, C4.1b, C4.2a and C9.1		
b) Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks GHG emissions and associated metrics provided for historical periods to allow for trend analysis Description of the methodologies used to calculate or estimate the metrics	C5 and C6	SR pages 65 to 68	
c) Targets used to manage climate-related risks and opportunities and performance against targets, including: Description of target as absolute or intensity based, and if it has timeframes, base year, and KPIs to assess progress Description of efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a lower-carbon economy	C4.1, C4.1a, C4.1b, C4.2 and C4.2a C4.5a	SR pages 65 to 68	Shoprite has committed to a Net-Zero target by 2050.



Appendix 4: UNGC Index

Human rights	Labour	Environment	Anti-corruption
<p>PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights</p>	<p>PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<p>PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges</p>	<p>PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery</p>
<p>PRINCIPLE 2: Make sure they are not complicit in human rights abuses</p> <p>Refer to page 42 of our 2023 Sustainability Report</p>	<p>PRINCIPLE 4: The elimination of all forms of forced and compulsory labour</p>	<p>PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility</p>	<p>Refer to page 42, Governance designed to embed an ethical culture, in the Integrated Report</p>
	<p>PRINCIPLE 5: The effective abolition of child labour</p>	<p>PRINCIPLE 9: Encourage the development and diffusion of environmentally friendly technologies</p>	
	<p>PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation</p> <p>Refer to page 42 of our Sustainability Report 2023</p>	<p>Refer to Investing in technology on page 36 and page 38, Building a resilient supply chain of our Sustainability Report</p>	

Appendix 5: Key sustainability indicators

GHG emissions

Shoprite Group's Scope 1, 2 and 3 emissions, 2022–2023

GHG emissions	Units	2022	2023	% Change
Scope 1 GHG emissions	tCO ₂ e	527 012	725 405	37.6
Scope 2 GHG emissions	tCO ₂ e	1 872 913	1 724 725	(7.9)
Scope 3 GHG emissions	tCO ₂ e	16 705 771	15 895 070	(4.9)
Total GHG emissions	tCO ₂ e	19 105 696	18 345 200	(4.0)

Note: Scope 1 and 2 emissions are provided for all assets for which Shoprite has operational control. Scope 1 emissions factors for fuels and gases use DEFRA 2022 emissions factors. Scope 2 emissions factors for electricity consumption use the relevant emissions factors provided by Eskom for South Africa and the International Energy Agency 2019 emissions factors for all other countries. Unless otherwise stated, Scope 2 emissions refer to market-based emissions. CO₂e refers to carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) expressed as having the equivalent global warming impact as CO₂.

Note: Scope 3 emissions were calculated using the Quantis Scope 3 Evaluator and Shoprite's own methods.

Shoprite Group's market- versus location-based GHG emissions, 2023

GHG emissions	Units	Market-based	Location-based
Scope 2 GHG emissions	tCO ₂ e	1 724 725	1 832 076
Scope 2 GHG emissions intensity	tCO ₂ e/m ²	0.333	0.353

Shoprite Group's energy intensity, 2022–2023

GHG emissions	Units	2022	2023	% Change
Scope 1 and 2 GHG emissions per gross leasable area (GLA)	tCO ₂ e/m ²	0.484	0.473	(2.3)
Scope 1 and 2 GHG emissions per turnover	tCO ₂ e/ R'000	0.013	0.011	(13.4)

Note: CO₂e refers to CO₂, CH₄ and N₂O expressed as having the equivalent global warming impact as CO₂.

Shoprite Group's emission reduction initiatives, 2023

Emission reduction initiative description	Units	Scope reduced	Emissions reduced by
LED retrofit	tCO ₂ e	Scope 2	6 576
Rooftop solar PV	tCO ₂ e	Scope 2	48 661
Reverse logistics	tCO ₂ e	Scope 1	597

Note: CO₂e refers to CO₂, CH₄ and N₂O expressed as having the equivalent global warming impact as CO₂.



Energy usage

Shoprite Group's direct energy usage, 2022–2023

Direct energy	Units	2022	2023	% Change
Diesel	MWh	519 397	993 036	91.2
Petrol	MWh	27 666	35 760	29.3
Scope 1 (fuel and gas)	MWh	544 783	1 028 796	88.8
Purchased electricity (grid)	MWh	1 857 250	1 767 495	(4.8)
Renewable electricity purchased	MWh	54 138	103 234	90.7
Scope 2 (electricity)	MWh	1 911 902	1 870 729	(2.2)
Total energy consumption	MWh	2 458 451	2 899 525	17.9

Note: Conversion factors for fuels and gases use DEFRA 2022 emissions factors. Purchased electricity is recorded by Shoprite's online electricity monitoring software and the capture of invoices from electricity suppliers.

Shoprite Group's energy intensity ratios, 2022–2023

Energy intensity units 2021	Units	2022	2023	% Change
Total energy consumption per GLA	MWh/m ²	0.4952	0.5594	13.0
Total energy consumption turnover	kWh/R	0.0134	0.0135	0.7

Shoprite Group's energy reduction initiatives, 2023

Energy reduction initiative	Units	Type of energy	Energy reduction
LED retrofit	MWh	Electricity	6 324
Rooftop solar PV	MWh	Electricity	47 933
Reverse logistics	MWh	Fuel	2 219

Water usage

Shoprite Group's water usage, 2022–2023

Water usage	Units	2022	2023	% Change
Groundwater	kℓ	98 568	55 023	(44.2)
Municipal water	kℓ	4 436 739	4 374 617	(1.4)

Waste

Shoprite Group's waste, 2022–2023

Hazardous waste					
Classification	Location	Waste stream	Destination	2022	2023
Reuse	On-site	e-Waste	Repurposed	3 tonnes	5 tonnes
Recycling	On-site	e-Waste	Recycled	29 tonnes	48 tonnes
Disposal	Off-site	Mixed	Processed	24.7 tonnes	24 tonnes
	Off-site	Mixed/e-Waste	Landfill	–	–

Non-hazardous waste					
Classification	Location	Waste stream	Destination	2022	2023
Reuse (tonnes)	Off-site	Rescued	Surplus donations	3 267	4 915
	Off-site	Non-food waste	Surplus donations	164	269
	Off-site	Rescued	Animal feed	2 852	4 484
	Off-site	Cardboard	Repurposed	536	2 266
	Off-site	Food waste	Composting	536	2 223
Recycling (tonnes)	Off-site	Food waste	Waste-to-Energy	720	85
	Off-site	Used cooking oil	Processed	782	868
	Off-site	Dry waste	Recycled	47 014	57 219

Diverted from landfill	2022	2023
e-Waste diverted from landfill	28 tonnes	53 tonnes
Organic waste diverted from landfill	7 375 tonnes	12 575 tonnes

Reuse and recycling

Shoprite Group's reuse and recycling, 2022–2023

Material reused or recycled	2022	2023	% Change
Total cardboard reused and recycled	46 102 tonnes	52 061 tonnes	12.9
Total plastic recycled	5 449 tonnes	6 350 tonnes	16.5
Total paper recycled	382 tonnes	778 tonnes	103.7



Appendix 6: Our alignment with legislation and best practice

We comply with various legislative requirements in the countries in which we operate. We further support international best practices through alignment with multiple external initiatives. Where necessary, we become a member of industry associations and national and international organisations to support sustainability-related issues through collaboration. The Group had no significant instances of non-compliance with laws and regulations during the reporting period.

Compliance	External initiatives we support	Our memberships
<p>We adhere to an extensive list of legislation and regulations. This list contains the key acts we comply with within South Africa, where we are listed.</p> <ul style="list-style-type: none"> › Companies Act 71 of 2008 › Consumer Protection Act of 2009 › B-BBEE Act of 2013, as amended › Employment Equity Act of 1998, as amended › The National Environmental Management Waste Act of 2008, as amended, regarding extended producer responsibility › Basic Conditions of Employment Act 75 of 1997 › Competition Act 89 of 1998, as amended › Disaster Management Act 57 of 2002 and various Covid-19 Regulations › Financial Advisory and Intermediary Services Act 37 of 2002 › Labour Relations Act 66 of 1995, as amended › National Liquor Act 59 of 2003 › National Credit Act 34 of 2005 › Occupational Health and Safety Act 85 of 1993 › Protection of Personal Information Act 4 of 2013 › Children's Act 38 of 2005 › Compensation for Occupational Injuries and Diseases Act 130 of 1993 › National Environmental Management: Air Quality Act 39 of 2004 	<p>We endorse and subscribe to several externally developed economic, environmental and social codes, standards, principles and initiatives.</p> <ul style="list-style-type: none"> › King IV™. The application of the King IV Code of corporate governance Principles forms part of our corporate governance report in our Integrated Report › The GRI Standards 2021. Refer to page 80 for our GRI index › The UN SDGs. Sustainability work mapped against the SDGs › The CDP, a global disclosure platform on environmental impacts › The TCFD recommendations on climate-related financial disclosures › Climate-related financial disclosures › The 10 principles of the UNGC › The Organisation for Economic Co-operation and Development recommendations regarding corruption › The ILO's Protocol on decent work, working conditions, employment relationships and the educational development of employees <p>Refer to our website for our response to climate change and water security.</p>	<p>Across our operations, we are members of industry associations as well as national and international advocacy organisations.</p> <ul style="list-style-type: none"> › Consumer Goods Council of South Africa – we are a member of and participate in initiatives related to food safety, crime, health and safety, and environmental sustainability, such as plastic packaging and food waste. › WWF South Africa – we are a WWF business network partner.

Appendix 7: Employee profile

South Africa

Year	Permanent contract employees [†]	Temporary contract employees [#]	Total employees [*]	Female	Male
2022	124 838	3 238	128 076	84 342	43 734
2023	133 947	2 385	136 332	88 550	47 782

Other African countries

Angola					
Year	Permanent contract employees [†]	Temporary contract employees [#]	Total employees [*]	Female	Male
2022	2 712	411	3 123	1 387	1 736
2023	2 759	229	2 988	1 350	1 638

Botswana					
Year	Permanent contract employees [†]	Temporary contract employees [#]	Total employees [*]	Female	Male
2022	1 384	1	1 385	771	614
2023	1 407	2	1 409	774	635

Ghana					
Year	Permanent contract employees [†]	Temporary contract employees [#]	Total employees [*]	Female	Male
2022	650	–	650	333	317
2023	612	–	612	312	300

Kingdom of eSwatini					
Year	Permanent contract employees [†]	Temporary contract employees [#]	Total employees [*]	Female	Male
2022	990	2	992	627	365
2023	1 156	1	1 157	732	425

Lesotho					
Year	Permanent contract employees [†]	Temporary contract employees [#]	Total employees [*]	Female	Male
2022	1 173	–	1 173	682	491
2023	1 156	–	1 156	678	478

Malawi					
Year	Permanent contract employees [†]	Temporary contract employees [#]	Total employees [*]	Female	Male
2022	455	–	455	227	228
2023	367	–	367	179	188

Mozambique					
Year	Permanent contract employees [†]	Temporary contract employees [#]	Total employees [*]	Female	Male
2022	1 282	11	1 293	689	604
2023	1 225	3	1 228	644	584

Namibia					
Year	Permanent contract employees [†]	Temporary contract employees [#]	Total employees [*]	Female	Male
2022	4 543	–	4 543	2 894	1 649
2023	4 583	10	4 593	2 894	1 699

Zambia					
Year	Permanent contract employees [†]	Temporary contract employees [#]	Total employees [*]	Female	Male
2022	3 885	5	3 890	2 071	1 819
2023	3 879	5	3 884	2 064	1 820

[†] Permanent contract employee with a contract for an indeterminate period (i.e. indefinite contract) for full-time or part-time work.

[#] Temporary contract: employee with a contract for a limited period (i.e. fixed-term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g. the end of a project or return of replaced employees).

^{*} Country total.



Appendix 8: SASB Index

The Shoprite Group's reporting against the Food Retailers and Distributors Sustainability Accounting Standard

Code	Topic	Metric	Unit	Disclosed location
FB-FR-110a.1	Fleet fuel management	Fleet fuel consumed, percentage renewable	Gigajoules (GJ), percentage (%)	SR page 68 – fuel used in litres
FB-FR-110b.1	Air emissions from refrigeration	Gross global Scope 1 emissions from refrigerants	Metric tonnes (t) CO ₂ -e	SR page 68 IR page 20
FB-FR-130a.1	Energy management	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), percentage (%)	(1) SR page 68 – total energy consumed in MWh (2) SR page 92 – purchased electricity in MWh (3) SR page 69 IR page 21 – renewable energy used in MWh
FB-FR-250a.2	Food safety	(1) Number of recalls, (2) number of units recalled, (3) percentage of units recalled that are private-label products	Number (n), percentage (%)	SR page 35 IR page 80
FB-FR-310a.1	Labour practices	(1) Average hourly wage and (2) percentage of in-store and distribution centre employees earning minimum wage, by region	Currency, percentage (%)	SR page 48 – Internal Shoprite minimum wage higher than prescribed national minimum wage
FB-FR-310a.2		Percentage of active workforce covered under collective bargaining agreements	Percentage (%)	SR page 49
Code	Activity metric	Unit	Disclosed location	
FB-FR-000.A	Number of (1) retail locations and (2) distribution centres	Number	IR page 20 SR page 7	
FB-FR-000.B	Total area of (1) retail space and (2) distribution centres	Square metres	IR page 20	
FB-FR-000.C	Number of vehicles in commercial fleet	Number	IR page 8	



Abbreviations and acronyms

AGM	Annual General Meeting
AI	Artificial intelligence
ARC	Audit and Risk Committee
B-BBEE	Broad-based black economic empowerment
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFS	Checkers Food Services
COSO	Committee of Sponsoring Organisations
Covid-19	Coronavirus (SARS-CoV-2)
CSI	Corporate social investment
DC	Distribution centre
ECD	Early childhood development
EPR	Extended Producer Responsibility
ERM	Enterprise risk management
ERP	Enterprise resource planning
ESD	Enterprise and supplier development
ESG	Environmental, social and governance
FAO	Food and Agriculture Organisation
FSC	Forest Stewardship Council
FY	Financial year
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HCFC	Hydrochlorofluorocarbons
HVAC	Heating, ventilation and air conditioning
IEL	Individual e-learning
IIRC	International Integrated Reporting Council
ILO	International Labour Organisation
<IR>	Integrated Reporting
<IR> Framework	Integrated Reporting Framework
ISO	International Organisation of Standardization
King IV™	King IV Code on Corporate Governance 2016, published as part of the King IV Report
KPI	Key performance indicator
kWh/MWh	Kilowatt-hour and megawatt-hour
LED	Light-emitting diode
LTIFR	Lost time injury frequency rate
NAFAU	Namibian Food and Allied Workers Union
NGO	Non-governmental organisation

NPAT	Net profit after tax
NPO	Non-profit organisation
NQF	National Qualifications Framework
NSFAS	National Student Financial Aid Scheme
OPRL	On-pack recycling label
PDI	Previously disadvantaged individual
PMO	Portfolio Management Office
(Pty) Ltd	Proprietary Limited
PV	Photovoltaic (conversion of light into electricity)
QR	Quick response
RRP	Retail Readiness Programme
RSA	Republic of South Africa
SACCAWU	South African Commercial, Catering and Allied Workers Union
SANAS	South African National Accreditation System
SANS	South African National Standard
SASSA	South African Social Security Agency
SASSI	Southern African Sustainable Seafood Initiative
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SEC	Social and Ethics Committee
SENS	Stock Exchange News Service
SETA	Sector education and training authority
SIZA	Sustainable Initiative of South Africa
SMME	Small, medium and micro-enterprise
SMS	Short Message Service
TCFD	Task Force on Climate-related Financial Disclosures
tCO₂e	Tonnes of carbon dioxide equivalent
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact
USSD	Unstructured Supplementary Service Data
WWF	World Wide Fund for Nature
WWF-SASSI	World Wide Fund for Nature Southern African Sustainable Seafood Initiative
YES	Youth Employment Services



Administration

Shareholders' diary

June

Financial year-end

August

Reviewed results

October

Payment of final ordinary dividend
Publishing of Integrated Report

November

Annual General Meeting

December

End of financial half-year

March

Interim results

April

Payment of interim ordinary dividend

Please consult our website www.shopriteholdings.co.za for the latest published diary dates.

Registration number

1936/007721/06

Registered office

Physical address: Cnr William Dabbs Street and Old Paarl Road, Brackenfell, 7560, South Africa

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Telephone: +27 (0)21 980 4000

Website: www.shopriteholdings.co.za

Company Secretary

PG du Preez

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Bankers

- › Absa Bank Ltd
- › Citibank N.A.
- › FirstRand Ltd
- › Investec Bank Ltd
- › Nedbank Ltd
- › The Standard Bank of South Africa Ltd
- › Standard Chartered Bank PLC



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