



## Environmental Policy

The Mr Price Group is committed to conducting business with due regard of our environmental impact, which strongly aligns to our beliefs of Passion, Value and Partnership. We recognize that we can influence meaningful and sustained change in the behaviour of our customers, and to a limited extent, of our suppliers. We appreciate that the retail sector both impacts on the environment, through direct operations and the value chain, as well as relies on the environment for resources and materials.

Mr Price Group acknowledges that the retail sector constitutes a very important, but very small sector in relation to the broader fashion industries value chain impact. When you consider the environmental impacts and greenhouse gas (GHG) emissions across the entire fashion industry, the retail sector's environmental impact is, in fact, minimal. The biggest environmental influences within the retail sector includes (a) the selection of goods available for consumers and (b) to a limited extent, influence with respect to our tier 1 and 2 suppliers and manufacturers where possible.

Simultaneously, we appreciate the need to consider the trade-offs between building value for our customer and key stakeholders and managing our environmental impacts. The Mr Price Group must create value for, and be valued by, the full range of our stakeholders to deliver long-term value. We are therefore committed to reduce, where possible, the environmental impact of our business, and use our influence to reduce the environmental impacts of our value chain.

We understand that most stakeholders – from shareholders, to employees, to customers – now expect business to play a role in decarbonizing the global economy. As such, climate change is viewed as a strategic risk to our future sustainability and achievement of our strategy.

Our values in partnership with society (customers, suppliers, employees, and community) guide us to be conscious of our environmental impact. They also guide us to take responsible steps to ensure that our involvement with our community is of a positive nature. It is important for the Mr Price Group to *identify, manage, and respond* proactively to the environmental risks and opportunities faced by the retail sector, both in South Africa and across our global value chain.

As a significant contributor to climate change, there is increasing pressure on the fashion industry to start reducing GHG emissions. As a result, we acknowledge that our activities within the retail sector, albeit small, contribute to climate change. In the context of a responsible corporate citizen, we are committed to taking necessary actions to mitigate and adapt to climate change. As well as operate in alignment with global best practice, such as the Paris Agreement.

The Mr Price Group acknowledges the environmental impacts of fast fashion and supports the shift to a circular economy. As such, we strive to improve our material mix by embracing sustainable materials. Additionally, we strive to encourage sustainable consumer behaviour to reduce the environmental impacts associated with fast fashion.

Further, we believe that circular business models are key decarbonization levers because of their ability to extend product life, enable recycling and reduce the need for new and finite resources in production.

To achieve long-term growth objectives and continued operational viability, we commit to

implement the necessary measures and actions to manage our environmental impacts. This policy statement creates the basis for sustainable environmental management within the Mr Price Group.

To achieve our environmental objectives, we commit to the activities as described below.

We recognize the importance of the impact of our supply chain on the environment, and in this respect, we commit to the following:

- Identifying sustainable supply chains, and increasing the volume of sustainably sourced and responsibly grown raw materials in line with international standards, thereby building a reputation of selling 'environmentally sound' products;
- Monitor direct supplier usage of energy and water resources as well as its potential impact on biodiversity, pollution and climate change;
- Assessing where to avoid over-production across product lines; and
- Focusing on using environmentally preferred, reused, and recycled materials wherever viable.

The Mr Price Group recognizes the need to communicate with all stakeholders on our environmental objectives, hence we commit to:

- Creating awareness amongst stakeholders about how they can reduce their environmental impact through better choices in the use of water and energy; and
- Reporting on our environmental and climate impacts in line with internationally recognized reporting standards such as the recommendations of the Taskforce for Climate Related Financial Disclosure (TCFD).

The Mr Price Group acknowledges the impact of our business operations on the environment, as such we commit to:

- Reducing waste through reuse and recycling;
- Focus on reducing single use plastics and other nonrecyclable raw materials in packaging;
- Promoting efficient use of materials and resources throughout our facilities including water, electricity, fuel, and other resources;
- Monitoring of environmental metrics and targets of management; and
- Introducing and enhancing circular business models and sustainability within our operations.

Our key environmental commitments include:

- Finding the balance between firm commitments to address climate change, whilst upholding our responsibility to produce value for our customers and key stakeholders, and maintaining shareholder return; and
- We have noted the global trend by listed companies to commit to decreasing or offsetting all emissions to achieve "net-zero emissions". The Mr Price Group are working towards setting a responsible target.

Our current climate change commitments include:

- Improving our understanding of climate change, our analysis of its impact and setting an accurate base year for long-term climate change-related commitments, including Scope 1, 2 and 3 emission disclosures;
- Continuing to constructively implement the recommendations of the TCFD to ensure reporting in an open and transparent manner;
- Working towards setting a responsible target in line with global best practice, such as the

Science Based Targets initiative (SBTi);

- Conducting a scenario analysis in line with the TCFD recommendations, to identify climate change related risks and opportunities for our business;
- Reducing our GHG emissions by engaging with and encouraging our logistics and transport service providers to switch to cleaner fuel and modernize their courier fleet, and considering new technologies as they become economically competitive;
- Reducing energy consumption in our stores and offices and reducing our waste to landfill;
- Reshoring production closer to market to reduce carbon footprint and improve efficiencies; and keeping up to date with any climate change related legislative or policy developments