

# INDEPENDENT ASSURANCE STATEMENT TO THE MANAGEMENT OF PICK N PAY MANAGEMENT LIMITED

## INTRODUCTION

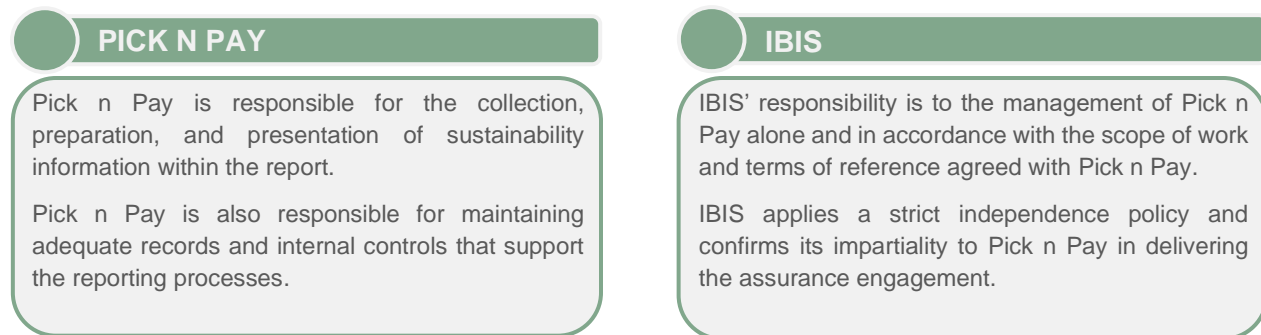
IBIS Environmental Social Governance Consulting Africa (Pty) Ltd (IBIS) was commissioned by Pick n Pay Stores Limited (Pick n Pay) to conduct an independent third-party assurance engagement in relation to the sustainability information in its Environmental, Social and Governance Report (the Report) for the financial year that ended 29 February 2024.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from Johan Oosthuizen, Megan Nair, Ibrahim Akoon, Denite Swanepoel, Cornelius Oosthuizen, Mathapelo Matlakala, Meriska Singh, Sanuri Moodley, Nishka Devsaran and Thabo Mokate from IBIS. Petrus is a Lead Certified Sustainability Assurance Practitioner (LCSAP) with more than 25 years' experience in sustainability performance measurement involving both advisory and assurance work.

## ASSURANCE STANDARD APPLIED

This assurance engagement was performed in accordance with AccountAbility's AA1000AS v3 (2020) ("AA1000AS") and was conducted to meet the AA1000AS Type II Moderate level requirements as indicated below:

## RESPECTIVE RESPONSIBILITIES AND IBIS' INDEPENDENCE



## ASSURANCE SCOPE

The scope of the subject matter for Moderate assurance in accordance with the AA1000AS assurance standard, as captured in the agreement with Pick n Pay is set out below:

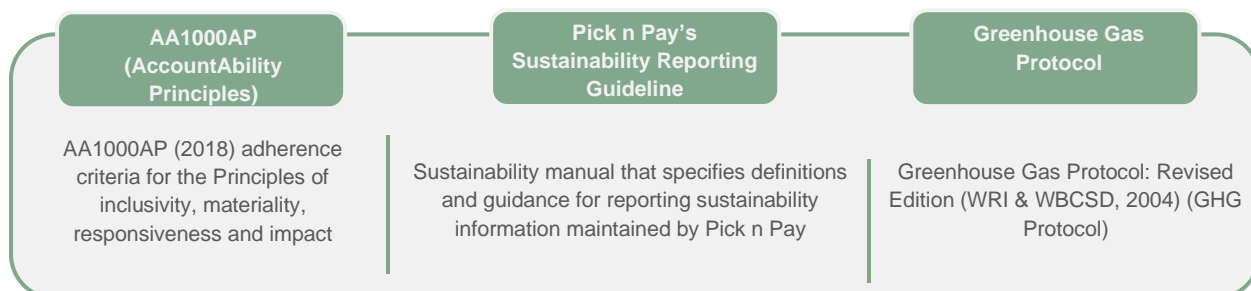


TYPE OF KPI	KEY PERFORMANCE INDICATORS	UNIT
Partnering to shift the food system	Number of entrepreneurs enrolled in Enterprise and Supplier Development programme	Number
	Percentage of SA seafood sales that meet our sustainable seafood commitment (PnP company-owned stores)	%
	Percentage of sustainably sourced palm oil in Pick n Pay branded products	%
	Spend on B-BBEE businesses in rand billion	R billion

	Percentage of products with sustainability attributes	%
	Percentage of direct Pick n Pay Clothing suppliers that are registered on Supplier Ethical Data Exchange (SEDEX)	%
	Percentage of cotton that is sustainably sourced	%
Reducing environmental impact	Total Scope 1 and Scope 2 carbon emissions	M Tonnes CO <sub>2</sub> e
	Energy efficiency improvement from FY10 baseline	%
	Percentage renewable energy used across the Group	%
	Percentage of stores using natural refrigerants (PnP company-owned stores)	%
	Water intensity reduction from FY18 baseline for Pick n Pay company-owned stores	%
	Food waste intensity (PnP company-owned stores)	%
	Percentage of PnP branded packaging recyclable/ reusable	%
	Percentage of cardboard and paper used for Pick n Pay packaging sourced from responsibly managed forests	%
	Percentage of waste diverted from landfill (PnP owned stores)	%
Supporting Communities	Food donated to FoodForward SA	Tonnes
	Number of schools supported through Pick n Pay and Boxer's School Clubs	Number
	Number of meals distributed via the Feed the Nation Foundation	Million
	Rand worth of clothing donated to Clothing Bank	R Million
	Active community food gardens and home gardens supported by the Ackerman Pick n Pay Foundation	Number
Investing in our people	Total number of employees and contractors employed	Thousand
	Percentage of management (top and senior) deemed Historically Disadvantaged South African (HDSA)	%
	Percentage of employees who are deemed 'HDSA'	%
	Percentage of employees who are women	%
	Training and education spend	R Million
	Amount in bursaries issued	R
Readiness Review	Rand value of ESG investment spend, inclusive of CSI and SED	R Million
	Total Recordable Injury Frequency Rate	Rate

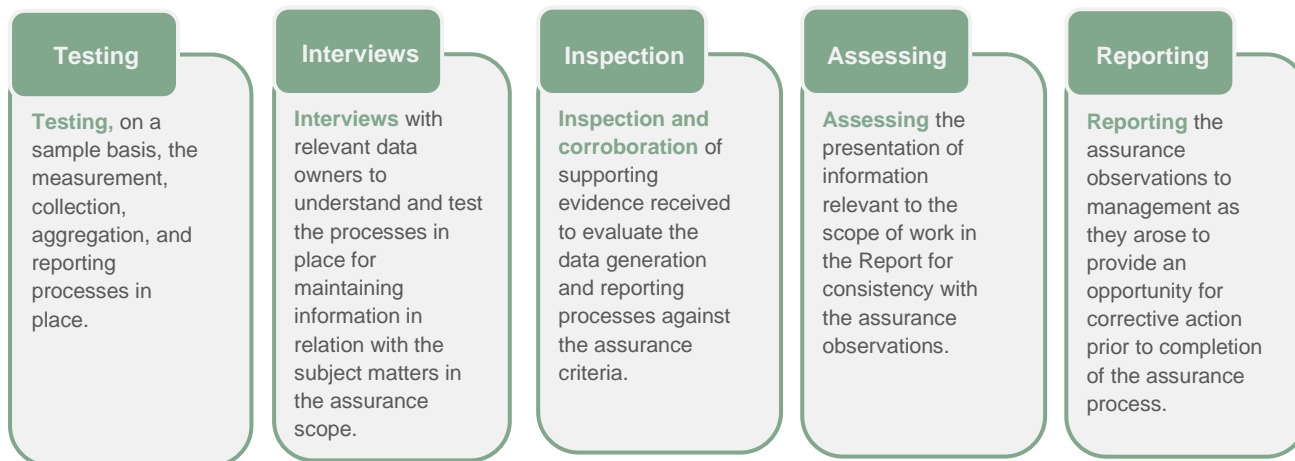
## ASSESSMENT CRITERIA

The following assessment criteria were used in undertaking the work:



## ASSURANCE PROCEDURES PERFORMED

Our assurance methodology included:



## ENGAGEMENT LIMITATIONS

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for a Moderate level of assurance in accordance with AA1000AS. The procedures performed in a Moderate assurance engagement vary in nature from, and are less in extent, than for a high assurance engagement. As a result, the level of assurance obtained for a Moderate assurance engagement is lower than for High assurance as per AA1000AS. The scope of work did not extend to any subject matters other than specified in this assurance statement. IBIS experienced no limitations to the agreed extent of work required for the engagement.

## ASSURANCE CONCLUSION

In our view, based on the work undertaken for Moderate assurance as described, we conclude that the subject matters as described in the scope of this assurance engagement have been prepared in accordance with the defined criteria and are supported by the evidence obtained.

## KEY OBSERVATIONS AND RECOMMENDATIONS FOR IMPROVEMENT

Based on the work set out above, and without affecting the assurance conclusion, the key observations and recommendations for improvement are set out below.

### IN RELATION TO AA1000AP

**Inclusivity:** Pick and Pay has formal commitments to its stakeholders articulated through its publicly available policies, including its Code of Ethics. Stakeholder engagement processes have been integrated into governance and operational processes, with executive management across the Group being allocated responsibilities for engagement with different stakeholder groups. In addition, Pick and Pay has established teams and structures to address stakeholder needs. Pick and Pay has articulated the scope and objectives of its stakeholder engagement in its corporate reporting.

It is recommended that Pick and Pay consolidate its various stakeholder engagement processes in an overarching stakeholder engagement plan to prevent blind spots and enhance consistency in approach to stakeholder engagement.

**Materiality:** Pick and Pay has implemented processes aligned to its risk management processes to determine material sustainability topics. These processes are overseen by Pick and Pay's senior management, and cover a wide range of sustainability topics, which include internal and external stakeholder input.

It is recommended that Pick and Pay formalise and document a sustainability materiality determination process to ensure alignment to best practices.

**Responsiveness:** Pick and Pay has implemented processes to support the provision of timely and appropriate responses to stakeholders. Executive managers have been allocated responsibility to develop and oversee responses to stakeholders and ensure that responses are provided in an appropriate manner. Pick and Pay, through its communication platforms and

corporate reports, provides reporting to stakeholders in a comprehensive, accurate, timely, accessible, and balanced way, using suitable reporting principles, frameworks and guidelines that support comparability of information.

It is recommended that Pick and Pay consolidate its various stakeholder response processes in an overarching stakeholder engagement plan to enhance consistency in approach to responding to stakeholders.

**Impact:** Pick and Pay has identified a range of impacts using the SDG framework to which it contributes both positively and negatively and provides performance disclosures relating to its impacts.

It is recommended that Pick and Pay continue to enhance its processes to measure and evaluate its impacts on stakeholders to further its impact contributions.

#### **IN RELATION TO THE SELECTED DISCLOSURES**

IBIS observed that systems and processes are in place to provide reliable source data related to the selected sustainability disclosures and that management was dedicated to improving the quality of the sustainability data within the assurance scope for FY2024. However it was noted that the processes to report certain sustainability information can be improved through the development of standard operating procedures as well as the implementation of independent data review controls. Data inconsistencies identified during the final consolidation of the sustainability information were subsequently corrected and IBIS is satisfied with the accuracy of the final data in the assurance scope. A comprehensive management report detailing specific findings and recommendations for continued sustainability reporting improvement has been submitted to Pick n Pay for consideration.



**Petrus Gildenhuys**

**Director, IBIS Environmental Social Governance Consulting Africa (Pty) Ltd**

Cape Town

12 July 2024



**AA1000**  
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