



THIS IS PICK N PAY

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ABOUT US

Consumer champion
Raymond Ackerman purchased the first four Pick n Pay stores in Cape Town, South Africa in 1967. Since then the Group's vision has grown and expanded to encompass stores in South Africa, Namibia, Botswana, Zambia, Swaziland and Lesotho. In addition, Pick n Pay owns a 49% share of Zimbabwean supermarket chain, TM Supermarkets.

OUR MISSION

We serve



With our hearts we create a great place to be



With our minds we create an excellent place to shop



Pick n Pay is a retail business in the fast-moving consumer goods industry on the African continent that believes doing good is good business. Pick n Pay operates through multiple store formats under two brands – Pick n Pay and Boxer – and we have the largest online grocery business in Africa.

We procure quality products at the best available prices. By operating a lean and efficient business, supported by a strong and talented team, we are able to provide our customers with a tailored range of high-quality food, grocery and general merchandise products at competitive prices.

Through ongoing investment in the customer offer, we are able to drive sales and grow value for all our stakeholders.

For further information on our business model and the value we create, refer to pages 20 to 23.

KEY FACTS

20%
compound annual growth in earnings over the past five years

R81.6 billion
turnover

85 000
employees

1 685
stores

R7.6 billion
capital investment over the past five years

95%
fresh produce procured from South African suppliers

More than 400 000
jobs sustained through the reach of our supply chain

7 million
loyalty customers

50%
recycled store waste

OUR COMMITMENT TO CONSUMER SOVEREIGNTY

We keep customers at the heart of our business. This philosophy informs everything we do, from how we treat our customers, to the product range we offer, and how we design our stores. Putting the customer first means we work hard to understand their diverse and changing needs and how we can serve them better. Through our Pick n Pay and Boxer brands, the Group serves customers across the diverse spectrum of South African society, and is expanding its reach into the African continent. More than half of all South Africans shop regularly in our stores and we have some of the most loyal customers in the country.

OUTSTANDING STORES AND FLEXIBLE FORMATS

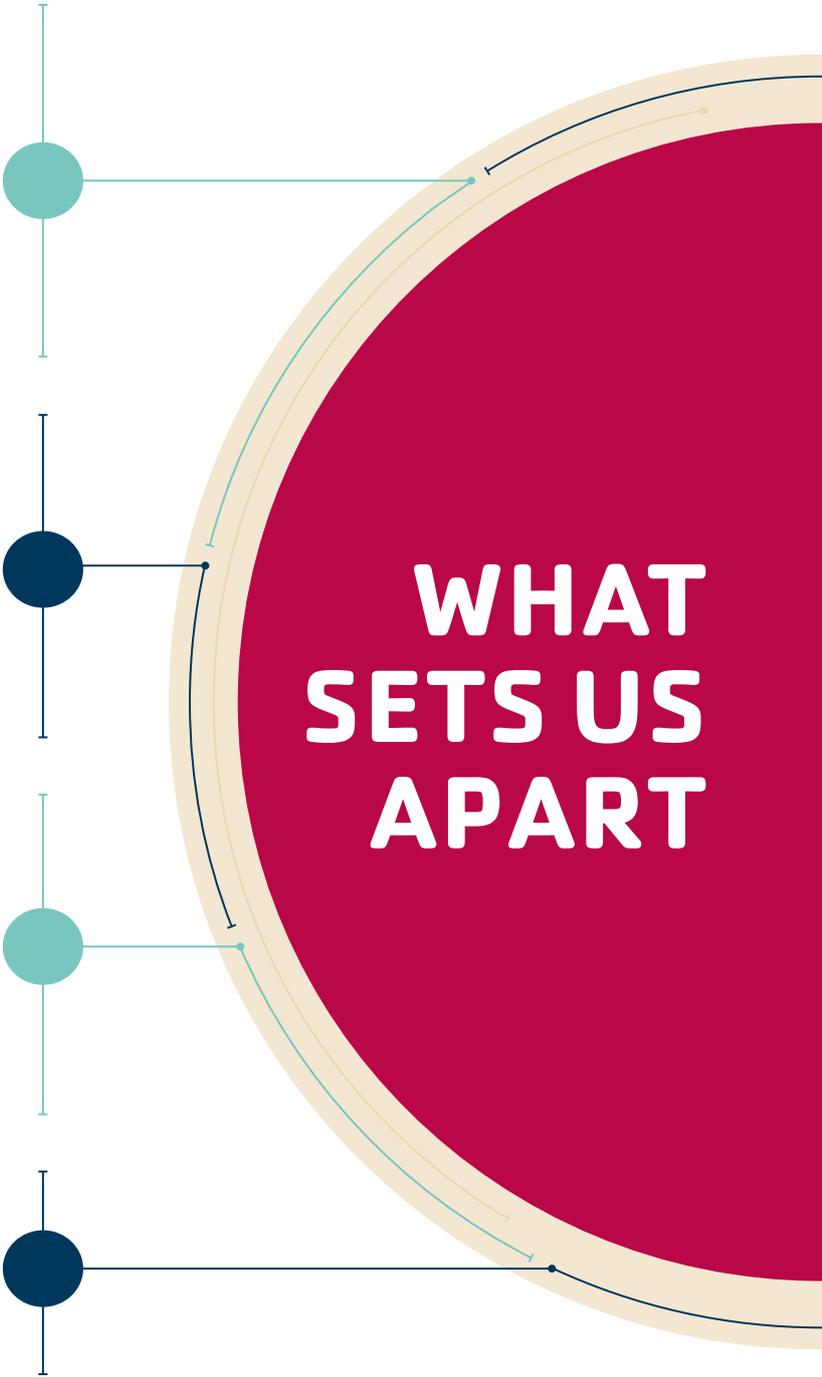
The Group operates on both an owned and franchise basis and has 1 685 stores across all formats, including its investment in TM Supermarkets in Zimbabwe. Our store formats range from large hypermarkets, where customers can buy everything under one roof, through to small convenience stores, where customers can shop quickly for their immediate needs. In addition, our online platform, gives customers the opportunity to shop from their homes and have their order delivered to their door in one-hour time slots.

OUR LEADING CUSTOMER OFFER

Our customer offer focuses on food, non-edible groceries, health and beauty products, clothing, liquor, pharmaceuticals, building and hardware and general merchandise. The offer also includes value-added services such as third-party bill payments, ticketing services and financial transactions at till points. In addition to manufacturer-branded products, we have a growing own-brand range, in both Pick n Pay and Boxer, to suit every customer's budget. We are focused on delivering good quality at great prices and we appeal broadly across all sectors of society. We seek to move hand-in-hand with the changing needs and aspirations of our customers.

OUR WINNING TEAM

We employ 52 000 people in our company-owned stores and operations. Our franchise stores extend this to 85 000 people working under the Pick n Pay and Boxer banners in seven countries. Working at Pick n Pay is more than a job; it is an opportunity to learn, develop new skills and benefit through teamwork. We are committed to training, developing and empowering our people.



WHAT SETS US APART

WHAT SETS US APART

OUR FOCUS ON BUSINESS EFFICIENCY

Greater operating efficiency provides headroom for us to invest in improving the customer experience. We work in partnership with suppliers and service providers to provide value and convenience for our customers. The scale of our business allows us to give our suppliers sufficient volume so that they can plan and manage their operations to reduce costs. We procure, transport, store and display our products as efficiently as possible to keep costs to a minimum. Our focus on centralisation across all areas of the business has increased our business efficiency.

WORLD-CLASS TECHNOLOGY

The Group benefits from an outstanding information technology infrastructure, with an end-to-end SAP system, which allows for automated and centralised processing, including the forecast and replenishment of inventory. Our point-of-sale system ably supports our Brand Match campaign, personalised discount vouchers, and has contributed to our Smart Shopper loyalty programme being voted South Africa's favourite loyalty programme for the past five years.

OUR VISION TO BE A TRULY AFRICAN RETAILER

Pick n Pay has 144 stores outside South Africa, which generated segmental revenue of R4.6 billion this year and contributed meaningfully to our profits. We tailor our ownership model in each country to what is appropriate for the local market, whether establishing owned stores, franchised stores or a part-investment in an independent operation. With established operations in Botswana, Lesotho, Namibia, Swaziland, Zambia and Zimbabwe, the Group is working on plans to bring Pick n Pay to Nigeria over the next two years.

A GROWING CENTRALISED SUPPLY CHAIN

The Group operates 12 distribution centres across the country catering for groceries, fresh and perishable produce, and clothing. Our two largest distribution centres are Longmeadow in Gauteng and Philippi in the Western Cape, both distributing fresh produce, perishables and groceries.

OUR BELIEF THAT DOING GOOD IS GOOD BUSINESS

Customers reward those businesses that they believe are at the heart of society and who give back to the communities they serve. As customers reward us with their loyalty, we are able to grow, serve more customers, generate more jobs, and help more communities – whether by supporting communities or groups during times of crisis, helping to develop local suppliers and small businesses, or tackling societal challenges such as obesity and climate change.

THE VALUE WE CREATE

Our belief that doing good is good business ensures that we are focused not only on creating value for our shareholders, but for all our stakeholders. For over five decades Pick n Pay has played a valuable role in the economic and social development of Southern Africa. We make a positive direct contribution to the communities we serve through the supply of high-quality, affordable food, clothing and merchandise, and provide significant employment and economic opportunity across our value chain. We add to this value through our comprehensive sustainability strategy, which is inextricably linked to our business strategy. The infographic below illustrates how our sustainability strategy is aligned with our stakeholder needs and with the seven United Nations Sustainable Development Goals (SDGs) most relevant to our business.

OUR SUSTAINABLE BUSINESS FOCUS AREAS



THE SEVEN SDGs MOST RELEVANT TO OUR BUSINESS



For more detail on our business model and the value we have created, please refer to pages 20 to 23.



Read more about the seven SDGs and our sustainable business focus areas in our Sustainable Living Report, online.

OUR ENDURING VALUES

Pick n Pay is a much-loved brand, valued within society, built on a genuine desire to make life better for our customers and to make a positive contribution to the communities in which we live and work. Our strong and unique family values have guided the business for more than 50 years, providing a solid foundation for growth, innovation, service excellence and generosity.

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

We care for and respect each other

We foster personal growth and opportunity

We nurture leadership and vision, and reward innovation

We live by honesty and integrity

We support and participate in our communities

We take individual responsibility

We are all accountable

OUR FOOTPRINT AND FORMATS

Our expansion programme is focused on growing the business by opening stores that reflect the changing habits and needs of our customers and which will bring new customers and communities into the Pick n Pay family.

NUMBER OF STORES

COMPANY OWNED	26 February 2017	Opened	Closed	Converted openings	Converted closures	25 February 2018
Pick n Pay	661	72	(13)	4	(2)	722
Hypermarkets	20	–	–	–	–	20
Supermarkets	237	10	(2)	1	(2)	244
Local	31	9	(3)	1	–	38
Clothing – standalone	156	29	(2)	–	–	183
Liquor	214	24	(5)	2	–	235
Pharmacy – standalone	3	–	(1)	–	–	2
Boxer	229	22	(5)	1	(1)	246
Superstores	144	10	(1)	–	(1)	152
Build	31	3	(3)	–	–	31
Liquor	34	9	–	–	–	43
Punch	20	–	(1)	1	–	20
Total company owned	890	94	(18)	5	(3)	968

FRANCHISE	26 February 2017	Opened	Closed	Converted openings	Converted closures	25 February 2018
Pick n Pay						
Supermarkets	299	7	(7)	2	(2)	299
Family	279	7	(5)	2	(2)	281
Mini-markets	19	–	(2)	–	–	17
Daily	1	–	–	–	–	1
Spaza	6	8	–	–	–	14
Express	111	9	(1)	–	–	119
Clothing – standalone	17	–	–	–	–	17
Liquor	181	35	(3)	–	(2)	211
Total franchise	614	59	(11)	2	(4)	660

GROUP	26 February 2017	Opened	Closed	Converted openings	Converted closures	25 February 2018
Total Group stores	1 504	153	(29)	7	(7)	1 628
TM Supermarkets – associate	56	1	–	–	–	57
Total with TM Supermarkets	1 560	154	(29)	7	(7)	1 685

REST OF AFRICA FOOTPRINT	26 February 2017	Opened	Closed	25 February 2018
- included in total stores	140	6	(2)	144
Pick n Pay company owned	17	-	-	17
Boxer company owned	5	2	-	7
Pick n Pay franchise	62	3	(2)	63
TM Supermarkets – associate	56	1	-	57
- by country	140	6	(2)	144
Botswana	12	-	-	12
Lesotho	3	-	-	3
Namibia	38	2	(2)	38
Swaziland	14	3	-	17
Zambia	17	-	-	17
Zimbabwe	56	1	-	57

The Group is intent on being the retailer of choice for all the communities it serves.

GEOGRAPHIC FOOTPRINT

SOUTH AFRICA

1 541 stores

ZIMBABWE

57 stores

NAMIBIA

38 stores

ZAMBIA

17 stores

BOTSWANA

12 stores

SWAZILAND

17 stores

LESOTHO

3 stores

NIGERIA

Planned expansion

GHANA

Opportunity for expansion



OUR STORE FORMATS



Pick n Pay is a multi-format, multi-channel retailer with a strong and diverse portfolio of stores.

Pick n Pay is an inclusive brand, not aimed at serving a single customer demographic, but focused on being the retailer for all – from the most affluent in society to those who are less fortunate and for whom price is of the utmost importance. The middle-income South African consumer, however, makes up the largest portion of our customer base. Pick n Pay operates on both an owned and franchise basis, providing a wide range of products and value-added services, and includes an online offering. Pick n Pay is focused on delivering an exceptional customer offer, including range, quality, price, availability and service. Pick n Pay has a strong growth plan, benefiting from the flexibility of its formats and its leaner operating model, and will focus on bringing its offer to communities where we are not yet well represented, including through small convenience stores.

Seven
countries

Nine
store formats
(including online)

1 382
stores



7
countries

543
stores
(244 owned,
299 franchise)

3 000
average m²

17
new stores

PICK N PAY SUPERMARKETS

Pick n Pay supermarkets offer a wide range of groceries, as well as a targeted range of clothing, general merchandise and value-added services. Customers can buy everything they need, from a quick daily top-up to a larger weekly or monthly bulk shop. Fresh produce and butchery offerings are complemented by an in-store bakery, deli and hot food counter. Pick n Pay supermarkets serve a wide range of communities, from lower and middle-income families to the most affluent households. Product ranges are tailored to meet the needs of customers. Some stores focus on basic necessities and local produce while others boast specialty service counters, wine rooms, flower markets and sushi bars. Pick n Pay supermarkets trade under the Pick n Pay, Family, Daily and Mini-market banners.

South Africa
country

20
owned stores

15 000
average m²

PICK N PAY HYPERMARKETS

Pick n Pay's largest format store, providing customers with an expanded range of groceries, clothing, liquor and general merchandise. A hypermarket is a "one-stop shop" offering fresh produce, a butchery, deli, bakery and hot food counter, plus specialist categories not always available in a supermarket, such as appliances, kitchenware, home improvement, garden and pool accessories, toys and an expanded health and beauty range. These retail sites are large, catering for destination shoppers, with wide aisles and ample parking. Prices are very competitive, leaning towards multi-pack and bulk-buy items and a wholesale offering.

South Africa
country

38
owned stores

1 000
average m²

9
new stores

PICK N PAY LOCAL

Pick n Pay Local stores offer neighbourhood convenience, serving a range of communities, focused on lower and middle-income families. A Local store has a much smaller range than a traditional supermarket, tailored specifically to the community it serves. The range is focused on fresh and convenience, and can include a bakery and butchery. Customers can pop in quickly for a daily top-up, but can still choose from a tailored grocery and general merchandise offer for a larger weekly shop.

South Africa
country

119
franchise stores

300
average m²

9
new stores

PICK N PAY EXPRESS

Pick n Pay's partnership with BP, one of the world's leading international oil and gas companies, provides small 24-hour Pick n Pay Express convenience stores on BP service station forecourts in South Africa. Pick n Pay Express offers a targeted convenience range that satisfies an immediate top-up shop or a quick meal solution. The range is limited and is mainly focused on daily needs. These sites are located in high-traffic-flow areas, including high-density residential areas and public transport intersections.



Turn page for more Pick n Pay formats.



4
countries
200
standalone stores
(183 owned, 17 franchise)
450
average m²
29
new stores

South Africa
country
delivery within
24 hours
Pick your
one-hour
delivery slot

6
countries
446
stores
(235 owned, 211 franchise)
200
average m²
59
New stores

South Africa
country
29
in-store pharmacies
(26 owned, 3 franchise)
2
standalone stores

South Africa
country
14
partner stores
70 – 300
average m²
8
new stores

PICK N PAY CLOTHING

Pick n Pay Clothing provides the whole family with quality, fashionable clothing and footwear at exceptional prices. Our clothing offer is broad, from baby and children's wear to men's and ladies' fashion – including casual wear, sleepwear, active wear and more formal attire. Our own brand, Real, is complemented by our exclusive rights to the international brands Cherokee and Maui & Sons. Our standalone clothing stores provide the same quality and value for money clothing merchandise as our hypermarkets and supermarkets, but with an extended range.

PICK N PAY ONLINE

Our online shopping platform at www.pnp.co.za is a small but growing part of the Pick n Pay business. Pick n Pay is the largest online grocery retailer in Africa. The division is winning customers by offering online convenience, good availability and delivery in one-hour time slots. The online offer in the Western Cape and Gauteng has been expanded through the establishment of dedicated online picking warehouses.

PICK N PAY LIQUOR

Our liquor stores are situated close to our supermarkets and hypermarkets but with separate entrances. These stores offer a range of wine, spirits and beer, including trendy and innovative local craft products. These liquor stores provide customers with the added convenience of purchasing liquor at the same time as doing their grocery shopping.

PICK N PAY PHARMACY

We are committed to giving our customers convenient and affordable basic healthcare by providing a wide range of vitamins, supplements, sports nutrition, self-medication, medical services, clinics and dispensaries.

PICK N PAY SPAZA

Our "Spaza-to-Store" partnership with the Gauteng Government's Department of Economic Development provides spaza shop owners with access to Pick n Pay's procurement and distribution channel, business systems and technology and management advice and mentoring. Our partnership with spaza entrepreneurs across Gauteng and the Western Cape has revitalised and modernised their stores and delivered strong growth.



14

PARTNER
STORES

The Pick n Pay franchise model is an effective route for emerging entrepreneurs to create and build their own businesses, leveraging the buying, distribution and system infrastructure of Pick n Pay, as well as benefiting from tailored mentoring and business advice.

CASE STUDY: FROM SPAZA TO STORE

Our Glenridge Spaza store can be found on a busy intersection in Soweto. We have brought shopping into the very heart of the community. By doing so we have cut the cost of travel – allowing community members to spend more on food and necessities.

Since 2016, Pick n Pay has led a collaborative partnership with Government and other strategic partners to help revitalise small, independent township grocers to regenerate their stores and turn them into thriving neighbourhood convenience stores.

The neighbourhood convenience format is one of the fastest-growing grocery retail formats worldwide, and a spaza shop is essentially such a format. By bringing together the benefits of our supply chain, systems capability, value-added services and loyalty programme in partnership with a spaza owner's local knowledge of the needs of customers in the neighbourhood, we are able to bring something special to customers – state-of-the-art grocery retailing in an extremely convenient neighbourhood location. Importantly, we are helping neighbour customers access the goods they need close to home, which reduces the need to travel for their shop.

Our first pilot store opened in February 2016 and we now have 14 Spaza partners across townships in Gauteng and the Western Cape. Each revitalised store has received a great response from its surrounding community, with strong earnings and profit growth. Successful township businesses help the broader community by creating jobs and encouraging the development of a wide range of skills, including technology and customer service, as well as specific retail skills in butchery, bakery and other areas. The project is in its infancy, but it gives small traders the opportunity to become successful and sustainable business owners and provides Pick n Pay an important opportunity to play a positive role in growing the informal retail market in South Africa.

BOXER

Boxer is fast becoming South Africa's leading limited-range discount supermarket.

Our Boxer stores provide a “one-stop shop” for middle to lower-income shoppers in South Africa and Swaziland.

Boxer offers a tight range of quality products and services at very affordable prices. Stores offer essential daily commodities such as maize meal, rice, samp, sugar, oil and beans, as well as perishables, health and beauty, general merchandise and bulk-buy offers. The stores also offer fruit and vegetables, butcheries, bakeries and deli sections providing a choice of prepared convenience meals.

There are no franchise stores under this brand. While Boxer has reach across all nine provinces in South Africa, its geographical heartland is KwaZulu-Natal and the Eastern Cape. Boxer will continue to grow and expand in areas where the Group knows it can serve the needs of communities through its wide product range, affordable prices and community-rooted staff.

South Africa and Swaziland countries

Four store formats

246 stores



South Africa and Swaziland countries

152
owned stores

1 850
average m²

10
new stores

BOXER SUPERSTORES

Boxer Superstores are full-service supermarkets offering a focused range of groceries. The fresh produce offering is complemented by an in-store butchery, bakery and hot foods counter. The target markets are middle to lower-income urban, peri-urban and rural communities of South Africa and Swaziland. All stores are located close to public transportation hubs and have a welcoming market-style atmosphere.

South Africa country

20
owned stores

400
average m²

BOXER PUNCH

Boxer Punch is a smaller-sized supermarket located in compact sites that have considerable customer foot traffic. The store has a lower-cost operating model, enabling the business to further reduce the selling prices of products. Boxer Punch stores offer a limited but specific range of convenience products, including basic commodities, prepacked frozen and fresh meat, and a limited range of breads and confectionery.

South Africa country

31
owned stores

550
average m²

3
new stores

BOXER BUILD

Boxer Build stocks a diversified range of building and hardware supplies, satisfying home owners' and builders' DIY and home improvement needs at the most competitive prices. Boxer Build stores offer savings cards and access to short-term credit facilities. Delivery of purchases can also be arranged at store level.

South Africa and Swaziland countries

43
owned stores

185
average m²

9
new stores

BOXER LIQUORS

Boxer Liquor stores are situated close to Boxer supermarkets, but with separate entrances. These liquor stores provide customers with the added convenience of purchasing liquor at the same time as doing their grocery shopping.



The Group has a 49% investment in its associate TM Supermarkets in Zimbabwe.

TM Supermarkets, trading under TM and Pick n Pay, is one of the most trusted retailers in Zimbabwe. With its pay-off line "Real Value Always", customers are offered a wide range of groceries and perishables, with a limited range of general merchandise and a fresh offering that caters specifically for the communities they serve, at competitive prices. TM Supermarkets draws its customers from all communities and income groups across Zimbabwe, while store formats range from convenient small supermarkets to larger supermarkets.

57
supermarkets in Zimbabwe

40
trading as TM



17
trading as Pick n Pay





OUR BUSINESS MODEL

Our business model describes how the Pick n Pay Group creates long-term sustainable value for all its stakeholders – through the effective and balanced use of our capitals, while keeping the customer at the centre of everything we do. Our business model is underpinned by strong corporate and social governance, with our unique values at its core.

OUR CAPITALS

- 

Financial capital
The financial resources raised and utilised by the Group, consisting of equity and debt funding, and earnings generated and retained by the Group.
- 

Manufactured capital
The physical infrastructure used in the Group's operations, which includes its real estate, distribution channel and the information technology used throughout the Group.
- 

Intellectual capital
The knowledge, systems, processes, intellectual property and brands contained within the Group.
- 

Human capital
Our valued Pick n Pay and Boxer staff, with their skill, talent, ambition and diversity, that underpin a winning team.
- 

Social and relationship capital
The relationships the Group has developed with all its stakeholders, governed by its values and the enduring principle that doing good is good business.
- 

Natural capital
The environmental resources utilised throughout the Group's operations, through its production, distribution and retailing of consumer products.

OUR PRIMARY BUSINESS ACTIVITIES AND VALUE DRIVERS

The Group is a food, grocery, clothing and general merchandise retailer, selling a wide range of products at competitive prices under our Pick n Pay and Boxer brands. The Group's operating model utilises its capital inputs in its retail operations in the most effective and efficient manner in order to optimise its capital outputs and outcomes for all.

- Leading product range at competitive prices
- High-quality stores within customer reach
- More convenience, including value-added services

 See how our strategy is aimed at supporting our competitive customer offer on page 45.



- Buying better for our customers
- Ethical sourcing and food safety
- Securing sustainable future supply

 See how our strategy is aimed at supporting our effective sourcing and buying of products on page 48.



The economic and social upliftment of the communities we serve leads to growth for all.

Our successful strategy supports investment in our communities, in line with our ethos of doing good is good business. See pages 44 to 51.



The Group has created value for our stakeholders for over 50 years. Our business model maintains a virtuous circle which balances the needs of our stakeholders in a fair and effective manner while managing the trade-offs between our capitals.

This virtuous circle enables growing and sustainable returns for shareholders, while supporting ongoing investment in the communities which we serve and meaningful reinvestment into our business and our people.

- Customer focused
- Talented and diverse retail team
- Employment through growth

See how our strategy is aimed at building a winning team on page 48.



High-performance team

Cost-effective and efficient operations

Serve customers and drive sales

- An increasingly efficient supply chain
- Lean operating model in stores and support offices
- Most attractive franchise model

See how our strategy is supporting efficient and cost-effective operations on page 47.



Most inclusive retailer in South Africa, serving customers across the diverse spectrum of African societies.

See how our strategy is aimed at driving sales and serving our customers on pages 45, 46 and 49.



In this way, Pick n Pay meets the changing needs of its customers and other stakeholders and ensures long-term value creation.

Our capital outputs include the wide range of products and services that we sell to our customers under our Pick n Pay and Boxer brands – this includes food, groceries, clothing, general merchandise and other value-added services. As a result of our retail operations, we produce by-products and waste, and we remain committed to reducing our environmental impact.

OUR CAPITAL OUTCOMES

Financial capital

A tough trading year resulted in muted turnover growth of 5.3%



Successful strategic initiatives drove improvements in our customer offer, resulting in strong quarter four turnover growth of 7.3%



Gross profit margin maintained at 18.7%, with operating efficiency supporting price investment



Manufactured capital

Reached new customers and communities by opening 125 net new stores



Improved our customer offering through the refurbishment of 61 company-owned stores and opening of two new distribution centres



Intellectual capital

Modernised our Smart Shopper loyalty programme



Strengthened procurement through buy better programme



Launched Pick n Pay Fast Pay



Partnered with TymeDigital to launch low-cost banking services



Launched our new mobile-enabled online shopping website



Introduced 730 new or refreshed own-brand products in store



Human capital

Pick n Pay implemented a voluntary severance programme (VSP), reducing its workforce by 10%, which has improved the productivity and efficiency of the Pick n Pay team



Delivered 31 595 training interventions, reaching almost 11 000 staff



Social and relationship capital

Partnered with eight new spaza store owners, bringing safe, modern and high-quality grocery offer to previously underserved customers



Supported our communities by assisting learners through Pick n Pay School Clubs and raising funds through Pick n Pay Pink Walks for breast cancer research



Natural capital

Energy use per square metre reduced by 37% compared to our 2008 baseline, a 3% improvement on last year



We diverted 54% of our waste from landfill, a total of just over 18 000 tonnes



Substantive action taken to reduce our water consumption, with a 13% decrease on last year



Strong performance

Satisfactory progress

Read on to find out more about our capital trade-offs and the value we create.



THE VALUE WE CREATE

OUR CAPITAL TRADE-OFFS

Our stakeholders have competing interests and needs. Similarly, there is interdependence between our capitals. Below are a few examples of some of the trade-offs that have been necessary in our business to create greater shared value for all:

Efficient and productive labour force

We are committed to becoming leaner, fitter and better for customers. This requires ongoing streamlining of employee and other operational structures.

↑ ↓

Product availability

We maintained consistent on-shelf availability during 2018 – ensuring customers can always find what they need in our stores. This requires investment in higher levels of inventory, which can lead to wasted produce if customer demand does not meet expectation. Automated forecast and replenishment systems are improving our performance in this area.

↑ ↓

Responsible procurement

We continue to invest in building a diverse and ethical supply base to support sustainable farming. Our investment includes the development of small emerging local businesses, including the growth of our private label range of products.

↑ ↓

Food safety

We are committed to providing customers with safe, high-quality food in a safe and secure shopping environment. This requires ongoing investment in best practice health, safety and security standards.

↑ ↓

Economic upliftment of employees

In 2018, the Group purchased shares to the value of R423.4 million under its employee share incentive schemes, delivering substantial wealth creation for employees at all levels.

↑ ↓

Growing outside South Africa

We believe opportunities outside South Africa will provide us with a second engine for growth. However, expanding our footprint into the rest of Africa does not come without risk, including the operational challenges of trading in a new environment and the risk of foreign currency movements.

↑ ↓

Reducing our impact on the environment

To find more energy-efficient and environmentally friendly ways to do business, we invest in energy-efficient lighting and refrigeration, rain water harvesting and recycling initiatives across our stores and distribution centres.

↑ ↓

We have a strong and experienced management team who operate within a sound risk management framework that considers the social and environmental impact of our decisions and operations. This ensures that our business can grow, adapt, change and innovate, without placing stakeholders under undue risk.

Read more in our risk report from page 32.

Our ethical value system, underpinned by strong corporate and social governance, guides our everyday decision-making. This ensures we balance and optimise the trade-offs that exist in our business to act in the best interests of our stakeholders.

THE VALUE CREATED AND DISTRIBUTED AMONG OUR VARIOUS STAKEHOLDERS

We create substantial economic development and employment opportunity across our value chain through the creation and distribution of wealth among our various stakeholders.

We procure goods and services from suppliers and service providers. We provide direct employment to more than 80 000 people across our owned and franchise business. We give back to the communities in which we operate through investment in education and literacy programmes, housing, nutrition and poverty-relief schemes, and through the support of cultural and theatrical projects, sports development and environmental programmes.

