

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Pick n Pay is a prominent retail company based in South Africa. It was founded in 1967 by Raymond Ackerman and has since grown to become one of the largest supermarket chains in the country, with a total of 2081 stores in Botswana, Eswatini, Lesotho, Namibia, South Africa, Zambia, Nigeria, and Zimbabwe. Pick n Pay owns a 49% share of a Zimbabwean supermarket business, TM Supermarkets. Pick n Pay operates through multiple store formats under two brands – Pick n Pay and Boxer.

The company offers a wide range of products, including groceries, fresh produce, household goods, clothing, electronics, and general merchandise. We strive to provide affordable prices and quality products to our customers. Pick n Pay is known for its focus on customer service and has implemented various initiatives to enhance the shopping experience.

Pick n Pay operates various store formats, including hypermarkets, supermarkets, and convenience stores. In addition to our physical stores, we also have an online shopping platform that allows customers to conveniently purchase items and have them delivered to their doorstep.

Pick n Pay places great priority on environmental issues and actively promotes sustainable practices in its core activities. The company has identified and refined its key environmental impacts and formalized a clear strategy on climate change and food security. The company is no longer laying foundations but is now actively operationalizing sustainable practices in core activities, with the emphasis being on fresh thinking and innovation, informed by clear analysis of the significant risks and opportunities the retailer faces in creating a resilient business.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

March 1 2022

End date

February 28 2023

Indicate if you are providing emissions data for past reporting years

No

Select the number of past reporting years you will be providing Scope 1 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for

<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Botswana
Eswatini
Lesotho
Namibia
Nigeria
South Africa
Zambia
Zimbabwe

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	ISIN of JSE:PIK: ZAE000005443

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Director on board	The Director of Transformation has board level responsibility for sustainability and climate change. The Transformation director is responsible for Corporate Social Responsibility (CSR) in Pick n Pay and this includes environmental, sustainability and climate change related projects and initiatives. Pick n Pay also has a Sustainability Steering committee which consists of the CEO, Chairman, Transformation Director, Director of Corporate Affairs and Strategy and General Manager of Sustainability. The committee meets on a quarterly basis, ensuring frequent review of performance indicators, and allowing a more systematic and multi-faceted response to ESG issues (including climate change) that intersect across our value chain. These are executed by the operational sustainability steering committee and the sustainability team.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing the setting of corporate targets Monitoring progress towards corporate targets Other, please specify (Reviewing and guiding major plans of action Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives)	<Not Applicable>	The governance mechanisms selected contribute to the board's oversight of climate change issues, particularly as the board is instrumental in re-viewing and guiding strategy development and implementation. Sustainability and climate change related performance objectives and strategies are reviewed in quarterly board meetings. The board monitors progress against climate related key performance indicators, including emission reduction targets, renewable energy targets and energy efficiency targets. By implementing the governance mechanisms selected, the board provides guidance and oversight of the company's Climate Change strategy.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	The nominations committee is responsible for identifying and evaluating suitable candidates for possible appointment to the Board. In performing this duty, the committee needs to consider: - the specific needs of the Board, in terms of disciplines, skills, experiences and any other characteristics required at that time, - the general character requirements for the role of Director, including independence, integrity, tough-mindedness and respect for the values and principles of the Group. Pick n Pay's Board is well-equipped to address climate change-related matters. With six members possessing specialized expertise in information technology and climate change, the Board closely monitors climate change and supply chain logistics. Their diverse skills, including ESG, enable them to handle climate change issues effectively and they demonstrate a commitment to sustainable development. This qualified Board ensures that Pick n Pay is adequately positioned to create sustainable value and considers all material risks and opportunities associated with climate change.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Other C-Suite Officer, please specify (Executive Director of ESG)

Climate-related responsibilities of this position

Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The Executive Director of ESG holds board level responsibility for sustainability and climate change. The ESG director is responsible for Corporate Social Responsibility (CSR) in Pick n Pay and this includes environmental, sustainability and climate change related projects and initiatives. This reporting includes progress on climate related projects such as energy efficiency, renewable energy generation and food waste. The reason that the responsibility for climate related issues lies with executives and senior management is because Pick and Pay recognizes that climate change issues are material concerns and are likely to affect the company's strategy adoption, operations, and value creation

Position or committee

Sustainability committee

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Providing climate-related employee incentives
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The Sustainability Steering committee consists of the CEO, Chairman, ESG Executive, CFO and Strategy and General Manager of Sustainability. The committee meets quarterly to review progress in the implementation of sustainability and climate related initiatives. The committee is also responsible for reviewing and approving the implementation of new sustainability projects. Sustainability and climate change related issues are also discussed in the quarterly Ethics committee meetings on an ad hoc basis. The committee is chaired by the ESG Executive. The sustainability team reports to the ESG Executive weekly and the sustainability steering committee.

Position or committee

Environment/ Sustainability manager

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
 Providing climate-related employee incentives
 Developing a climate transition plan
 Implementing a climate transition plan
 Setting climate-related corporate targets
 Monitoring progress against climate-related corporate targets
 Managing public policy engagement that may impact the climate
 Managing value chain engagement on climate-related issues
 Assessing climate-related risks and opportunities
 Managing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Other, please specify (Reports directly to the ESG Executive)

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The Sustainability Manager is responsible for leading and coordinating sustainability efforts within the company. This includes overseeing various environmental projects and initiatives related to energy efficiency, renewable energy generation, and reducing food waste. The Sustainability Manager ensures that the sustainability team achieves its objectives, tracks progress, and provides monthly reports to the ESG Executive. They are also involved in discussions within the quarterly Ethics Committee meetings, contributing to the consideration of sustainability and climate change issues from an ethical perspective.

Position or committee

Other committee, please specify (Social, Ethics and Transformation Committee)

Climate-related responsibilities of this position

Developing a climate transition plan
 Implementing a climate transition plan
 Managing value chain engagement on climate-related issues
 Other, please specify (• Energy and water efficiency • Removing harmful chemicals • Renewable energy generation capacity • Allocating and managing capex into low carbon infrastructure • Waste reduction Recycling and reuse.)

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The Committee, supported by key management personnel, is tasked with ensuring that the Group's enduring values underpin the Group's long-term strategy and are applied daily in all areas of the business. It oversees that our sustainability strategy is closely aligned with the United Nations SDGs most relevant to our business.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	The remuneration incentives are linked to ESG targets such as the annual short-term bonus scheme, which aims to drive performance in a measured and sustainable way.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target

Achievement of a climate-related target

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

The Short-Term Incentive bonus is determined 60% by Primary targets and 40% by Secondary targets. ESG targets make up 20% of the Secondary targets. The ESG targets include six climate change related targets.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The six climate change-related targets linked to the Ekuseni Strategic Plan are:

- 1) Net zero carbon (Scope 1 and 2): Long term target: -60% by 2040, FY23 progress: +14%
- 2) Natural refrigeration: Long term target: 100% by 2040, FY23 progress: 10%
- 3) Reduction in water usage: Long term target: -20% by 2025, FY23 progress: -12%
- 4) Reduction in food waste: Long term target: -50% by 2030, FY23 progress: -28%
- 5) Recyclable packaging: Long term target: 100% by 2025, FY23 progress: 92%
- 6) Waste diverted from landfill: Long term target: 75% by 2025, FY23 progress: 62%

This ESG target is linked to the short-term remuneration incentives such as the annual short-term bonus scheme, which aims to drive short-term performance in a measured and sustainable way

Entitled to incentive

Chief Financial Officer (CFO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target

Achievement of a climate-related target

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

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- 5) Recyclable packaging: Long term target: 100% by 2025, FY23 progress: 92%
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This ESG target is linked to the short-term remuneration incentives such as the annual short-term bonus scheme, which aims to drive short-term performance in a measured and sustainable way

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	4	Short Term is defined as 0-4 years
Medium-term	4	7	Medium Term is defined as 4-7 years
Long-term	7	10	Long Term is defined as 7-10+ years

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Our materiality determination is driven by a robust risk management process, incorporating policies and procedures to identify and assess risks and opportunities at strategic, regulatory, reputational, financial, and operational levels, including ESG-related aspects. This process is integral to our comprehensive enterprise-wide risk management and combined assurance program.

The FY23 Audit, Risk, and Compliance Committee focuses on evaluating the effectiveness of our risk management function in identifying, evaluating, and mitigating issues that could significantly impact the Group's ability to sustain stakeholder value.

We define risks as substantive if they could potentially lead to reduced operating hours and store closures. For example, inadequate access to potable water due to droughts and shortages is considered a substantive financial risk, as our stores cannot operate without water. Evaluating substantive/strategic impact is done on a case-by-case basis using quantitative and/or qualitative indicators relevant to specific scenarios and affected areas of the business. Store closure is used as a metric to quantify financial impact from climate change risks, with large closures potentially resulting in lost sales turnover.

Customer-related and reputation risks that have the potential to affect the Pick n Pay brand are also considered as substantive and material. Various tools and metrics, including surveys, are used to gauge customer perception on specific issues.

Climate change risks and opportunities are addressed through our Climate Change strategy, focusing on areas where we have an impact, such as food waste, energy, refrigeration, packaging, and others. Key risks and opportunities are discussed regularly by the Sustainability steering committee, and relevant opportunities are pursued based on solid business cases. High-rated risks are addressed by the respective departments.

The scope of our climate change strategy review includes Pick n Pay's own operations, supply chain, and customers. Impacts are evaluated on business, indirect, and societal levels, considering physical, legal, market, technological, and reputational risks. Severe weather events and changing weather patterns can directly impact the supply of fresh produce, food security, and the company's financial position, affecting market position and reputation.

Opportunities related to physical risks include increased demand for water-saving and storage products. We are working to minimize our carbon footprint and align targets with the Paris Climate Agreement to manage climate change risks over the medium to long term.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

The Pick n Pay Climate Change Strategy encompasses Pick n Pay's operations, supply chain, and customers, evaluating direct, indirect, and societal impacts.

The residual risk is the exposure that remains after risk mitigation. Material residual risks are rated by means of a heat map measuring potential impact against the likelihood of occurrence to promote a clear understanding of the probability and impact of material risks.

We then find ways to mitigate risks and shift them from high to low probability

The Pick n Pay Climate Change Strategy focusses on areas like food waste, energy, refrigeration, packaging, and more. The Sustainability steering committee discusses key risks and opportunities related to climate change quarterly. Opportunities with a solid business case are pursued by relevant departments, while high-rated risks are addressed accordingly. Changing weather patterns, droughts, and water shortages pose risks to fresh produce supply and food security, affecting the company's financial position, market position, and reputation. Recent droughts also bring transitional risks such as new regulations, increased water costs, and reputation concerns. Material risks for Pick n Pay are rated high in the short and medium term, including indirect impacts on the supply chain and societal impacts on customers. Extreme weather events pose long-term financial risks, and physical risks like store damage are managed. Pick n Pay is implementing initiatives to minimize its carbon footprint and align with the Paris Climate Agreement.

Value chain stage(s) covered

Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

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Value chain stage(s) covered

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

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The residual risk is the exposure that remains after risk mitigation. Material residual risks are rated by means of a heat map measuring potential impact against the likelihood of occurrence to promote a clear understanding of the probability and impact of material risks.

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C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & Inclusion	Please explain
Current regulation	Relevant, sometimes included	Risks are assessed and evaluated by the Sustainability Steering committee for extent of impact current climate related regulations. For example, current regulations in terms of water management in the Western Cape was reviewed and additional regulatory requirements became relevant in terms of the overall risk posed by the water crisis. All Risks are prioritized and rated in terms of Impact, Likelihood, and Overall Outcome with a scale of: Very High, High, Medium, Low or Very Low. The maximum tax-free threshold that Pick n Pay can achieve in the first phase is 90%. The first phase of the tax is effective from 1 June 2019 - 31 December 2025 and the second phase of the tax will run from 1 January 2026- December 2030. There is an uncertainty and risk related to the passthrough of the carbon tax that might be applied to electricity in the second phase of the carbon tax.
Emerging regulation	Relevant, sometimes included	The introduction or change of climate change response plans may result in Pick and Pay having to consider taking additional steps to comply with climate change measures introduced. Non-compliance to legislation could result in fines and penalties, criminal implications for directors and reputational damage which could affect investor confidence and the company's share price. An example is the Draft Climate Change Bill which requires that companies must draft and submit carbon budgets. The carbon budgets will therefore change from being voluntary to being mandated and is linked to the (currently voluntary) relief mechanism set out in Section 12 of the Carbon tax Act. There is still uncertainty pertaining to how the Climate change Bill will impose a carbon budgeting system and this represents a transitional risk for PnP. The risk is assessed by the Sustainability steering committee who evaluates the potential impact of emerging climate related regulations on the business.
Technology	Relevant, always included	Technological developments can improve the efficiency and competitiveness of the business and reduce the impact of the business on the environment. These advancements can be costly to bring on board and might not align with consumer preferences at the time. Implementation of new technologies before adequate feasibility assessments or before the technology reached a sufficiently advanced level of development, has the potential of having an impact on operational expenditure. A good example is the installation of solar panels at one of our stores. We have completed several installations five years ago, but the performance and efficiency does not compare favourably with newer technologies. The Sustainability steering committee reviews the progress of implementing energy efficiency technologies and renewable energy generation technologies and engages with the property department should there be any recommendations.
Legal	Relevant, sometimes included	Any climate related litigation claims are included as required. There have been no climate related litigation claims in recent years. Civil cases that may be brought against PnP can include suits for damage done to individuals due to disruptions to operations, for example breaks in the cold chain spoiling food, leading to food poisoning. Diesel power generators cause noise and air pollution. If a PnP store with diesel power generator is located near residential areas, this can invoke civil suits against PnP. Furthermore, legal risks are relevant from a climate change perspective as the Draft Climate Change Bill was gazetted and on 1 June 2019. An example of how the Draft Climate Change Bill may affect Pick and Pay operations is the provision in the Bill that the Minister must develop Climate Change Response Plans for the functional areas listed in the Bill. Pick and Pay is exposed to some of the functional areas listed in the Bill such as Agriculture and Fisheries, Transport, and Trade and Industry. The Sustainability steering committee evaluates the potential legal implications related to climate change and environmental matters. These are evaluated and assessed as required in the quarterly Sustainability steering committee meetings.
Market	Relevant, sometimes included	Shifts in supply and demand for certain commodities, products or services is included on the basis that a potential financial impact is identified. As a food retailer there are numerous climate related issues that pose a significant risk to the availability and quality of the products we sell. A good example is the drought that has affected the Western Cape of South Africa. The drought has had a substantial impact on the Pick n Pay supply chain in terms of the availability, price, and quality of products. The Sustainability steering committee evaluates the potential market implications related to climate change and environmental matters. These are evaluated and assessed as required in the quarterly Sustainability steering committee meetings.
Reputation	Relevant, always included	Reputational impact is a key element of climate related risk assessments and is there-fore included in the risk identification process. As a food retailer Pick n Pay is in customer facing position and is susceptible to sharp criticism and the resulting brand damage should reputational risks not be assessed and managed adequately. As a listed company on the Johannesburg Stock Exchange, a signatory to the UN Global compact and member of the Clinton Global Initiative, Pick n Pay is mandated to respond appropriately to the challenges posed by climate change. Failing to respond adequately to this challenge will have a significant impact on our reputation and our brand. This may result in fewer loyal customers, challenges in attracting the best candidates and a drop in share price. With reference to the financial sector, climate change can lead to an in-crease in the cost of capital as well as increasing cost of insurance premiums.
Acute physical	Relevant, always included	Acute physical risks are included in risk assessments as the risks are identified. Extreme weather events pose a severe financial risk to Pick n Pay. Acute physical risks are becoming more prevalent and is an important component of the risk management process. Some examples include severe storm events which can cause damage to Pick n Pay infrastructure. Severe storm events such as flash flooding can also have an impact on our upstream value chain, especially with regards to agricultural goods.
Chronic physical	Relevant, sometimes included	Longer term risks are monitored, evaluated, and included on an ongoing basis. South Africa is a water scarce country and water security is an increasing social and business risk. Changing climate can affect the supply chain in terms of price hikes precipitated by agricultural water supply infrastructure development, low crop yields, or increased imports of agricultural goods. This has been illustrated by the recent drought that has had a severe impact on farmers and communities throughout South Africa. The severe drought in the Western Cape had a material impact on the availability of products as well cost of water usage in our operations.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)
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Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Water shortages will have a direct impact on our operations and might result in store closures. In-store goods production like the bakeries, butcheries and delis require water for food hygiene, workspace hygiene, and normal function. Hygiene-related activities such as general housekeeping and sanitation at staff rest rooms require water to ensure a hygienic store environment.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

110000

Potential financial impact figure – maximum (currency)

160000

Explanation of financial impact figure

The potential financial impact is a rough estimation of the cost associated with store closures. Some of our retail stores may need to close sporadically due to water shortages, and any closures will result in a significant loss of revenue. For a total revenue of R106.6 billion and 2204 stores divided by 365 days a year gives an average loss of revenue of about R 132 000 per store per day

Cost of response to risk

29800000

Description of response and explanation of cost calculation

Due to the risk of drought and water shortages in the future, Pick n Pay has installed back-up water tanks at many of its stores in Cape Town and throughout the Western Cape. The installation of back up water supply as well as water efficiency devices are part of the specifications of new developments, which has in impact on the total capital expenditure on the development of new stores. Pick n Pay has rolled out water efficiency measures and online water metering in other regions to ensure water is used responsibly. PnP aims for a 20% in-store water use intensity reduction by 2025 (against the 2018 baseline)

PnP is aiming for 50% sourcing from areas with sustainable water management by 2050.

PnP adheres to the published PnP Water policy to guide progress against these targets.

Additional costs are incorporated into the normal store development process and does not necessarily have a higher cost of management. The risk of additional capital investment in backup water supply is managed by evaluating each store on a site-by-site basis. An estimated half of all stores are located in shopping centres where backup water supply has already been installed, or where water can be accessed via boreholes. In these cases, it is not necessary for Pick n Pay to install backup water tanks. The cost reported is an estimation for the cost of installing backup water supply at half of the stores. For half of 2204 stores at a cost of R27 000 per store for 5kL water storage the total cost is about R29.8 million.

Comment**Identifier**

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

It is expected that climate change will have an impact on manufacturers and agricultural business in South Africa over the short to long term. It is difficult to quantify what the potential financial impact will be on the company. South Africa is a water scarce country and water security is an increasing social and business risk. This has been illustrated by the recent drought like conditions that has had a severe impact on farmers and communities throughout South Africa. Changes in precipitation have already had a tangible effect on our supply chain. An estimated 40% of our fresh produce suppliers have been affected by irregular weather patterns. An increased frequency of drought conditions will place significant strain on food production in South Africa. For this reason, water scarcity is a key risk for Pick n Pay.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

10560000

Potential financial impact figure – maximum (currency)

105600000

Explanation of financial impact figure

It is very difficult to do an accurate estimate of the potential financial impact on the business. Changes in precipitation extremes and droughts will cause far reaching complications for PnPs suppliers. Suppliers may be strained by unpredictable harvest patterns and may lose their ability to produce and deliver to Pick n Pay. Therefore, we may lose sales in specific product categories or need to rely on imports.

If between 0.1% and 1% of our total annual revenue of R105.6 billion is impacted, the loss of sales can amount to between R 10,56 million and R 1,056 billion per year if not managed properly.

Cost of response to risk

1000000

Description of response and explanation of cost calculation

We aim to increase awareness of climate change in the South African consumer market as well as to enhance our reputation as a responsible business. We also invest into measuring our impact and communication about actions that we take and the advances that we make. We publish information about these on our website and in print and in our stores, as well as through our Annual Integrated and Sustainability Reports. Investing in stakeholder communication as well as raising awareness involve costs more than R1 million per year, not including any marketing related costs.

We work with all our suppliers to ensure we provide great quality products that are produced responsibly and ethically. Working actively with local suppliers, we are expanding our range of sustainable food choices at affordable prices.

Through our enterprise and supplier development initiatives we strive to equip, enable, and empower local small and emerging businesses to become sustainable suppliers to the retail industry. We provide them with mentorship and business development support. Our ESD programme currently supports 198 suppliers.

We are reviewing our Enterprise and Supplier Development (ESD) approach with the aim of optimising our response to small suppliers' concerns and challenges.

We have projects centred on increasing the sourcing of sustainable cotton, reducing water usage during clothing manufacture and increasing levels of recycled content. In FY23, sustainable practices were used in the manufacture of 38% of our collections. These practices include rainwater harvesting, recycling of pre-production waste, water recycling and using solar energy.

Comment

o In collaboration with and under guidance from WWF, we aim to action the following in our operations and supply chains:

Data collation and consolidation for use of water risk tool

Work with key suppliers on water risk filter process

Map areas of highest risk and develop mitigation strategies including participation in WWF Water Source Area Partnership

Implement mitigation actions identified

Supporting and sourcing from small holder producers and incorporating agro-ecology approach

Train all PnP buyers, suppliers and marketing and communications teams

o Or targets are the following:

20% intensity reduction in stores by 2025 (2018 baseline)

50% of all suppliers are working towards reducing their water use by 2030

50% sourcing from areas with sustainable water management by 2050

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation	Shifts in consumer preferences
------------	--------------------------------

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

As a listed company on the Johannesburg Stock Exchange, a signatory to the UN Global compact and member of the Clinton Global Initiative, Pick n Pay is mandated to respond appropriately to the challenges posed by climate change. Failing to respond adequately to this challenge will have a significant impact on our reputation and our brand. This may result in fewer loyal customers, challenges in attracting the best candidates and a drop in share price. With reference to the financial sector, climate change can lead to an increase in the cost of capital as well as increasing cost of insurance premiums.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

10560000

Potential financial impact figure – maximum (currency)

1056000000

Explanation of financial impact figure

If between 0.1% and 1% of our total annual revenue of R105.6 billion is impacted, the loss of sales can amount to between R 10,56 million and R 1,056 billion per year if not managed properly.

Cost of response to risk

12100000

Description of response and explanation of cost calculation

We spent R 120 million on natural refrigeration in the last financial year.

We aim to increase awareness of climate change in the South African consumer market as well as to enhance our reputation as a responsible business. We also invest in measuring our impact and communication about actions that we take and the advances that we make. We publish information about these on our website, in print, in our stores, as well as through our Integrated Annual, Sustainability, and ESG Reports, Sustainability Policies, Carbon footprint assurance and CDP response submissions. Investing in stakeholder communication as well as raising awareness involve costs more than R1 million per year, not including any marketing related costs.

Summary: R 120 million for natural refrigeration + R1 million for stakeholder communication and raising awareness

Additionally, we are committed to ensuring that our own brand products are grown, sourced, and produced responsibly and sustainably. This includes promoting healthy oceans and fish stocks, animal welfare, sustainably manufactured clothing, and tracking ingredients with good environmental and social impacts.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

It is expected that climate change will have an impact on manufacturers and agricultural business in South Africa over the medium term. At the same time, an estimated 45% of South Africa's total available food supply is being lost annually, inadequate investment in food manufacturing to the degree required to maintain adequate market supply, and unstable supply of energy to keep food chilled and safe is putting more strain on the environment and supply chain. If we do not address this issue, our reputation will be impacted, leading to shifts in consumer preferences and a reduction in profit margins.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

10560000

Potential financial impact figure – maximum (currency)

1056000000

Explanation of financial impact figure

If between 0.1% and 1% of our total annual revenue of R105.6 billion is impacted, the loss of sales can amount to between R 10,56 million and R 1,056 billion per year if not managed properly.

Cost of response to risk

39000000

Description of response and explanation of cost calculation

Over the past four years, we have reduced food waste in Pick n Pay by 27.9% (against our 2019 baseline), as we work steadily towards our target of 50% by 2030. We have donated more than 882 tonnes of edible surplus food to FoodForward SA this year, valued at more than R39 million.

We are working with government to change some of the regulations, which would allow more edible surplus food to go to those who really need it.

Pick n Pay has recruited 20 of its largest food and manufacturer suppliers to join the 10x20x30 initiative, a global private-sector project, to significantly combat in-store and supply chain food waste by 2030.

We quantify our food waste data in line with the World Resources Institute (WRI) Food Waste and Loss Protocol. This enables us to identify "hotspots" and take action, working in partnership with others to reduce food waste and increase food surplus redistribution in a targeted way.

Comment

o Pick n Pay is leading the way in its food waste reduction journey and includes:

Diverting 20% of its food waste from going to landfill.

To date, more than 1,600 tons of food that has passed its sell-by date, but not its expiry date, have been donated to NGOs every year.

Launching a shelf-life extension project to reduce wastage.

A waste recovery project to recover dry groceries, such as sugar, pasta, and rice, and divert this from landfill.

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Pick n Pay can significantly reduce our impact on climate change by reducing food waste, diverting waste from landfill and improving recycling. Sending food waste to landfill leads to significant carbon emissions and Pick n Pay has extensive programmes in place to increase efficiency in production, operation, and distribution processes. We are improving our cold chain and demand planning and thereby reducing the amount of food waste produced at our stores. We have also implemented a waste management dashboard that will assist us in identifying potential opportunities for waste reduction and will increase the revenue we generate from recycling.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Pick n Pay can reduce the cost of waste management. We have implemented various programmes to reduce food waste and to divert more food waste from landfill, including a waste management dashboard which allows us to accurately track against waste reduction targets. These measures can potentially lead to a 10% reduction in waste management costs, which can add up to an estimated R5m in annual savings.

Cost to realize opportunity

1000000

Strategy to realize opportunity and explanation of cost calculation

Pick n Pay has implemented a waste management dashboard. This dashboard can accurately track food waste, recycling, diversion from landfill, donations, and any other waste related metrics. The dashboard has allowed us to track the performance of stores against specific targets and it has allowed us to focus on the key problem areas that contribute toward waste generation. The cost of maintaining this dashboard can potentially be up to R1m per year.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of recycling

Primary potential financial impact

Other, please specify (Increased revenues resulting from increased reputational growth)

Company-specific description

Climate change related disasters can displace communities and render them needy. Pick n Pay is well-positioned in terms of geographical coverage and supply of goods. This makes it easy for Pick n Pay to support displaced communities in terms of food and clothing at a fast pace. This can greatly benefit our reputation and boost client loyalty.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

105600

Potential financial impact figure – maximum (currency)

105600000

Explanation of financial impact figure

During floods in KwaZulu-Natal, we relaunched and donated clothing stock damaged to the cost value of R8.2 million to the LIV Village organisation caring for orphaned and vulnerable children.

Cost to realize opportunity

8200000

Strategy to realize opportunity and explanation of cost calculation

During floods in KwaZulu-Natal, we relaunched and donated clothing stock damaged to the cost value of R8.2 million to the LIV Village organisation caring for orphaned and vulnerable children. This is an opportunity to do good and grow our reputation. This resulted in positive media coverage for Pick n Pay.

Other examples of community support by means of re-cycling products include:

We repurpose clothing returns and damaged items to support various positive initiatives. Pick n Pay Clothing donates damaged and returned items to the Clothing Bank. In FY23 we donated clothing to the retail value of R11.6 million. The Clothing Bank has more than 700 active businesswomen, who sell clothing to sustain their livelihoods.

Comment**C3. Business Strategy****C3.1****(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?****Row 1****Climate transition plan**

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

The feedback mechanism in place regarding our transition plan includes an iterative feedback loop with our Social and Ethics Committee, our Board and the AGM. It is however not voted on at the AGM.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)

None

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Lack of internal resources	Until Q2 of FY24, Pick n Pay did not have the internal resources to conduct climate related scenario analysis. However, as of Q2 FY24, Pick n Pay has hired internal resources, and has contracted WWF-SA to assist in conducting climate related scenario analysis, as well as Scope 3 emissions assessments in an attempt to set Science Based targets.

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Climate change risks and opportunities can have negative and positive impacts. Our stores are exposed to both to droughts and flooding.</p> <p>Risk: Recently floods occurred in KwaZulu-Natal during April 2022. These floods had a significant impact on the availability, price, and quality of products sourced from the KwaZulu-Natal. This has impacted our short term and long-term strategy for dealing with intense periods of rain and floods, and the way this could potentially impact the demand for and the supply of products from flood affected areas. Short term, a flood can have an immediate impact on the demand for bottled water and non-perishable foods, which means Pick n Pay needs to be prepared to respond proactively to ensure that sufficient stock quantities are available. Long term, it is evident that water related risks such as floods or droughts could place significant constraints on the supply of certain product categories. As such, Pick n Pay has expanded our engagement with our suppliers on water risks, efficiency and management. This information will allow Pick n Pay to manage long term risks in a more proactive manner and will allow us to adapt our strategy as required.</p> <p>We are a member of the Round Table for Sustainable Palm Oil (RSPO). Pick n Pay has set the target to only source sustainable palm oil by 2022. This is part of our broader strategy to reduce the impact that our products have on deforestation. Deforestation is a key contributing factor to climate change.</p> <p>Opportunity: The drought experienced in the Western Cape during 2019 increased the demand for bottled water, water efficiency devices, water storage tanks and other related products. In terms of the magnitude of the impact, sales of bottled water increased by more than 80% during the drought in the Western Cape. This had a financial impact of more than R10m. To manage this increased demand Pick n Pay increased the stock volumes of bottled water to ensure that increased demand is catered for. This demand reduced significantly after the drought subsided after which the decision was made to reduce stock volumes to normal levels.</p> <p>South Africa is a water scarce country. In the long term there may be opportunities for increasing customer demand for water efficiency and saving devices.</p>
Supply chain and/or value chain	Yes	<p>Pick n Pay recognizes the significant financial risks posed by extreme weather events, such as droughts and floods, to its operations. These events impact product availability and increase water usage costs, affecting the overall operational cost and product prices. As a result, there is a focus on engaging with suppliers to address water risks, efficiency, and management in the supply chain, which is a proactive approach to managing long-term risks.</p> <p>Pick n Pay's long-term strategic plan includes improving operational efficiency in the supply chain, with a specific emphasis on reducing water usage and enhancing efficiency at distribution centers. Additionally, the company is exploring opportunities for increased local production, supporting black economic empowerment, and adhering to environmental and social standards.</p> <p>To address environmental concerns and reduce emissions, Pick n Pay has taken steps such as renewing the truck leasing program and partnering with Mercedes for new low-emission vehicles. Furthermore, the company is piloting a gas-powered vehicle with solar-cooled refrigeration, which indicates a commitment to sustainable transportation practices.</p> <p>By implementing these measures and strategies, Pick n Pay aims to mitigate the impacts of extreme weather events, reduce its environmental footprint, and ensure a more sustainable and resilient supply chain. These efforts align with the growing awareness of environmental risks and the importance of responsible business practices.</p>
Investment in R&D	Yes	<p>Pick n Pay is actively involved in climate change-related research and working with various stakeholders to address the issue. Collaborating with NGOs, business organizations, and consultants is crucial for developing effective strategies and solutions.</p> <p>Focusing on areas such as energy efficiency and food waste reduction is commendable, as this can lead to significant greenhouse gas (GHG) emissions reductions and cost savings. Food waste is a major contributor to climate change, so it's encouraging that Pick n Pay is commissioning pilot projects to analyse and research the financial and environmental benefits of improved food waste management procedures.</p> <p>Being a member of the global 10x20x30 food waste reduction initiative demonstrates Pick n Pay's commitment to addressing the issue of food waste. The target of reducing food waste by 50% by 2030 aligns with the global goals of mitigating climate change and promoting sustainable practices.</p> <p>Considering the continuing impact of climate change on the supply chain, it's wise for Pick n Pay to prioritize research and development efforts in the long term. By exploring various areas contributing to climate change, such as water management and other related aspects, Pick n Pay can identify additional opportunities for reducing its environmental footprint and promoting sustainability throughout its operations.</p> <p>Overall, Pick n Pay's focus on climate change-related research, collaboration with stakeholders, and commitment to food waste reduction demonstrates its dedication to sustainable business practices and addressing the challenges posed by climate change.</p>
Operations	Yes	<p>Pick n Pay has taken proactive measures to address the water scarcity issue caused by drought. The installation of back-up water tanks at some stores and online water meters at the majority of operations showcases a commitment to water management and conservation.</p> <p>Incorporating water efficiency devices and backup water supplies as part of the specifications for new developments reflects Pick n Pay's dedication to sustainable practices. Although this may have impacted the capital expenditure for new store development, it is a worthwhile investment considering the long-term benefits and the need to adapt to changing environmental conditions.</p> <p>The focus on water efficiency has not only contributed to water conservation but has also resulted in significant cost savings, with Pick n Pay saving more than R1m over the past financial year. This showcases the financial benefits that can be achieved through sustainable practices and operational efficiency.</p> <p>Water efficiency aligns with Pick n Pay's long-term business strategy, which emphasizes operational efficiency. By optimizing water usage, Pick n Pay is not only reducing costs but also minimizing its environmental impact and enhancing its sustainability.</p> <p>Furthermore, as a member of the global 10x20x30 food waste reduction initiative, Pick n Pay is actively working towards reducing food waste by 50% by 2030. This aligns with the business strategy and presents additional opportunities for cost savings and mitigating the company's impact on climate change, including Scope 3 emissions.</p> <p>By reducing food waste, Pick n Pay can lower operational costs, improve resource utilization, and minimize greenhouse gas emissions associated with the production, transportation, and disposal of wasted food. This demonstrates a comprehensive approach to sustainability, encompassing both water management and food waste reduction.</p> <p>Overall, Pick n Pay's efforts in water efficiency and food waste reduction showcase a commitment to operational efficiency, cost savings, and environmental sustainability. These initiatives not only contribute to reducing the company's impact on climate change but also position Pick n Pay as a responsible and forward-thinking organization in the retail industry.</p>

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures	<p>Both the Western Cape droughts (2019) and the recent floods in KwaZulu-Natal (2022) have had an impact on our sales for certain categories. For this reason, we have engaged with all our suppliers to assist in mitigating climate change and associated drought and flood related risks they are faced with. Our work in this area is aimed at the short and medium term. The cost of this engagement and potential opportunities have been included in our financial planning process. The opportunity related to increased sales in bottled water decreased when the risk of the drought subsided, and subsequently sales in some of our bottled water ranges reduced by 35% and is now comparable to sales figures in the time before the drought. Due to the drought the operational cost of water has increased significantly in some areas of South Africa, which will have a short- and long-term impact. Increasing operating costs associated with drought and climate change has been included in our financial planning process. The average cost of water in the Western Cape increased by more than 100% during the recent drought. This cost had to be incorporated into financial planning processes, which is conducted on an annual basis. Due to the drought and the risk of the drought in the future, Pick n Pay has installed back-up water tanks at many of our at risk stores. The installation of back up water supply as well as water efficiency devices are part of the specifications of new developments, which has an impact on the total capital expenditure on the development of new stores. This has been incorporated into the planning process going forward. The cost of backup tanks at every new store can range from R10 000 to R50 000 per store depending on the size of the store. The installation of online water meters at all our stores was completed by 2021, which will have an impact on our direct costs for water usage as well as monitor and mitigate the risk of water shortages in the future.</p>

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with our climate transition plan	<Not Applicable>

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

CAPEX

Type of alignment being reported for this financial metric

Alignment with our climate transition plan

Taxonomy under which information is being reported

<Not Applicable>

Objective under which alignment is being reported

<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

3012000000

Percentage share of selected financial metric aligned in the reporting year (%)

0

Percentage share of selected financial metric planned to align in 2025 (%)

70

Percentage share of selected financial metric planned to align in 2030 (%)

30

Describe the methodology used to identify spending/revenue that is aligned

Greenbond focuses over the next 5 years on investment into renewables, natural refrigerant conversions, and food waste reduction. The two KPIs for the bond are natural refrigerant conversions and food waste reduction.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

<Not Applicable>

Base year

2022

Base year Scope 1 emissions covered by target (metric tons CO2e)

183614

Base year Scope 2 emissions covered by target (metric tons CO2e)

787753

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

971367

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1:

Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2040

Targeted reduction from base year (%)

60

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

388546.8

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

381435

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

719215

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1100650

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-22.1823128299259

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

This target is our carbon reduction target for the whole Group and includes both Pick n Pay and Boxer company-owned stores and operations. This target forms part of our larger net zero ambition and is a financial year target.

Plan for achieving target, and progress made to the end of the reporting year

In order to achieve this target, we aim to improve energy efficiency by 45% and reduce CO2 from refrigeration by 100% by 2040. As part of this, we aim to increase our renewable energy consumption as a large portion of our emissions are related to electricity consumption.

The initiatives with the most impact on our progress so far is the use of on-site and PPA sourced solar produced electricity. In FY22 we sourced 7 579MWh from these sources.

Our anticipated progress curve is likely to follow a linear curve in line with the target trajectories that occur using the SBTi methodology.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2023

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2023

Consumption or production of selected energy carrier in base year (MWh)

7579

% share of low-carbon or renewable energy in base year

1

Target year

2040

% share of low-carbon or renewable energy in target year

60

% share of low-carbon or renewable energy in reporting year

1

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

Abs1

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

This is a company-wide target with no exclusions based on a financial year. This target aims to increase our energy resilience as a critical issue for our business due to the several electricity outages in South Africa.

Plan for achieving target, and progress made to the end of the reporting year

A large portion of our stores are in spaces which are rented from landlords. In order to meet this target we are engaging with our landlords maximise the installation of renewable energy at the stores. At our standalone stores and distribution centres we are developing pathways to increase the proportion of our electricity demand met by renewable energy.

This is a new target, therefore no progress has been made to date as the reporting year is the base year.

List the actions which contributed most to achieving this target

<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Please explain target coverage and identify any exclusions

This target is our net zero target for the whole Group and includes both Pick n Pay and Boxer company-owned stores and operations. This target is a financial year target. There are no exclusions.

We consider this target science based as it is in line with the SBTi methodology and we have committed to having it validating in the next two years

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

No

Planned milestones and/or near-term investments for neutralization at target year

<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

None

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	
To be implemented*	259	1000000
Implementation commenced*	1	2282
Implemented*	3	47041
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Fugitive emissions reductions	Refrigerant leakage reduction
-------------------------------	-------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

28766

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

3000000000

Payback period

No payback

Estimated lifetime of the initiative

16-20 years

Comment

We are in the process of converting 135 Pick n Pay company-owned stores and 166 Boxer Stores by FY28. We are aiming to achieve 100% natural refrigeration conversion by 2040. In FY23 we have implemented this initiative in 22 company-owned stores (9.5%) equating to a 28 766tCO2e reduction in emissions. of leakages.

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

16987

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

32000000

Investment required (unit currency – as specified in C0.4)

6872000

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

This is a combined initiative across 318 stores for changes in energy management resulting in savings of 364 026MWh which equates to 385 867tCO2e emission reductions over a 12 year period. The savings from this programme in the reporting year came to 16 987tCO2e.

Initiative category & Initiative type

Waste reduction and material circularity	Waste reduction
--	-----------------

Estimated annual CO2e savings (metric tonnes CO2e)

1288

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 5: Waste generated in operations

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1050000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

We have implemented numerous waste related emission reduction initiatives including Waste reduction, reuse and recycling as well as product design.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Pick n Pay has a budget for investing in energy efficiency technologies.
Compliance with regulatory requirements/standards	The impact of the carbon tax will have a financial impact on Pick n Pay. The potential financial impact is used to motivate additional investment in low carbon technologies.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Low-Carbon Investment (LCI) Registry Taxonomy

Type of product(s) or service(s)

Lighting	Conventional LED
----------	------------------

Description of product(s) or service(s)

Pick n Pay sells conventional LED light bulbs which reduce the electricity and therefore Scope 2 emissions of our customers.

The product has been assessed in terms of the Low-Carbon Investment Registry Taxonomy.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

<Not Applicable>

Functional unit used

<Not Applicable>

Reference product/service or baseline scenario used

<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario

<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

1

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

March 1 2019

Base year end

February 29 2020

Base year emissions (metric tons CO2e)

124858

Comment

Pick n Pay has expanded the scope of our Carbon Footprint audit in 2020, and therefore we have restated our baseline.

Scope 2 (location-based)

Base year start

March 1 2019

Base year end

February 29 2020

Base year emissions (metric tons CO2e)

703438

Comment

Pick n Pay has expanded the scope of our Carbon Footprint audit in 2020, and therefore we have restated our baseline.

Scope 2 (market-based)

Base year start

March 1 2019

Base year end

February 29 2020

Base year emissions (metric tons CO2e)

703438

Comment

The location based figure has been used as a proxy number for the market based emissions as we are now reporting both a location based and market based figure in response to question C6.3

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

March 1 2019

Base year end

February 28 2020

Base year emissions (metric tons CO2e)

49105

Comment

These emissions related to the transportation of goods in our upstream value chain

Scope 3 category 5: Waste generated in operations

Base year start

March 1 2019

Base year end

February 28 2020

Base year emissions (metric tons CO2e)

14800

Comment

These emissions relate to emissions generated from processing and transporting our waste

Scope 3 category 6: Business travel

Base year start

March 1 2019

Base year end

February 28 2020

Base year emissions (metric tons CO2e)

4549

Comment

These emissions include all business travel related emissions by PnP employees.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

March 1 2019

Base year end

February 28 2020

Base year emissions (metric tons CO2e)

452

Comment

These emissions relate to our downstream transport value chain

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

March 1 2019

Base year end

February 28 2020

Base year emissions (metric tons CO2e)

439061

Comment

These emissions relate to our Franchise operations

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

381435

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Scope 1 emissions increased significantly in the reporting year due to the substantial increase in loadshedding (power shortages) resulting in higher demand from our backup generators.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Pick n Pay procures renewable electricity from both onsite PV and through a PPA. Therefore, supplier specific emission factors are available for a portion of its consumption and a market based figure has been calculated.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

719215

Scope 2, market-based (if applicable)

761910

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Pick n Pay's Scope 2 emissions reduced in the reporting year due to our renewable energy procurement and the reduction of purchased electricity from the grid due to the increased loadshedding.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

At the moment, calculating total emissions from purchased goods and service is a very complex process and subject to inherent data limitations. We have done an estimation before based on total spend, but this was not audited along with our other reported scope3 emissions due to the nature of the project.

Capital goods

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Capital goods are limited in our industry and are not the most pertinent source of emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This emission source could be relevant however these emissions have not been quantified for the reporting year.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

64222

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Our service providers track litres of diesel used in trucks and kgs of refrigerants used in refrigerated trucks. These are reported to us on a quarterly basis. This is calculated by multiplying the total litres of fuel used with the relevant emissions factor.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

16824

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Waste data, recycling, waste diversion from landfill data used to calculate emissions.

We track waste generated in our stores closely in other environmental accounting and operational efficiency from a cost perspective

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3402

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Our rental cars service provider reports CO2 emissions based on car type and kilometers driven. We track diesel and petrol used on fuel cards in employee cars for business purposes. Our business travel service provider reports kilometers flown to us which we convert to CO2 emissions. Defra factors are used to calculate CO2e emissions

Employee commuting

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have decided not to track employee commuting due to the amount of work needed to get to the data combined with the poor potential for impacting the figures. In South Africa, few people have options to impact these emissions currently.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have significant assets upstream that we lease.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This emission source is not relevant to the GHG inventory for the reporting year. All value chain transport related emissions are reported under upstream transport and distribution.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The vast majority of our sales is from food items. The processing of our sold products is limited to cooking in households, which is not tracked.

Use of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The vast majority of our sales is from food items. The use of our sold products is limited to cooking in households. We do not track that

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The vast majority of our sales is from food items which are consumed. We are not at the moment able to track how much of this is sent to landfill.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have significant downstream leased assets.

Franchises

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

367832

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions from electricity used by Franchise stores is included in the Pick n Pay carbon footprint as an indirect emission source.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have significant investments that would fall outside our carbon footprint.

Other (upstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00001033

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1100650

Metric denominator

unit total revenue

Metric denominator: Unit total

106561800000

Scope 2 figure used

Location-based

% change from previous year

4

Direction of change

Increased

Reason(s) for change

Change in revenue

Change in physical operating conditions

Please explain

Our emission intensity increased by 4% in the reporting year. This is attributable primarily to a 13% increase in emissions accompanied by a 9% increase in revenue.

The primary driver for the increase in emissions is the substantial increase in loadshedding resulting in much higher diesel consumption in back up generators.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	77600	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	28	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	1002	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	302805	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
South Africa	380632
Zambia	812

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Stationary Combustion	72311
Mobile Combustion	6319
Fugitive emissions	302805

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
South Africa	715405	758100
Zambia	3810	3810

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Store operations	684622	724543
Offices	5408	5841
Support facilities	6487	7008
Distribution Centers	22698	24518

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Yes

C7.7a

(C7.7a) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Subsidiary name

PnP Retailers (Pty) Ltd.

Primary activity

Discretionary delivery retail

Select the unique identifier(s) you are able to provide for this subsidiary

No unique identifier

ISIN code – bond

<Not Applicable>

ISIN code – equity

<Not Applicable>

CUSIP number

<Not Applicable>

Ticker symbol

<Not Applicable>

SEDOL code

<Not Applicable>

LEI number

<Not Applicable>

Other unique identifier

<Not Applicable>

Scope 1 emissions (metric tons CO2e)

236299

Scope 2, location-based emissions (metric tons CO2e)

488417

Scope 2, market-based emissions (metric tons CO2e)

512604

Comment

All Pick n Pay branded stores are owned by this subsidiary as well as the corresponding distribution centres and support facilities.

Subsidiary name

Boxer Superstores (Pty) Ltd

Primary activity

Discretionary delivery retail

Select the unique identifier(s) you are able to provide for this subsidiary

No unique identifier

ISIN code – bond

<Not Applicable>

ISIN code – equity

<Not Applicable>

CUSIP number

<Not Applicable>

Ticker symbol

<Not Applicable>

SEDOL code

<Not Applicable>

LEI number

<Not Applicable>

Other unique identifier

<Not Applicable>

Scope 1 emissions (metric tons CO2e)

145136

Scope 2, location-based emissions (metric tons CO2e)

230798

Scope 2, market-based emissions (metric tons CO2e)

249306

Comment

All Boxer Superstores are owned by this subsidiary as well as the Boxer Meat factory, distribution centres and support facilities.

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	204	Decreased	0.02	PnP acquired additional renewable energy in the reporting year resulting in a decrease of 204tCO2e. The emissions value was calculated as follows: $-204/971\ 367 \times 100 = -0.02\%$
Other emissions reduction activities	16987	Decreased	1.75	PnP implemented several emission reduction initiatives in the reporting year resulting in a decrease of 16 987tCO2e. The emissions value was calculated as follows: $-16\ 987/971\ 367 \times 100 = -1.75\%$
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions	146474	Increased	15	Due to the significant increase in loadshedding experienced, there was higher demand for diesel generators in the reporting year. This resulting in an increase in emissions of 146 474tCO2e. The emissions value was calculated as follows: $146\ 474/971\ 367 \times 100 = 15\%$
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	293187	293187
Consumption of purchased or acquired electricity	<Not Applicable>	7055	758907	765962
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	524	<Not Applicable>	524
Total energy consumption	<Not Applicable>	7579	1052094	1059673

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

This fuel source is not applicable

Other biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

This fuel source is not applicable

Other renewable fuels (e.g. renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

This fuel source is not applicable

Coal

Heating value

LHV

Total fuel MWh consumed by the organization

7917

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

7917

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal is used in the boiler at the Meat Factory for steam generation.

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

282350

MWh fuel consumed for self-generation of electricity

2343592

MWh fuel consumed for self-generation of heat

39758

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Petrol, diesel, paraffin, LPG and aviation fuel are used at facilities for various applications including vehicles, generators, cooking and aircraft.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

2920

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

2920

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Natural gas is used for cooking purposes at several Pick n Pay facilities

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

This fuel source is not applicable

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

293187

MWh fuel consumed for self-generation of electricity

242592

MWh fuel consumed for self-generation of heat

42678

MWh fuel consumed for self-generation of steam

7917

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels are used for various applications at PnP facilities including steam generation, cooking, vehicles and backup generators.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	87857	87857	524	524
Heat	0	0	0	0
Steam	6729	6729	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

South Africa

Sourcing method

Physical power purchase agreement (physical PPA) with a grid-connected generator

Energy carrier

Electricity

Low-carbon technology type

Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

7055

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

South Africa

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

<Not Applicable>

Comment

Renewable electricity is procured through PPA's with offsite solar power producers

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

South Africa

Consumption of purchased electricity (MWh)

743123

Consumption of self-generated electricity (MWh)

524

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

743647

Country/area

Zambia

Consumption of purchased electricity (MWh)

22839

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

22839

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

26025

Metric numerator

Total volume of non-hazardous waste disposed

Metric denominator (intensity metric only)

% change from previous year

12

Direction of change

Decreased

Please explain

The total volume of non-hazardous waste decreased by 12% in the reporting year.

The primary reason for this change is: The data collection processes for this metric improved in the reporting year and the data reliability has increased

Description

Waste

Metric value

30.6

Metric numerator

Total volume of hazardous waste disposed

Metric denominator (intensity metric only)

% change from previous year

11

Direction of change

Increased

Please explain

The total volume of hazardous waste increased by 11% in the reporting year.

The primary reason for this change is: The data collection processes for this metric improved in the reporting year and the data reliability has increased

Description

Waste

Metric value

11422

Metric numerator

Volume of waste recycled

Metric denominator (intensity metric only)

% change from previous year

19

Direction of change

Decreased

Please explain

The total volume of recycled waste decreased by 19% in the reporting year driven by the overall decrease in non-hazardous waste. However, while the absolute volumes of waste recycled decreased due to lower waste volumes overall, our waste diversion rate increased from 55% to 62% as a result of a consolidation of services and the resulting increase in performance by recycling partners.

The data collection processes for this metric improved in the reporting year and the data reliability has increased

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Pick 'n Pay FY2023 GHG Verification Opinion Declaration.pdf

Page/ section reference

All

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Pick 'n Pay FY2023 GHG Verification Opinion Declaration.pdf

Page/ section reference

All

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Pick 'n Pay FY2023 GHG Verification Opinion Declaration.pdf

Page/ section reference

All

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Upstream transportation and distribution

Scope 3: Waste generated in operations

Scope 3: Business travel

Scope 3: Franchises

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Pick 'n Pay FY2023 GHG Verification Opinion Declaration.pdf

Page/section reference

All

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Year on year change in emissions (Scope 1 and 2)	ISO14064-3	The year-on-year change in Scope 1 and 2 emissions are verified as part of the GHG Inventory verification. Pick 'n Pay FY2023 GHG Verification Opinion Declaration.pdf
C8. Energy	Energy consumption	ISO14064-3	The purchased electricity consumed by all operations are verified as part of the GHG Inventory verification. Pick 'n Pay FY2023 GHG Verification Opinion Declaration.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

South Africa carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

South Africa carbon tax

Period start date

January 1 2022

Period end date

December 31 2022

% of total Scope 1 emissions covered by tax

13

Total cost of tax paid

190665

Comment

Our South African facilities are subject to the carbon tax which runs on a calendar year period. The tax is payable by July of the following year.

Only emission activities that are above the specified thresholds are included in the tax. Our emissions related to the stationary combustion of diesel in generators, paraffin and LPG in bakeries and coal in our meat factory are all covered by the tax. Any mobile combustion emissions are excluded from the tax directly.

However, there is, a carbon tax applied to all purchases of petrol and diesel in the country. This tax is incorporated into the fuel levy and captures most of the vehicle related emissions.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

A South African carbon tax was implemented in 2019. In the first phase the tax is set to target companies that own or control combustion installations of 10 MW (megawatt thermal) or higher amongst other emitting activities. The first phase will have a 60% allowance which can be expanded with additional relief mechanisms for trade exposure, offsets and carbon budgets. The maximum tax-free threshold that Pick n Pay can achieve in the first phase is 90%. The first phase of the tax will be effective until 31 December 2025. Thereafter it is anticipated that the government will gradually phase out the relief mechanisms resulting in much higher effective tax rates. For Pick n Pay 90% of the emissions that fall under the proposed scope of the tax are fuel combustion emissions.

Strategy for complying with system: Pick n Pay annually reports their emissions to the South African Department of Forestry, Fisheries and Environment as required by the regulations. These emissions are the emissions that fall under the carbon tax. Based on these emissions, Pick n Pay completes the necessary tax documents and pays the carbon tax to the South African Revenue Service every July. These processes happen annually every year. As a result of this strategy, Pick n Pay has reported their emissions and paid the carbon tax on time and has not received any penalties. Furthermore, Pick n Pay keeps up to date with any developments in the regulations that govern the carbon tax to ensure that we remain in compliance with any new requirements.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Alignment with the price of a carbon tax

Objective(s) for implementing this internal carbon price

Change internal behavior

Drive energy efficiency

Navigate GHG regulations

Stakeholder expectations

Scope(s) covered

Scope 1

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Evolutionary

Indicate how you expect the price to change over time

The South African Carbon Tax, which our internal carbon price aligns to, is increased yearly. The yearly increases up to 2030 have been legislated by National Treasury. The carbon tax rate is expected to increase from R144/tCO₂e in 2022 to R462/tCO₂e by 2030.

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO₂e)

144

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO₂e)

144

Business decision-making processes this internal carbon price is applied to

Capital expenditure

Operations

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for all decision-making processes

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

Pick n Pay's internal carbon price plays a vital role in advancing the company's climate commitments and driving our climate transition plan. By aligning our internal carbon price with the South African carbon tax value, Pick n Pay demonstrates a proactive approach to incorporating the true costs of carbon emissions into business operations planning. This strategic decision not only ensures regulatory compliance but also empowers the us to make informed decisions that prioritize emissions reductions and sustainability. The internal carbon price acts as a financial incentive, encouraging departments and business units to identify and implement measures that reduce their carbon footprint. It fosters a culture of innovation, efficiency, and environmental stewardship within the organization. Furthermore, by accurately reflecting the external costs of carbon emissions, Pick n Pay's internal carbon price helps the company effectively allocate resources, evaluate project viability, and drive investment towards low-carbon alternatives. Ultimately, this approach strengthens Pick n Pay's climate commitments, bolsters their climate transition plan, and positions us as a leader in sustainable business practices within the retail industry.

Case study: Pick n Pay has installed solar panels at its recent Eastport distribution centre. By assigning a value to carbon, Pick n Pay is able to evaluate the financial viability of renewable energy projects like this. Furthermore, this installation forms part of our efforts to reduce our emissions in line with our climate commitments.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

32

% total procurement spend (direct and indirect)

21

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

We currently only engage with a quarter of our suppliers through a set of focused initiatives. It is expected that we will start engaging with a greater proportion of suppliers over the next few years. Regarding fresh produce suppliers, our engagement is centred on environmental issues such as water scarcity and drought. To manage food security, we have focused efforts on training small-scale farmers and other small-scale entrepreneurs. Our efforts in recent years have focused on assisting small-scale entrepreneurs in the retail industry to implement more sustainable practices in their operations. For example, we have assisted in projects that focus on appropriate crop selection and the development of a robust access-to-market strategy for these farmers. Pick n Pay also aims to increase the human capital of farmers through increased education. To prioritize our efforts, we implemented a spend-based supply chain risk study to identify sustainability risks faced by specific product categories and prioritize based on category. Based on this we have started engagement with several suppliers, and we plan to extend to more during the next financial year. We are working with 19 of our biggest suppliers as part of the international 10x20x30 Food Waste Initiative to help them determine and demonstrate their progress.

Impact of engagement, including measures of success

Our measure of success of this engagement with our fresh produce supplier's is their alignment with the Global Gap Standard, which is the internationally recognized standard for farm production. Over 60% of our fresh produce suppliers were audited and confirmed to meet the requirements of the standard.

The impact of supplier engagement is not measured in terms of emissions but will be measurable in the next two years with the help of our engagement with WWF. Pick n Pay is one of the founding members of the WWF-SASSI Retailer Participation Scheme and the first retailer in Africa to make sustainable seafood commitments. We currently source 76% of our seafood products by species and 95% of our products by sales from sources which meet credible sustainability standards or come from fisheries that are actively improving their environmental sustainability performance. we measure the percentage (%) of species that are sustainably sourced to determine the success level of our seafood initiative. We track the number of farmers supported and the money lent to them as a measure of success for our small farmer programme. We are working with 19 of our biggest suppliers as part of the international 10x20x30 Food Waste Initiative to help them determine and demonstrate their progress.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to education customers about your climate change performance and strategy
-------------------------------	--

% of customers by number

10

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

We engage with our customers through social media, our website, surveys, and annual sustainability and integrated reports. It is difficult to determine the exact proportion of customers reached via these channels.

Impact of engagement, including measures of success

The impact of the engagement is measured in % response rate on the surveys, in addition to impressions, likes and views on social media. The impact of the engagement has resulted in our customers being more environmentally conscious when making purchasing decisions. This includes awareness related to environmentally friendly packaging and recyclable items. A measure of success which Pick n Pay uses to establish the impact of customer engagement is whether there is an increase in the sale of environmentally friendly products.

This year we re-launched the Live Green brand, our rejuvenated range of eco-friendly cleaning products. These products are certified as vegan, cruelty-free and are not tested on animals. All products are made with biodegradable, naturally derived active ingredients* and packaging is 100% recyclable. A first for SA retail, Live Green includes a locally produced probiotic range which uses beneficial bacteria to keep surfaces cleaner and healthier for longer. All our house labels are now accredited by Beauty Without Cruelty (SA) as animal cruelty free. These include sunblock, kids' ranges, and enzymatic cleaners.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Waste reduction and material circularity

Description of this climate related requirement

Pick n Pay is working with our suppliers to reduce food waste in our value chain by 50% by 2030 against a 2019 baseline. Pick n Pay is improving our accuracy of food waste data by quantifying in line with the WRI Food Waste and Loss Protocol.

This enables us to identify suppliers and take action, working in partnership with others to reduce food waste and increase food surplus redistribution in a targeted way. In FY23, 62% of food waste in our company-owned operations was diverted from landfill through donations and recoveries. We're actively participating in local and international initiatives that align with the United Nation's SDG 12.3 target to reduce global food loss and waste by 50% by 2030. This includes working with 19 of our biggest suppliers as part of the international 10x20x30 Food Waste Initiative to help them determine and demonstrate their progress. Our partnership with Food Forward SA is broadening to include excess food in our supply chain. We contributed 882 tonnes of edible surplus food to Food Forward SA from our stores to the value of R35 million for distribution to more than 2750. These organisations collectively provide daily meals to more than 985 000 people every year.

At our operations, we strive to eliminate unsold food going to waste by continually optimising our forecasting, ordering, shelf-life extension projects, and implementing 'reduced to clear' processes to reduce food surplus at the end of each day.

% suppliers by procurement spend that have to comply with this climate-related requirement

% suppliers by procurement spend in compliance with this climate-related requirement

80

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Pick n Pay - Paris Agreement Position Statement.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Our operational steering committee (consisting of operational divisional general managers and heads of business units) meets on a quarterly basis and reviews activities/engagements that influence policy and assesses their alignment to overall strategy. The regular meetings guarantee that there is consistent engagement with policy makers where necessary, and includes environmental areas such as waste, energy, recycling, water, and climate change. For example, the NBI supports Pick n Pay on climate change related matters and in turn, we ensure that engagement activities with associations such as the NBI are in line with our climate targets.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (National Business Initiative, Business Unity South Africa, Sustainable Retailer Forum)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The NBI is one of the regional partners to the World Business Council for Sustainable Development (WBCSD) and provide a platform for business leadership and a vision of how companies can contribute to shaping and achieving a sustainable society. The NBI engages with government and business on climate change issues and regulations. For example, the NBI facilitates workshops where new regulations are discussed with interested parties like Pick n Pay and the feedback given is communicated to the regulatory body of government. In this way, the NBI assists industry in preparing for any pending climate change legislation. The NBI has communicated consistently positive top-line positions on climate-related policy. The organization supported the goal of net-zero greenhouse gas emissions by 2050 across various reports which focus on decarbonizing South Africa through a Just Transition (i.e., transition to a low carbon economy in a way that maximises social benefits).

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

243849

Describe the aim of your organization's funding

Membership fee paid to NBI and BUSA per annum amount to R243 849 For FY23

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

IAR 2023.pdf

ESG 2023.pdf

Page/Section reference

Page 27; 63; 65; 131

Page: 12; 22; 37;

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

IAR 2023.pdf

ESG 2023.pdf

Page/Section reference

Page 27; 63; 65; 131

Page: 12; 22; 28, 36, 37, 40

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

ESG 2023.pdf

Page/Section reference

Page: 12; 22; 28, 36, 37, 40

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Global Reporting Initiative (GRI) Community Member Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact Other, please specify (WRI 10x20x30; JSE: SEDEX; Better cotton initiative; UN Sustainable Development Goals (SDG))	Global Reporting Initiative (GRI) Community Member: Our ESG reporting, and disclosures are informed by GRI standards UN Global Compact: Or disclosures align continue to be informed by the UN Global Impact. TCFD: We quantify and publish scope 1, 2 & 3 emissions following best practice in GHG accounting & reporting guidelines of the TCFD. WRI 10x20x30: We are working with 19 of our biggest suppliers as part of the World Resources Institute (WRI) 10x20x30 Food Waste Initiative to help them determine and demonstrate their progress. Progress in some areas has been challenged during the energy crisis. The vision of the 10x20x30 Initiative is to massively increase private sector contribution to the global goal of reducing food loss and waste by 50% by 2030 by catalysing efforts "up" the supply chain. We will work closely with our largest suppliers and the WRI to ensure that food waste is reduced and minimized in our supply chain. One supplier has met 10x20x30 targets in FY23 JSE: The JSE guidelines lead improvements in the Group's disclosure aligned with the JSE's 2022 Sustainability Disclosure Guidance, as part of our commitment to report annually and comprehensively against relevant and credible international frameworks. Our improved data management processes have enabled us to report accurately against a wider scope of metrics. Our annual ESG report provides the ESG/Sustainability Databook that includes our response to the narrative disclosures of the JSE's 2022 Sustainability Disclosure Guidance. This includes detailed information on our approach to: <ul style="list-style-type: none"> • Sustainability governance • Sustainability strategy • Management approach • Metrics, targets and performance SEDEX: 83% of our direct Pick n Pay Clothing suppliers are registered on Supplier Ethical Data Exchange (SEDEX) Better cotton initiative : Through the Better Cotton Initiative, we are growing the ranges that use organic cotton that is sustainably sourced. Our progress has been impacted by climate and geopolitical issues causing spikes in cotton prices. SDG: We are active participants in local and international initiatives that align with the United Nations Sustainable Development Goals 12.3 target to reduce global food loss and waste by 50% by 2030. This includes working with 19 of our biggest suppliers as part of the international 10x20x30 Food Waste Initiative to help them determine and demonstrate their progress. The vision of the 10x20x30 Initiative is to increase private sector contribution to the global goal of reducing food loss and waste by 50% by 2030 by catalysing efforts up the supply chain.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Pick n Pay's oversight and objectives relating to biodiversity are focused on deforestation. Deforestation is an increasingly important international issue. There is a significant opportunity in ensuring that our private label products do not contribute to deforestation. This will give us a commercial advantage over our competitors and contribute to consumer confidence in our products. Our strategy is in its planning phase, and we have not yet quantified the financial opportunities of sourcing certified palm oil, soy and timber. All environmental issues are included in our biannual environmental performance briefings. We are working towards a Biodiversity Action Plan with WWF-SA for FY24 Looking ahead, the Group is working with WWF to establish a broadbased, multi-year transformational partnership that will transform the Group business operations and value chains to be more sustainable and resilient while reducing their environmental impact and driving resource stewardship. The long-term goals include leveraging the Group and WWF's respective capabilities and capacities to reduce negative environmental impacts through production and consumption, supporting environmental impact reduction in the agricultural supply chain, and decreasing food loss/waste for selected products and commodities. In particular, the partnership will focus on helping Pick n Pay suppliers to better understand water risk, improve measurement of food loss/ waste and identify hotspots, and support suppliers in their own carbon emission reduction journeys. The partnership will also aim to build awareness and understanding of key sustainability issues among Pick n Pay staff and customers and engage with the Pick n Pay School Club.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Other, please specify (We are a National Biodiversity and Business Network partner and have participated in the Corporate Biodiversity Performance Rating.)	SDG

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

UNESCO World Heritage site

Country/area

South Africa

Name of the biodiversity-sensitive area

Table Mountain
Edith Stevens Nature reserve

Proximity

Up to 5 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Philippi Distribution Centre, (western cape) located close to table mountain (a unesco world heritage site, however the degree of impact is closer to 0) and Edith Stevens Nature reserve

Our distribution center serves as a storage facility for our products before it is distributed across the Western cape. We deal with a large number of logistics, order tracking, quality control and data management.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Physical controls
Operational controls

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

There is a large influx of trucks that are transporting products from suppliers and redistributing to our outlets. Any water used in the cleaning of products could potentially influence the quality of the water in the Edith Stevens nature reserve, that is what it is integral that the correct physical and operational controls are in place for the discharge of water. Any waste, in terms of food waste (if something happens to the product i.e. damaged) or the secondary and/or tertiary packaging the product may come in could also be a threat to the reserve if the waste is not correctly disposed of. We have a third party waste disposal company who ensures the proper collection, sorting and redistribution of all waste in order for it to be either recycled, composted, repurposed, donated and lastly sent to landfill

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness Livelihood, economic & other incentives

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Pressure indicators Response indicators

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Details on biodiversity indicators Risks and opportunities	Attachment: ESG 2023 Page 8; 9; 36; 41 ESG 2023.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Transformation Director	Director on board

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms