



Together we do good

2024

2 April 2023 - 30 March 2024

# Together We Do Good Sustainability Report



Shirt made using sustainable cotton

## ABOUT THIS REPORT

The Together We Do Good report provides a consolidated view of the activities and progress made by Mr Price Group over the past year in support of its objective to be recognised by its stakeholders as a **relevant, ethical and sustainable proudly South African company.**

## OUR REPORTING SUITE

The Together We Do Good report forms part of the group's broader integrated reporting suite, comprising the following reports:



### 2024 Integrated Report

Details the group's integrated processes which support sustainable value creation for all stakeholders and outlines progress against its strategy.



### 2024 Remuneration Report

Highlights the group's approach to fair, equitable and responsible remuneration and details its remuneration policy and implementation.



### 2024 Governance Report

Provides comprehensive disclosure of the group's governance related matters including governance structure, processes and policies.



### 2024 Notice of AGM

Provides shareholders with supporting information for participation in the group's annual general meeting (AGM).



### 2024 Together We Do Good Sustainability Report

Details the group's sustainability journey and achievements in the last financial year, and strategy to ensure a sustainable future.



### 2024 Annual Financial Statements

Details the group's financial position and performance over the last financial year.

Our integrated reporting suite is available at [www.mrpricegroup.com](http://www.mrpricegroup.com)

## Scope and boundary

This report provides a consolidated view of the group's sustainability performance for the 52-week period from 2 April 2023 to 30 March 2024. It includes the environmental and social impacts, practices and approach of Mr Price Group Limited and Mr Price Foundation and the governance of same. Broader governance disclosure is detailed in the **governance report**. Information in this report includes the group's operations in South Africa and other African jurisdictions in which it operates, unless stated otherwise.

The information contained in this report is consistent with the indicators used for internal management and board reports and is comparable with the group's previous sustainability reports. The group has strived to provide useful information that enables stakeholders to make informed decisions. The outputs contained within this report are the result of a focused and considered process by senior management and the board, together with its Social, Ethics, Transformation and Sustainability (SETS) Committee.

This report aligns with the requirements of the King IV™ Report, the International Reporting Framework and the Johannesburg Stock Exchange’s (JSE) Sustainability Disclosure Guidance. While these frameworks primarily guide the group’s sustainability disclosure, various other reporting frameworks are considered and influence the content of this report. See [page 18](#) for additional frameworks contemplated.

The boundary extends beyond the group to include the risks, opportunities and outcomes attributable to or associated with other stakeholders that have a significant impact on the ability to create value and deliver the sustainability strategy, including associates, suppliers and communities.

## Materiality

Mr Price Group has determined sustainability materiality by plotting the United Nations (UN) Sustainable Development Goals (SDGs) and the JSE’s Sustainability Disclosure Guidance on a matrix of (i) relevance to the apparel and homeware industry in which the group operates, and (ii) importance to the group’s business, vision and purpose, having regard for the social and environmental impacts of the business and its value chain and financial materiality. Thus a double materiality approach is used. The material matters identified through the materiality matrix inform the group’s sustainability strategy and subsequent disclosure of performance against the strategy in this report. As such, this report focuses on issues that the SETS Committee and management deem material to the group from a primarily environmental and social perspective.

The material sustainability matters for the period under review are:

Material matter	Objective	Primary stakeholder	Materiality	Page reference
Preserve natural resources	Sustainable sourcing and consumption of raw materials	Communities Environment Investors	Impact Financial	<a href="#">31</a>
Reduce and stabilise environmental impact	Reduce environmental impact of business and value chain	Communities Environment Investors	Impact Financial	<a href="#">34</a>
Quality education	Helping children to unlock their full potential through quality education	Communities	Impact	<a href="#">48</a>
Youth development	Enabling youth to bridge the gap between education and generating income	Communities	Impact	<a href="#">49</a>
Associate wellbeing and development	Associate wellbeing, development and engagement	Associates	Impact	<a href="#">50</a>
Social value chain development	Value chain and social responsibility	Value chain employees Suppliers Investors	Impact	<a href="#">67</a>
Economic value chain development	Value chain optimisation, innovation and growth	Suppliers	Impact Financial	<a href="#">73</a>

## Assurance

The material performance metrics, both financial and non-financial, within this report are independently reviewed by our internal auditors, KPMG. Reviewed metrics and data are denoted in **bold text**. Indicators in the performance table on [pages 23 - 24](#) have been reviewed. The group’s broad-based black economic empowerment (B-BBEE) scores are independently assured by aBEErate, a SANAS accredited verification agency.



Jacket made using recycled polyester

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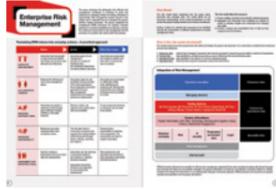
# PART 1 Sustainability Approach

## 1.1 Our Integrated Value Creation Process

### How our report describes our value creation process

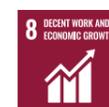
We recognise that sustainable value creation is dependent on an evolving, agile and sustainable business model which supports the effective execution of our strategy. Strongly linked to this is the efficient use of our six capitals to optimise business activities to create outcomes that meet the needs and expectations of our stakeholders. Fundamental to this process is the effective trade-offs made while maximising outputs to create stakeholder value and minimise the impact of waste on our communities. Our strategy is continuously assessed and shaped by our operating environment, stakeholder

engagement processes, material matters, and key risks and opportunities identified. The integration of our strategy into our business model allows for strong execution of the group's strategy, ensuring that all business activities are aligned to the group's strategic focus areas of value creation. The effective and efficient execution of our strategy through our business model allows our group to deliver consistent financial returns, while simultaneously creating long-term sustainable value for all our stakeholders. This is guided by the group's robust governance framework and supported by King IV™ principles.

					
<p><b>01 Who We Are</b></p> <p>The connection between the group's vision, purpose and its guiding values of passion, value and partnership.</p>	<p><b>02 Value Creation Through the Business Model</b></p> <p>Value creation, preservation or erosion over time contributes to the increase, decrease or transformation of the group's capitals through its business activities and outputs.</p>	<p><b>03 Stakeholder Value Creation</b></p> <p>The group's processes, activities and products sold are not done in isolation, but in a sustainable connection to a wide group of stakeholders.</p>	<p><b>04 Risk Approach and Material Matters</b></p> <p>The group's enterprise risk function identifies and develops mitigation activities and alerts executives to elevating risks beyond its appetite and tolerance to reduce impact on value creation. Material matters are the top-of-mind current and future challenges, risks and opportunities that have the most significant impact on the group's ability to enhance value to all stakeholders.</p>	<p><b>05 Strategic Execution</b></p> <p>The group's value creation is led by the successful development and execution of its strategy, which is measured against six key pillars.</p>	<p><b>06 Performance and Results</b></p> <p>Summary of performance demonstrating how the group's financial capital has been increased, utilised and transformed through its operating, financing and investing activities during the financial reporting period.</p>

### Building a sustainable business measured by its impact on the sustainable development goals

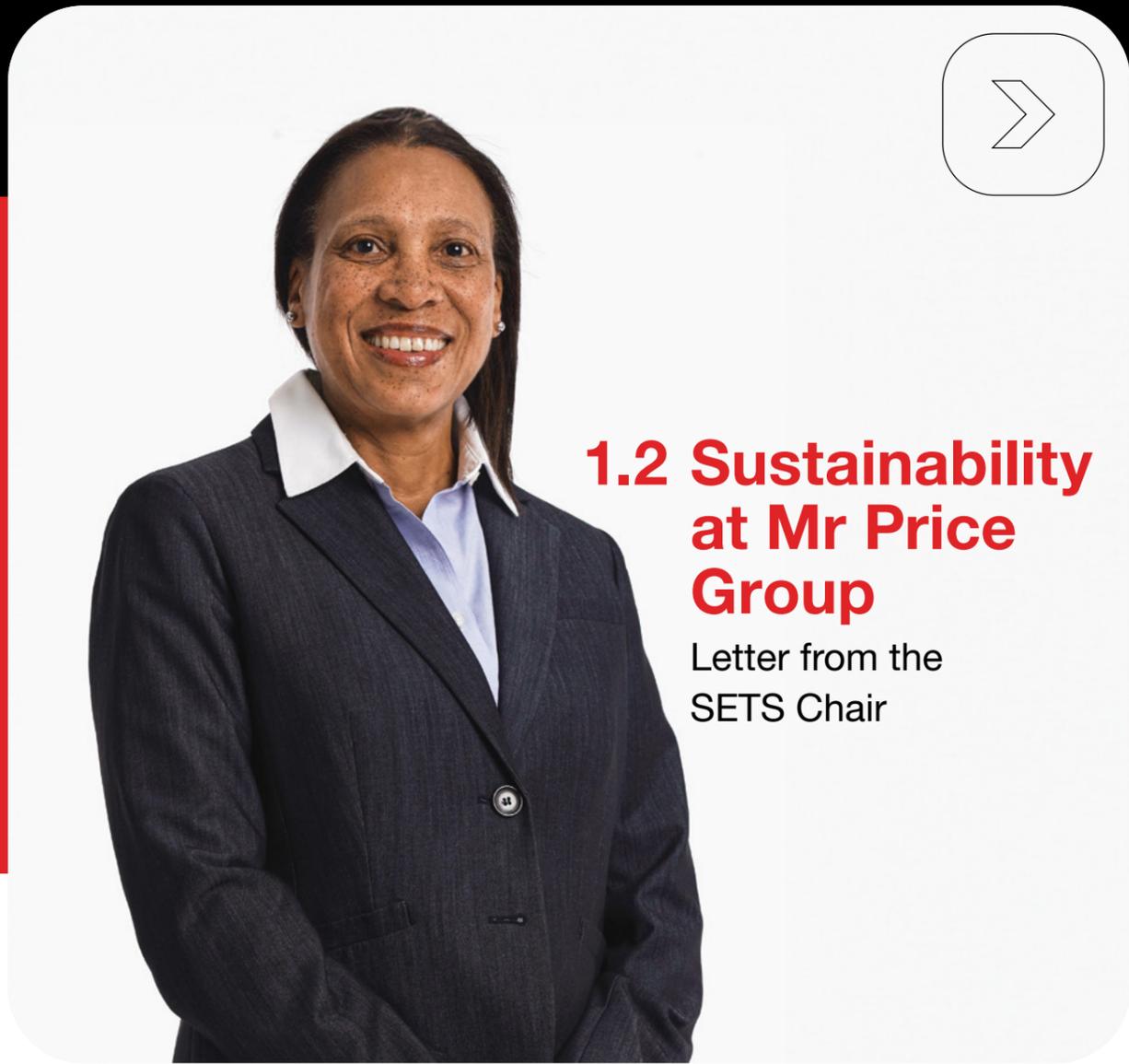
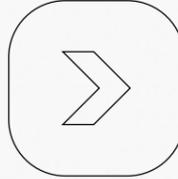
Primary SDGs considered material for the group:



Guided by our Governance Framework

Supported by King IV™ Principles

◀ INTRODUCING ▶



## 1.2 Sustainability at Mr Price Group

Letter from the SETS Chair



### LUCIA SWARTZ SETS COMMITTEE CHAIR

On behalf of the SETS Committee, I am pleased to present the group's Together We Do Good report for the 2024 financial year. This report provides insights into our sustainability journey and what truly matters to us and our stakeholders.

Dear Stakeholders,

Mr Price Group has been able to progress its sustainability goals during the year thanks to the strong foundation deeply entrenched across all facets of the business with sustainability as an intrinsic part of how we operate. When the Companies Act required the formation of social and ethics committees to oversee specific matters, existing matters were brought under the mandate of the committee and the committee was intentionally named to elevate transformation and sustainability – hence SETS is the Social, Ethics, Transformation and Sustainability Committee. As incumbent chair, I'd like to acknowledge Keith Getz, who retired as committee chair in August 2023, for his leadership and wise counsel since inception of the committee in 2012. I know management and associates share this gratitude and I extend thanks on their behalf as well.

#### ESG approach and strategy

Sustainability is the sixth pillar of the group's strategy (see page 96 of the [integrated report](#)) with the objective to be recognised by stakeholders as a relevant, ethical and sustainable proudly South African company. Mr Price Group firmly believes that ESG considerations are crucial in safeguarding and shaping its other five strategic pillars, namely stakeholder engagement, people, growth and innovation, brand promise, and strategic enablement, with activities delivered under the sustainability pillar enabling and supporting the other pillars. The group's reputation as a sustainable business also supports its ability to attract and retain talent and long-term shareholder investment, while fostering a sustainable value chain that positively impacts the socio-economic environment, creating sustainable value for all stakeholders. The group's sustainability initiatives are purposefully designed to address various interconnected areas that contribute towards the achievement of the SDGs ensuring a sustainable future for the business.

The group's value of partnership is at the centre of its sustainability strategy. Engagement and collaboration with stakeholders such as suppliers, customers, landlords and investors is essential for creating environmental, social and economic value. The phrase 'Together We Do Good' reflects the group's sustainability approach and guides how collectively we achieve positive impacts through business operations. The sustainability strategy focuses on material sustainability issues which have the most significant impact on the apparel and homeware retail operations in South Africa and across Africa (see [page 3](#)) for more on materiality). The three strategic pillars to deliver the purpose of Together We Do Good are environmental, social and economic. Including economic objectives is a differentiator of the group's sustainability approach, and is testament to our true 'business sustainability' intention. The strategic framework (see page 11) provides a visual representation of these pillars, the related objectives and the primary SDGs to which these relate. In setting the framework, the group considered the double materiality of social, environmental and economic risks and opportunities and incorporates all key elements of corporate responsibility, citizenship and social investment, in accordance with King IV™ principles.

#### Sustainability highlights

Achievements during the year are highlighted on pages 21 to 24. Performance for the last four years is disclosed as well as performance against targets for the reporting period. I am proud that the group is able to share its sustainability activities with its stakeholders consistently and transparently, even when targets are not achieved, particularly in light of growing concerns globally around greenwashing and questionable environmental claims. Mr Price Group is known to be prudent when it comes to disclosure and only sharing information once there is certainty that both the process and output is well established. KPMG has again reviewed various metrics in this report, and I have comfort that the information shared is accurate and reliable.

#### A few achievements that I'm particularly proud of:

Our customers helped us to ensure that there are 45 million less plastics bags that could end up in landfill, or pollute our

oceans and rivers. As a business based in KwaZulu-Natal with the Umgeni River and Durban beaches on our doorstep, we are passionate about minimizing our footprint by preserving and protecting these natural resources. This is a true example of partnership, and doing good together with our customers. More information on reducing plastic across our operations is on [page 34](#).

We procured over 103 million products from South African manufacturers, which is a substantive and meaningful portion of total local procurement by South African retailers. We are pleased to report that in delivering its purpose of being a Value Champion by providing fashionable and affordable clothing and homeware, Mr Price Group for the reporting period, sourced more than half of its products from Africa, at a cost price value of R6.46 billion. More information on country of origin and local procurement is on pages 71 and 75.

Of the trainees that completed Mr Price Foundation's JumpStart retail frontline programme, 91% were employed. This placement rate is exceptional and industry-leading. With the South African unemployment rate predicted to increase to 33.5%, enabling the employment of 6 568 youth during the reporting period is significant. More information on Mr Price Foundation programmes is on [page 47](#). There is value to associates in consistently progressing ESG matters, with most hurdles being achieved in terms of the ESG scorecard applicable to the conditional rights awarded for FY2021. More information on linking ESG to remuneration is in the [remuneration report](#).

#### External recognition

Although we have always carried out ESG activities because it's right for the business and supports the achievement of the group's strategy to create value, it is reassuring to know that we are doing the right things for our stakeholders. During the reporting period, our efforts were recognised by the group's inclusion in Morningstar Sustainalytics 2024 ESG Top-Rated Companies list, one of only two South African retailers and the only value retailer included. We also bettered our low risk rating by the same organisation, improving by 2.1 points to a score of 10.9 due to improved disclosure of things we were already doing. Mr Price Group also remains on the JSE's FTSE4Good Index Series.

#### Looking ahead

As a proudly South African business, social matters have necessarily been a priority. Looking ahead and in the broader pressing context of climate change, Mr Price Group continues to mature its environmental objectives, particularly on sustainable materials and cleaner production methods. During the year, the scope 1, 2 and 3 GHG emissions baseline (based on ISO 14064-1:2018) was completed with the guidance of external experts. Modeling of target pathways to achieve carbon neutrality has also been completed (using ISO 14068-1:2023) and a climate change action plan is under way. This will identify and map the actions needed across the group to reduce emissions to achieve relevant emissions reduction targets. As with other sustainability targets, we want to be sure that we are reasonably able to achieve emission reduction targets by knowing what needs to be done to get there. This work will also serve us well as we navigate the requirements of ISSB's IFRS S1 and S2, as well as TCFD and TNFD. Our approach to adoption and implementation of these reporting standards will be considered and meaningful.

#### Closing remarks

Thank you to all of you; our passionate associates, our fashion-obsessed customers, our valuable merchandise suppliers, our collaborative landlords, our invested shareholders; for your partnership in our sustainability journey. Together, we indeed do good. We appreciate your support and various engagements with us on ESG matters during FY2024, and look forward to sharing more with you in the year ahead.

Lucia Swartz

# 1.3 Sustainability Strategy

## Strategic Framework

### Framework pillars



Noteworthy sustainability achievements during the year can be found in the sustainability performance section on pages 21 to 24.

Under the environmental pillar, the group's primary objectives are to reduce and stabilise environmental impact and preserve natural resources.

The predominant objectives of the social pillar include promoting the development and wellbeing of the group's associates, delivering and supporting quality education and youth development, and developing social responsibility in the value chain.

The principle economic objective is to create sustainable development in the group's value chain through optimisation, innovation and growth.

Details on each of the sustainability strategy pillars are set out on the following pages:

### Environmental

- 1. Preserving natural resources [pages 31 to 33](#)
- 2. Reducing and stabilising environmental impact [pages 34 to 44](#)

### Social

- 3. Quality education [page 48](#)
- 4. Youth development [page 49](#)
- 5. Associate wellbeing and development [pages 50 to 66](#)
- 6. Social value chain development [pages 67 to 72](#)

### Economic

- 7. Economic value chain development [pages 73 to 78](#)

## Risks and opportunities

The group's sustainability strategy considers risks identified by the group that are most relevant to the sustainability context. Refer to enterprise risk management on page 97 of the [integrated report](#) for the group's risk themes. Those most relevant to and addressed through the sustainability strategy are as follows:

### Risks

Group risk theme	Risk identified	Link to sustainability strategic pillars
Talent attraction and retention	The risk that the group's inability to attract and retain key skills impacts its ability to execute its strategy	<ul style="list-style-type: none"> <li>Associate wellbeing and development</li> <li>Youth development</li> </ul>
Brand reputation	The risk that the group's associates or parties with whom it transacts conduct themselves in a manner that damages the reputation of the group's image	<ul style="list-style-type: none"> <li>Developing social compliance in the value chain</li> </ul>
Supply chain	The risk of an inefficient, ineffective and unreliable supply chain will result in poor inventory management that will impact the group's competitive advantage	<ul style="list-style-type: none"> <li>Value chain optimisation, innovation and growth</li> <li>Developing social compliance in the value chain</li> <li>Preserving natural resources</li> </ul>
Culture and behaviours	The risk that the group's culture and behaviours do not engender the right values and behaviours to protect the group's organisational health	<ul style="list-style-type: none"> <li>Associate wellbeing and development</li> <li>Developing social compliance in the value chain</li> <li>Preserving natural resources</li> <li>Reducing and stabilising environmental impact</li> </ul>

### Opportunities

Opportunity	Key actions
Establish direct strategic partnerships with local manufacturers and develop their capability and capacity to provide diverse product supply, flexibility and just-in-time production	<ul style="list-style-type: none"> <li>Value chain optimisation, innovation and growth</li> <li>Developing social compliance in the value chain</li> </ul>
Advance localisation with key objectives to maximise benefit from increasing local production to create much needed local jobs and maintain competitive advantage	<ul style="list-style-type: none"> <li>Value chain optimisation, innovation and growth</li> </ul>
Make it easier for associates to do the right thing	<ul style="list-style-type: none"> <li>Preserving natural resources</li> <li>Reducing and stabilising environmental impact</li> <li>Associate wellbeing and development</li> <li>Developing social compliance in the value chain</li> </ul>

## Independent recognition

The group is pleased that once again the value created by and impact of its sustainability activities and its related communication to stakeholders have been independently recognised by various ESG ratings bodies. In the reporting period, the group:



- Was included in Morningstar Sustainalytics 2024 ESG Top-Rated Companies list, one of only two retailers and one of 18 companies included from Africa / Middle East
- Improved its Morningstar Sustainalytics low ESG risk score to 10.9 (from 13), and is in the top two ranked retailers and the top rated value retailer

- Advanced its Institutional Shareholder Services (ISS) rating to 'C' (from C minus) with transparency considered "very high"

- Remains included in the FTSE4Good Index Series (since 2020)

### 1.4 SDG Impact

The primary SDGs which the group considers material and aims to impact directly are SDGs 6, 7, 8, 10, 12, 13 and 17.

The group's operations also indirectly impact SDGs 3, 9, 14 and 15.

Mr Price Foundation programmes directly impact SDGs 1, 2, 3, 4, 8 and 10.

SDG	Primary / Secondary impact
	<ul style="list-style-type: none"> <li>• <b>25 214</b> learners from low-income communities directly benefit from Mr Price Foundation's education programmes</li> <li>• More than 6 500 unemployed youth gained direct access to job opportunities through the JumpStart programme</li> <li>• 5 800 JumpStart candidates were employed by the group and Mr Price Foundation's external employment partners, with a multiplier effect of 5:1 this means 29 125 people were directly impacted</li> <li>• 104 youth benefitted from Mr Price Foundation's Uplift entrepreneurship programme</li> <li>• 43 youth benefitted from Mr Price Foundation's Handpicked programme generating over R242k from agribusinesses operated in the four agrihubs</li> <li>• <b>329</b> unemployed people with disabilities participated in learnership opportunities which improve employability</li> <li>• Total investment in youth development was <b>R32.9m</b> across the JumpStart, UpLift and HandPicked programmes</li> <li>• The group employs <b>32 916</b> associates, impacting 164 580 people</li> </ul>
	<ul style="list-style-type: none"> <li>• 43 agripreneurs and their families directly impacted by Mr Price Foundation's HandPicked programme. The programme provides food security and the potential to generate income at a higher average than minimum wage</li> <li>• 1.47 tons of produce harvested by participants in Mr Price Foundation's HandPicked programme to provide food to participants, their families and their communities</li> </ul>
	<ul style="list-style-type: none"> <li>• Growers from Mr Price Foundation's HandPicked programme and their families have access to improved nutrition</li> <li>• The group prioritises supplier health and safety compliance and achieved a <b>94.1%</b> compliance rate at audited factories</li> <li>• The number of high-risk factories within the group's value chain reduced to <b>13.5%</b></li> </ul>
	<ul style="list-style-type: none"> <li>• <b>25 214</b> learners received quality education at 40 schools supported by Mr Price Foundation</li> <li>• School management and leadership supported with capacity building and mentoring programmes</li> <li>• <b>62</b> educators supported through training, mentorship and peer collaboration</li> <li>• 160 course offerings were available to associates to encourage lifelong learning and career advancement</li> <li>• <b>R4.6m</b> invested in education through the EduRise programme</li> <li>• Store associates completed over 49 000 courses</li> </ul>
	<ul style="list-style-type: none"> <li>• Over 8.6m merchandise units produced using cleaner production</li> <li>• More than <b>28m</b> units produced using sustainable cotton and forestry standards</li> <li>• The DC used harvested rainwater exclusively consuming over <b>8 700 kilolitres</b> of water from this source</li> </ul>
	<ul style="list-style-type: none"> <li>• Investment made in renewable energy use at head office and DC (70% roof coverage) sites</li> <li>• Over <b>128 000</b> units made using energy saving technology</li> <li>• 152 stores retrofitted with LED lighting to provide greater efficiency</li> <li>• More than R208m spent on battery powered backup systems rather than fossil fuel-based back up power</li> <li>• Over <b>1.195m</b> kWh of renewable energy generated</li> </ul>

SDG	Primary / Secondary impact
	<ul style="list-style-type: none"> <li>• Group activities resulted in the employment of <b>32 916</b> individuals</li> <li>• R65m invested in the development of associates to promote a productive workforce</li> <li>• RSA procurement increased from <b>80.3m</b> units in FY2020 to <b>103.5 million</b> units in FY2024 valued at <b>R4.54bn</b></li> <li>• The group procured 123.3m units to the value of R6.46bn from Africa</li> <li>• The group's code of conduct also applies to suppliers thereby promoting decent work for workers in the value chain</li> <li>• <b>1 099</b> factories audited for social compliance</li> <li>• Mr Price Foundation developed industry skills of <b>7 252</b> unemployed youth of whom 6 568 were employed</li> <li>• <b>R29.04m</b> invested in loans to small, black-owned firms which contributed to these firms growing 7.05%</li> </ul>
	<ul style="list-style-type: none"> <li>• The group's supplier development programmes supports SMME suppliers to increase capacity and capability through investment in technology and infrastructure</li> <li>• Participating suppliers see improved production output which contributes to growth and employment creation</li> <li>• The group participates in and contributed R461k in funding to the KZN Clothing and Textile Cluster which aims to boost local industry competitiveness</li> </ul>
	<ul style="list-style-type: none"> <li>• The group reduced inequality through its employment of <b>97.0%</b> African, Coloured and Indian (ACI) associates and its investment in developing previously disadvantaged groups and <b>95.6%</b> of promotions were ACI associates</li> <li>• The group supported six black-owned small and medium enterprises by issuing <b>R29.04m</b> in loans</li> <li>• The Mr Price Foundation prioritises interventions that benefit children and youth from previously disadvantaged homes</li> </ul>
	<ul style="list-style-type: none"> <li>• Over <b>47.5 million</b> products include sustainable raw materials or were made with cleaner production methods</li> <li>• The group aims to phase out all single use plastic shopper bags* by end FY2025. The use of over <b>45m</b> plastic packets was prevented</li> <li>• <b>22%</b> of products contain a sustainable material or cleaner production attribute</li> <li>• Plastic packaging in <b>39.1m</b> products was reduced / removed</li> <li>• <b>91.3%</b> of waste at head offices and the Hammarsdale DC is recycled</li> <li>• 84.1% of inner and display plastic packaging units were made from recyclable plastics</li> <li>• In FY2024 <b>858 667</b> items were donated by the group to <b>1 170</b> entrepreneurs who in turn supported 2 558 family members, with an average take-home income of R3 232 per month</li> <li>*excludes Power Fashion and Studio 88 stores</li> </ul>
	<ul style="list-style-type: none"> <li>• The group reduced its GHG emissions by 2.25%</li> <li>• <b>22%</b> of products contain a sustainable material or cleaner production attribute</li> <li>• The group is working with its logistics partner to reduce its carbon footprint through efficiency and technology</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>67.2%</b> of waste at head offices and <b>93.6%</b> at the Hammarsdale DC was recycled</li> <li>• Plastic packaging in <b>39.1m</b> products was reduced/removed</li> <li>• 84.1% of inner and display plastic packaging units were made from recyclable plastics</li> <li>• 73.4m single use plastic bags have been removed from circulation since FY2022</li> </ul>
	<ul style="list-style-type: none"> <li>• Recycling initiatives and responsible procurement of cardboard and paper support sustainable forestry</li> <li>• The promotion of sustainably grown raw materials helps to prevent biodiversity loss</li> <li>• The group undertakes a number of recycling and waste management activities including of e-waste</li> <li>• At the Durban head office single use coffee cups and food takeaway containers have been replaced</li> <li>• BiobiN services were engaged to reduce the amount of waste sent to landfill</li> <li>• 84.1% of inner and display plastic packaging units produced are made with recyclable plastics</li> <li>• <b>1.49 tons</b> of cardboard boxes were recycled and 392 813 were reused at the Hammarsdale DC</li> <li>• The group engages with Producer Responsibility Organisations to ensure improvement in recycling capabilities</li> </ul>
	<ul style="list-style-type: none"> <li>• The group works with 10 membership organisations, five non-profit partner organisations and is a signatory to key initiatives that promote a collective approach to achieving SDGs</li> <li>• The group supports local industry through participation in the KZN CTC</li> </ul>

# PART 2 Sustainability Governance

Sustainability matters and the group's performance against the sustainability strategy and targets is governed by the SETS Committee.



## KING IV™ GOVERNANCE OUTCOMES

- Good performance
- Effective control
- Ethical culture
- Legitimacy



<p><b>Chair</b></p> <p>Lucia Swartz (from 31 August 2023) Keith Getz (retired 30 August 2023)</p>	<p><b>Members</b></p> <p>Daisy Naidoo (will retire 29 August 2024), Mark Blair, Jane Canny (from 1 September 2023)</p>
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## Role

The committee is constituted as a statutory committee in respect of its duties in terms of Section 72(4) and regulation 43(1) of the Companies Act, 71 of 2008 (Companies Act) and a committee of the board in respect of additional duties assigned to it. The committee mandate is available on the group's website [www.mrpricegroup.com](http://www.mrpricegroup.com).

The committee members, their qualifications and experience, the number of meetings held and attendance at meetings is detailed in the [board report](#). The committee is responsible for fulfilling the functions set out in the Companies Act and provides oversight of and reporting on organisational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships. It reviews and monitors sustainable business practices (including social and environmental practices, corporate citizenship and social investment), business ethics and transformation, to ensure that the business achieves its strategic imperatives responsibly and ethically. This also encompasses an overview of labour practices to ensure fairness and monitoring the group's commitment to promoting and protecting human rights. As a responsible citizen the group aims to build a business in support of its strategy to sustainably protect, create and enable environmental, social and economic value. Meaningful stakeholder engagement, together with impact assessments and materiality, guide the formulation of appropriate and relevant business responses. The group's sustainability approach and strategy can be found on [pages 9 to 14](#).

As delegated by the board, the committee oversees and guides the achievement of this strategy, which is owned and managed by the group's ESG Centre of Excellence, supported primarily by the People Centre of Excellence (in respect of transformation and elements of social matters) and Mr Price Foundation, and implemented across operations by the group's trading divisions. Sustainable value creation across social, environmental, economic and governance elements is integrated through the group's retail operations and performance against key defined targets is included in management's performance indicators for both short-term incentives (STIs) and long-term incentives (LTIs).

Further information on the ESG scorecard applicable to the LTIs can be found on [page 18](#) of this report and in the [remuneration report](#) on pages 183.

## 2.1 Social, Ethics, Transformation and Sustainability Committee



## Key focus areas | FY2024

- Strengthening and monitoring the progress of the group's transformation strategy in support of its transformation targets
- Supporting management in settling the adjusted organisational design structure
- Achieving top employer certification with the Top Employers Institute
- Monitoring material legislative developments including the Employment Equity Amendment Bill and sector targets and promulgation of the South African Climate Change Bill
- Monitoring the group's organisational health index, including the results of its associate engagement survey
- Overseeing and monitoring the management, investigation and resolution of complaints reported through the group's FairCall whistleblowing functionality
- Reviewing and approving the group's B-BBEE targets for the financial year and the approach to developing the Studio 88 B-BBEE accreditation roadmap
- Overseeing the progress in developing the group's climate change plan
- Monitoring the investment and development of key South African suppliers through supplier development initiatives
- Observing progress of sustainability indicator measurement and reporting in acquired businesses
- Approving and recommending to the Remuneration and Nominations Committee (Remnomco) the ESG scorecard applicable to LTI awards made during the financial year
- Considering the International Sustainability Standards Board's (ISSB's) IFRS S1 and IFRS S2 reporting disclosure standards and the Taskforce on Nature-related Financial Disclosures (TNFD) released during the reporting period, and overseeing management's proposed approach to adoption
- Approving and monitoring progress against key performance indicators (KPIs) and targets to support the sustainability strategy

## Future focus areas

- Supporting the settling in of the newly-appointed Mr Price Foundation executive director
- Reviewing and approving the Studio 88 B-BBEE accreditation roadmap
- Continued monitoring of the group's organisational health dashboard
- Continued monitoring of the progress of the group's transformation strategy in support of its transformation targets
- Considering and approving the climate change strategy, initial targets and action plans to reduce greenhouse gas (GHG) emissions
- Overseeing progress towards adoption and assurance readiness for ISSB's IFRS S1 and IFRS S2 reporting standards



Plastic kimbles (attaching tags to products) replaced with string

## 2.2 Disclosure

The reporting frameworks which are taken into consideration to inform and guide the group's disclosure of sustainability activities are:

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- SDG Disclosure Recommendations
- JSE Sustainability and Climate Disclosure Guidance documents
- Sustainability Accounting Standards Board
- TNFD
- Value Reporting Foundation's Integrated Reporting Framework
- FTSE Russell's ESG scores and data model indicators
- ISS ESG scores and methodology
- Morningstar Sustainalytics ESG scores and methodology

The group has a well-defined plan to incrementally enhance the measurement and reporting of its already detailed indicators to support its operational activities and the expectations of stakeholders, particularly shareholders and potential investors. In addition, the group keeps abreast of ESG disclosure advancements and convergence, particularly with regards to the 2023 release of the ISSB's IFRS S1 and S2 and further potential statements anticipated to be issued in relation to biodiversity and labour standards. Compliance with these statements is not yet legislated in South Africa,

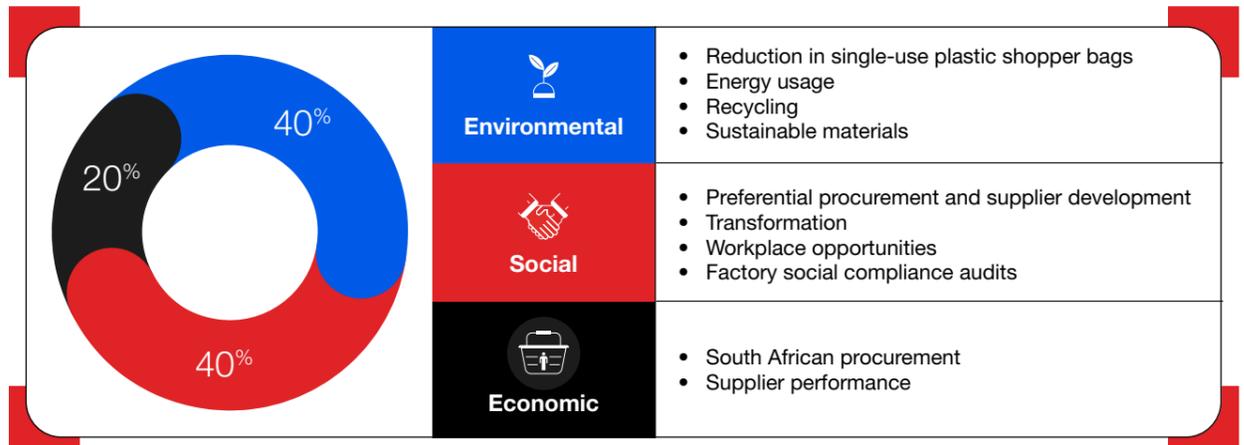
although it is understood that the intention is that these will become mandatory in the next few years, although stakeholder expectations of compliance will be sooner. As with all legislated or voluntary changes in disclosure, the group takes a considered approach not only to the disclosure requirements themselves, but also the underlying business practices and procedures required to support reliable disclosure. An assurance readiness approach is under way regarding IFRS S1 and S2 and the group is considering the appropriate timeline for adoption.

## 2.3 Integration of Sustainability and Reward

Since 2021 the group has implemented an ESG scorecard and retrospective reporting on performance which ensures that the delivery of the sustainability strategy is motivated and rewarded by linking performance with remuneration. The ESG scorecard comprises a 20% weighting towards the award of conditional rights to executive directors, managing directors of trading divisions and centres of excellence, as well as divisional directors and sets out 10 ESG metrics requiring improvement over the vesting period.

Each year specific sustainability areas of focus and defined targets are set as KPIs for the ESG Centre of Excellence and for each trading division and other centres of excellence that implement and support sustainability activities (see sustainability highlights on [page 21](#)). The achievement of these KPIs is measured and formally reported internally on a quarterly basis. In addition to forming part of the performance conditions for the award of conditional rights, the achievement of annual ESG KPIs is an input in determining the award of senior management and executive STIs. This further drives and encourages operational and business behaviours to progress the group's sustainability objectives.

During the reporting period the specific ESG scorecard metrics applicable to conditional rights awarded in November 2023 (with a vesting period April 2023 – March 2026) were approved by SETS and Remnomco. The split of metrics for this award is as follows:



## COMMITTEE STATEMENT

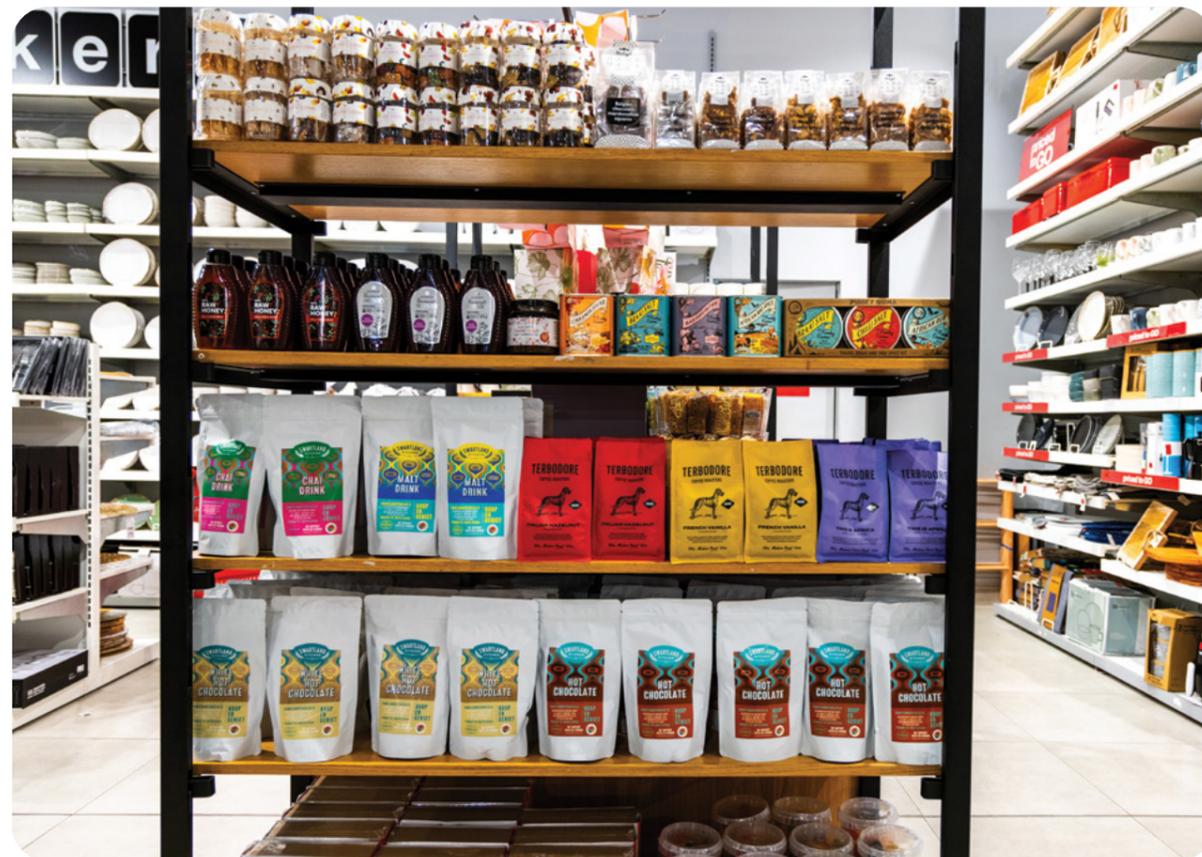
The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate and the Companies Act for the 2024 financial year. The committee chair will be available at the AGM to answer any questions relating to the committee's statutory obligations.

### Vesting of 2021 award

The vesting period for the conditional rights issued in November 2020 concluded at the end of the reporting period. The vesting of 20% of the conditional rights, which apply to executive and divisional directors, are based on the ESG scorecard approved at the time. Due to the partial fulfilment of the group's performance conditions, 80% of the conditional rights granted in November 2020 and November 2021 with a performance period ending 31 March 2024 will vest. The ESG scorecard is one of five performance conditions, the achievement of which contributed 40% of the 80% vesting. Full details of all five performance conditions relevant to conditional rights are on page 196 of the [remuneration report](#). The non-financial ESG performance is reflected below. The achievement of these performance conditions is as follows:

#### Conditional rights performance conditions for non-financial (ESG) measures required for vesting over a 3-year period for awards issued in November 2020 and November 2021

Performance Conditions	Non-financial Measures
Target	Improve 60% of metrics
Outcome	Achieved
LTI Outcome	200%
Vesting %	40%



Locally sourced products



**PART 3 Sustainability Performance - FY2024**



2024 ESG Top Rated Company  
10.9 low risk



Maintained inclusion in FTSE4Good Index Series



ISS Rating C



Member of Proudly South African

**3.1 SUSTAINABILITY HIGHLIGHTS**

**ENVIRONMENTAL**

<p><b>Over 45million</b></p> <p>plastic packets removed from circulation</p>	<p><b>Over 39.1million</b></p> <p>merchandise units contained less plastic packaging</p>	<p><b>47.5million</b></p> <p>merchandise units have a sustainable attribute</p>	<p><b>100%</b></p> <p>harvested rainwater used at Hammarsdale DC</p>	<p><b>Over 91%</b></p> <p>of waste at head offices and DCs recycled</p>
--	--	---	--	---

**SOCIAL**

<p><b>6 568</b></p> <p>previously unemployed youth employed through JumpStart</p>	<p><b>Over 32 000</b></p> <p>associates employed by Mr Price Group</p>	<p><b>96.9%</b></p> <p>tier 1 and 2 factory visibility</p>	<p><b>R29.5million</b></p> <p>donated to Mr Price Foundation</p>	<p><b>Over 95%</b></p> <p>of promotions were ACI associates</p>
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**ECONOMIC**

<p><b>103.5million</b></p> <p>units procured in South Africa</p>	<p><b>Over 50%</b></p> <p>of products are made in Africa</p>	<p><b>R6.46billion</b></p> <p>spent on products made in Africa</p>	<p><b>R29million</b></p> <p>invested in small and medium black-owned suppliers</p>	<p><b>Over 30%</b></p> <p>of suppliers have been partners for more than 10 years</p>
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# together we do good.

## 3.2 Performance Dashboard

Although the group undertakes various sustainability activities in the conduct of its retail operations, the primary focus areas for the reporting period across all sustainability pillars and progress against targets, is reflected in the table on the right. For further **sustainability highlights** refer to pages 21 - 22.

### Key

- Stakeholder Engagement
- People
- Growth and Innovation
- Brand Promise
- Strategic Enablement
- Sustainability

- 1 South African trading environment
- 2 Talent attraction and retention
- 3 Competitor landscape and changing shopping behaviour
- 4 Brand reputation
- 5 Supply chain
- 6 Systems and technology
- 7 Risk adjusted approach to the group's strategy
- 8 Transformation and diversity
- 9 Leadership and organisational agility
- 10 Culture and values

### Metric Movement

- Increase from prior year (positive)
- Increase from prior year (negative)
- Decrease from prior year (positive)
- Decrease from prior year (negative)
- Same as prior year
- Achieved
- Not Achieved

Sustainability pillar	Sustainability objective	SDG	Page ref.	Group strategic pillar	Group risk	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Actuals	Performance against target	Improvement on prior year	Comments
 ENVIRONMENTAL	% reduction in single-use plastic shoppers		page 34		3 & 4	34.0	46.0	55.5	61.7			RSA only, excludes PF, YC, S88
	% of packaging reduced		page 35			N/A	N/A	78.9	86.5			RSA only, excludes PF, YC, S88
	% of packaging from recycled materials		page 36			N/A	N/A	N/A	97.1		N/A	N/A
	% of products from sustainable materials		page 31		12.0	15.8	18.0	22.0			Excludes PF, YC, S88	
	Energy benchmark of 25 watts/m <sup>2</sup> (stores only)		page 32		1	27.7	27.1	26.3	28.8			RSA only, excludes S88
	Waste recycling (DC) (%)		page 37		4	N/A	91.1	92.3	93.6			RSA only, excludes S88
	Waste recycling (Mr Price Group) (%)		page 37			35.0	43.7	43.3	67.2			RSA only, excludes YC, S88
 SOCIAL	% of factories audited		page 69		4&5	36.0	74.0	82.2	94.1			Excludes PF, YC, S88
	% of audited factories high-risk		page 71			N/A	76.0	67.0	13.5			Excludes PF, YC, S88
	% factory visibility		page 69			95.0	99.7	97.6	96.9			Excludes PF, YC, S88
	Preferential procurement (points)		page 63		3, 5 & 8	17.6	21.2	20.3	17.5 (forecast)			RSA only, excludes S88
	Investment in supplier development (ZAR)		page 76		5 & 8	N/A	N/A	R32.0m	R35.55m			Excludes S88
	% of JumpStart placements (within Mr Price Group)		page 49		2 & 8	19	55.0	65.0	77.6			N/A
	Employment opportunities (no. of associates)		page 58		2	20 451	23 179	31 406	32 916			N/A
	Employment equity ACI (%)		page 61		8	95.0	95.5	96.6	97.0			RSA only
 ECONOMIC	RSA procurement (units)		page 75		4 & 5	78.0m	78.6m	106.8m	103.5m			Excludes S88
	% RSA procurement (cost price value)		page 75			39.7	38.2	37.7	35.6			Excludes S88
	Supplier performance: % of order book A-C grade		page 74			89.0	78.3	94.9	95.5			Excludes PF, YC, S88
	Supplier performance: OTIF %		page 74			75.0	79.7	81.4	82.0			Excludes PF, YC, S88
	Supplier performance: OT %		page 73			N/A	N/A	85.8	86.3			Excludes PF, YC, S88
	Supplier performance: IF%		page 73			N/A	N/A	93.4	93.9			Excludes PF, YC, S88

together we do good.

3.3 CASE STUDY



Emission free transport used by DC maintenance team

# Hammarsdale DC: A culture of sustainability

The group's Hammarsdale DC is responsible for the distribution of a substantial portion of its stock. The dynamic 60 000m<sup>2</sup> facility was purpose built in 2017 and in FY2024 alone the DC handled over 210 million units.

From inception, sustainability has been a key feature of the facility and the idea of preserving resources and minimising environmental impacts is ingrained in its culture with initiatives large and small bearing testament to this mindset.

### Reduce

- 100% of the DC's water supply is harvested from rainwater, with **8 798 kilolitres** of rainwater captured and used in FY2024
- 70% of the DC roof is covered with solar panels generating 26.8% of the building's overall energy requirement and reducing reliance on the national grid
- The DC minimises the carbon emissions of its handling fleet. The total material handling equipment fleet consists of several manually-operated pallet jacks as well as a fleet of 30 powered forklift vehicles, 93% of which are electric
- The maintenance crews that service the DC travel around the facility using specially equipped tricycles fitted with utility bins to transport tools and materials. This human-powered solution delivers emission-free transport for the busy team members as well as providing health benefits for maintenance associates
- The DC provides no disposable coffee cups at its canteen to reduce waste

### Reuse

- The DC team makes every effort to reduce waste by reusing packaging cartons wherever possible. In FY2024, 392 813 cardboard cartons were reused (and then recycled)
- Unique upcycled furniture: When new handling machinery arrived in 2018 it was packaged in heavy duty wooden packing crates. A carpenter was retained to repurpose the crates into office furniture which is still used throughout the DC as reception desks, office desks, boardroom tables, canteen cupboards and more.



Water capture tanks



Boxes reused at the DC, and then recycled

## Recycle

- All waste generated at the DC is separated for recycling. A commendable **93.6%** of all waste at the DC was recycled in FY2024
- **1.49 tons** of box cartons were recycled in FY2024

## Community partnerships

The DC has partnered with Mr Price Foundation on a number of its initiatives in the Hammarsdale area and has a significant impact on the community with volunteers regularly lending their time to assist with community projects such as painting of Enyosini Primary School in March 2024. Further details on the activities of Mr Price Foundation can be found in its integrated report at [www.mrpricefoundation.org](http://www.mrpricefoundation.org).

The DC has a strong engagement and community strategy that is intended to support the greater Hammarsdale community and encourage sustainable growth in the area. It has been working on various community initiatives since 2017 and has built a good relationship with different stakeholders, entrenching the DC within its community.

As an example of the community spirit that exists, the DC women's and men's soccer teams, as winners of the Mr Price Foundation Cup 2023, chose to donate their prizes to schools in Hammarsdale. The teams were each awarded R25 000 product vouchers to Mr Price Group stores and nominated Umthombomuhle Primary School and Phumuphethe Creche as the recipients of these major prizes.

Since 2022, the DC has donated flour to a non-government organisation, Children of Destiny Home, that provides food to about 200 unemployed people residing in the Hammarsdale area.

The DC is also a member of the Hammarsdale Cato Ridge Development Association, an organisation for Hammarsdale-based businesses aimed at sharing opportunities and challenges in the area, and collectively working together towards area improvement. It is also a member of the Keystone Park business forum, a business structure for all entities based at Keystone Park where the DC is located. This forum is primarily aimed at improving the Keystone Park precinct and resolving issues that impact businesses in the area. Additionally, a good relationship with the Hammarsdale SAPS has been formed and the DC regards the local police as a key community stakeholder for the purposes of ensuring safety in the area.

The culture of sustainability that the DC exhibits is clearly demonstrated through its continued efforts to make a positive impact in its community and to improve the natural, living and business environments for a variety of stakeholders.



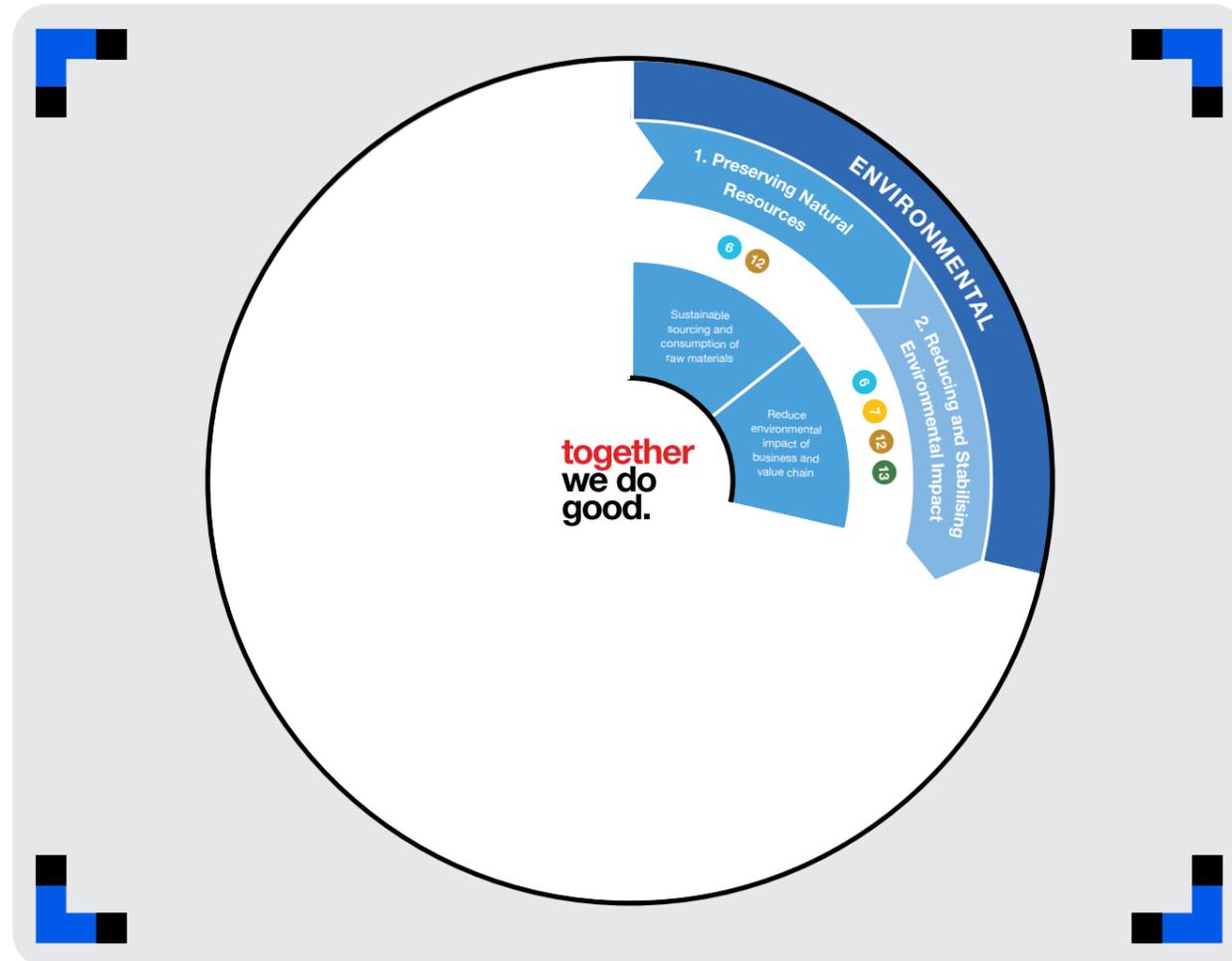
Mr Price Foundation Cup school donation



Mr Price DC women's soccer team celebrates victory at the Mr Price Foundation Cup 2023 tournament.

# PART 4 Environmental

## Overview



The retail sector impacts the environment through direct operations and its involvement in sourcing from a value chain reliant on the environment for natural resources. The group is committed to preserving natural resources and reducing the environmental impact of its retail operations and the manufacturing and supply chain activities of its suppliers, and influencing meaningful and sustained change in customer behaviour.

The group's approach in respect of its environmental objectives is guided by the United Nations Guidelines for Consumer Protection (UNGCP) 7 to 9. It is also working primarily towards SDGs 6, 7, 12 and 13, with indirect impacts on SDGs 14 and 15. To achieve these goals, the group commits to the long-term reduction and efficient use of energy, fuel and water in its retail operations and those of its suppliers. In addition, the group commits to reducing waste to landfill and promoting the use of reusable and recycled materials in products and packaging. In working with suppliers, the group commits to exploring circular and more environmentally responsible production practices and processes. This extends to protecting ancient forests, biodiversity, animal welfare and natural resources used to manufacture products. The impact of the group's environmental interventions on the SDGs are on [page 13](#).

## The key environmental achievements for FY2024 are:

Sustainability indicator	SDG	FY2024 actuals
% reduction in single-use plastic shoppers		<b>61.7%</b> 45 077 075 plastic bag free sales transactions
% of packaging reduced		<b>86.5%</b> plastic packaging reduced in 39 177 852 products
% of packaging from recyclable materials		97.1% 283 440 041 products have recyclable packaging
% of products from sustainable materials		<b>22.0%</b> 47 538 998 products have a sustainable attribute
Energy benchmark of 25watts/m <sup>2</sup> (stores only)		28.8 watts/m <sup>2</sup>
Waste recycling (DC)		<b>93.6%</b> of waste at the Hammarsdale DC is recycled
Waste recycling (head office)		<b>67.2%</b> of head office waste is recycled

The full indicator table is on [page 23](#) and other areas of environmental progress are included in the pages that follow.

## Environmental partnerships

Suppliers are required to comply with in-country environmental legislation as specified in the group's code of conduct. Environmental partnerships with NGOs and industry bodies assist the group in mitigating environmental impacts and identifying possible operational risks and opportunities. The group works closely with the World Wide Fund for Nature (WWF) on an advisory basis, and the Textile Exchange on sustainable materials and standards. Packaging and paper solutions are directed and aligned with standards of the Forest Stewardship Council (FSC) and the group is a member of various producer responsibility organisations (PROs) with the aim to implement more recycling and circularity of packaging and product solutions.

The group has two key objectives relating to the impact its activities have on the environment: preserving natural resources and reducing and stabilising environmental impact.

## 4.1 Preserving Natural Resources



### 4.1.1 SUSTAINABLE MATERIALS AND CLEANER PRODUCTION

Natural resources are a key ingredient in the group's products. Ensuring that the resources are sustainably sourced and conversion processes adopt cleaner production practices is imperative in maintaining sustainable growth. The most significant materials used in products of the group, based on volume are cotton, synthetics (e.g. polyester), man-made cellulosic fibres and wood.

The group engages on an ongoing basis with certification organisations and suppliers to identify opportunities to source and promote sustainably grown and produced materials and the use of cleaner production methods. The most relevant certification groups are listed in the table below:

### Categories of sustainable materials and cleaner production

Certification category	Units		Percentage contribution*	
	FY2024	FY2023	FY2024	FY2023
Energy saving	128 478	184 381	0.1	0.1
Anti-cruelty	2 165 738	1 844 581	1.0	0.8
Recycled material	8 656 748	7 270 103	4.0	3.2
Sustainable cotton	25 630 730	27 459 547	11.8	12.0
Sustainable forestry/timber/wood	2 601 396	2 487 966	1.2	1.1
Cleaner production	8 355 908	1 384 515	3.9	0.6
<b>Total</b>	<b>47 538 998</b>	<b>40 631 093</b>	<b>22.0</b>	<b>17.8</b>

\*Percentage contribution is to the group's total product range

During FY2024, the group sourced over **47.5 million** products made from materials with a sustainable certification and/or a process with technology and management systems which resulted in a saving or sustainable use of water, energy or waste resources. This is an increase of 4% from FY2023. The most prevalent materials continue to be sustainable cotton and synthetic recycled materials which is consistent with the group's product mix contribution being primarily apparel.



Categories were allocated to cluster materials with similar sustainable attributes to create themes and/or material initiative-based groupings. These categories include:

### Energy saving

Energy saving products include products which have efficiency standards and labelling such as electric lamps and bulbs from Mr Price Home and Sheet Street.

### Anti-cruelty

Anti-cruelty products promote responsible practices and intend to prevent or reduce cruel behaviour towards animals in the use of raw materials or production practices. Certifications include Beauty without Cruelty in relation to products such as candles, candle accessories, and Responsible Down Standard in relation to products such as scatter cushions from Mr Price Home.

### Recycled materials

This category includes textiles and materials which are made from a recycled material such as recycled glass, plastic, wood and fabrics. Rather than entering landfill, these materials are repurposed into a circular process where they are used as input materials to create new products. Certifications include Global Recycled Standard and Recycled Claim Standard in respect of products such as bathmats, throws and bed covers from Mr Price Home, socks and men's tops from Mr Price Sport.

### Sustainable cotton

The group accepts two sustainable cotton standards being the Better Cotton standard and Cotton made in Africa (CmiA). South Africa Cotton, which applies the Better Cotton Standard, is also accepted as part of an integrated value chain programme in respect of products such as towels from Mr Price Home, Mr Price Sport and Sheet Street. For more detail see the Nortex case study on [page 77](#).

### Sustainable forestry

The group has a responsibility to ensure it sources wood or plant-based products from sources that promote responsible forestry practices and do not source wood or plants from ancient and/or protected forests or areas. Certifications include FSC, Programme for the Endorsement of Forest Certification. Products include bedroom and kids furniture from Mr Price Home.

### Cleaner production

This category includes processes where suppliers have reported improved practices that reduce the environmental impacts of raw material conversion and value-add practices in manufacturing that previously had a negative impact on the environment. These include the reduction of water usage, improvement of water effluent and the elimination of harmful chemicals used in the production of raw materials and conversion processes. Certifications may include OEKO-TEX®, ISO 14001 and ZDHC certification. The men's essentials ranges of denims in the Oakridge and RT brands from Mr Price are produced using cleaner production practices.

### 4.1.2 ENERGY

#### Energy saving initiatives

In FY2024, 152 stores underwent LED lighting retrofit. LED lights provide energy efficiency, improve the lighting quality at store and have a longer life span making them more environmentally friendly and enable further energy reduction at stores.

Working with associates, landlords and store operations managers, the group will continue to identify opportunities to reduce its energy consumption with future alignment to targets of the climate change response plan, while monitoring monthly usage at its head office and stores to respond to usage outliers.

#### Loadshedding

South Africa experienced its highest level of loadshedding in 2023, which necessitated investment in alternative power solutions. Existing generator powered backup solutions resulted in increased usage of diesel to power stores and DCs during loadshedding (see GHG emissions on [page 40](#)). As a result and to mitigate the impact of diesel use, the group invested over R208 million on battery powered backup systems at all its stores\* which enabled trade during loadshedding in a way that reduced environmental impact. The group installs inverters at all new stores as backup power thus transitioning from fossil fuel-based backup energy. The impact of loadshedding on energy use and thus scope 1 and 2 emissions is difficult to model or predict as loadshedding is implemented and suspended randomly and without notice based on available power generation from the national grid, with the same inconsistency in the severity or levels of loadshedding. Persistent loadshedding has the potential to significantly impact the group's future scope 1, 2 and 3 emissions.

\*Power Fashion and Studio 88 stores had backup power in place

**Renewable energy**

The group generated **1 195 376kWh** of renewable energy during the year from its Hammarsdale DC and Durban head office sites. Renewable energy represents **26.4%** of the group's total energy use and **26.8%** of the DC's energy source.

The group's 2 900 stores, which represent its biggest energy usage, are in landlord-owned premises, where renewable energy installation and availability is reliant on landlord investment. Through its relationship with key landlords, the group continues to explore renewable energy benefit sharing opportunities, although this is restricted by the supply of wheeled energy through only limited municipal energy infrastructure, and minimal other tenant take up.

Renewable energy						
	FY2024		FY2023		FY2022	
Site	% of building's energy derived from solar	kWh	% of building's energy derived from solar	kWh	% of building's energy derived from solar	kWh
Mr Price Group head office	25.2	245 899	17.7	203 904	21.3	264 018
Hammarsdale DC	26.8	949 477	20.4	751 158	27.0	1 152 498
<b>Total</b>	<b>26.4</b>	<b>1 195 376</b>	<b>19.7</b>	<b>955 062</b>	<b>25.7</b>	<b>1 416 516</b>

**4.1.3 WATER USAGE**

Water usage is measured and monitored monthly at head offices to track excessive water usage and anomalies in measurements. The group recognises the scarcity of water resources in South Africa and advocates for conservation and minimal usage of water where possible. In FY2024 total water usage was 24 810 kilolitres, a decrease of 4 135 kilolitres. The DC consumed 8 798 kilolitres of rainwater sourced from rainwater harvesting tanks, reducing scarce surface-based water consumption. Municipal water is occasionally used to fill up fire tanks for use in case of emergency. The group also sources products which promote cleaner production processes and technologies that use less water during the manufacturing stage.

Water consumption in kilolitres			
FY2024	FY2023	FY2022	FY2021
24 810	28 945	26 858	19 618

**4.1.4 BIODIVERSITY**

The group understands the pressing global issue of biodiversity decline and nature loss because of human activity and the risk this may pose to business and society at large. As a result, the group continues to monitor developments of the TNFD. The group recognises that nature-based risks are as critical as climate-related risks, and it is important for the group to build understanding and knowledge to create resilience in its supply chain for nature-related risks in future. Working with partners such as WWF and FSC, the group ensures that it sources wood-based products from sustainable forests which preserves biodiversity and reduces impacts of pollution on land and water through its reduction of plastic packaging in the environment.

**4.2 Reducing and Stabilising Environmental Impact**



**4.2.1 PLASTICS**

**Plastic bags**

The group recognises the impact that single-use plastic has on the environment and has been on an ambitious journey to phase out single-use plastic shopper bags from all stores\* by end FY2025.

To achieve this, the group has been managing its procurement of plastic bags and procured **8.4 million** bags less than last year, a 23.3% reduction. The more meaningful impact occurs in stores and in partnership with the group's customers. At the point of sale, store associates encourage the use of reusable bags, and the point-of-sale system is enabled to measure and report sales transactions for (i) single-use plastic bags, (ii) reusable bags and (iii) where customers choose to use their own bag (or no bag). In FY2024, customers partnered with the business and chose to rather use their own bag or a reusable bag in an astonishing **45 077 075** sales transactions. This means that 61.7% of the sales transactions in FY2024 did not include a plastic bag, an increase of 6.2%. This is a true reflection of how

the group joins with customers to deliver its Together We Do Good sustainability purpose. The reduction of more than 45 million single-use plastic shopper bags reduces the risk of pollution that negatively impacts the environment, especially with vulnerable water sources such as rivers and oceans. By reducing single use plastic, the group also supports local manufacturing as all the group's reusable bags are made in South Africa.

\*Excluding Power Fashion and Studio 88

Miladys, Mr Price Sport and Mr Price Home stores are already single-use plastic bag free and by the end of FY2025, Sheet Street and Mr Price will follow suit. The following alternatives are offered to customers:

Trading division	Customer bag options
MILADYS	Only reusable bags and paper bags
	Only reusable bags
YUPPIECHEF	Only paper bags
	Reusable and plastic bags

Alternative shopper bag options are being explored with Studio 88 and Power Fashion.

**Product packaging**

The group has made significant progress in reducing plastic packaging and in FY2024 reduced plastic packaging of a further **39 177 852 products**. This means that plastic packaging has been reduced in 86.5% of the group's product units. The objective is to measure and then where possible, reduce unnecessary plastic packaging on products by setting baselines and targets for each trading division.

The group's product packaging comprises the following categories:

- Outer packaging - paper boxes and cartons in which products are transported
- Inner packaging - plastic packaging inside cartons used to protect products in the transport and distribution process
- Display packaging - packaging of products as bought by customers



Reusable bag

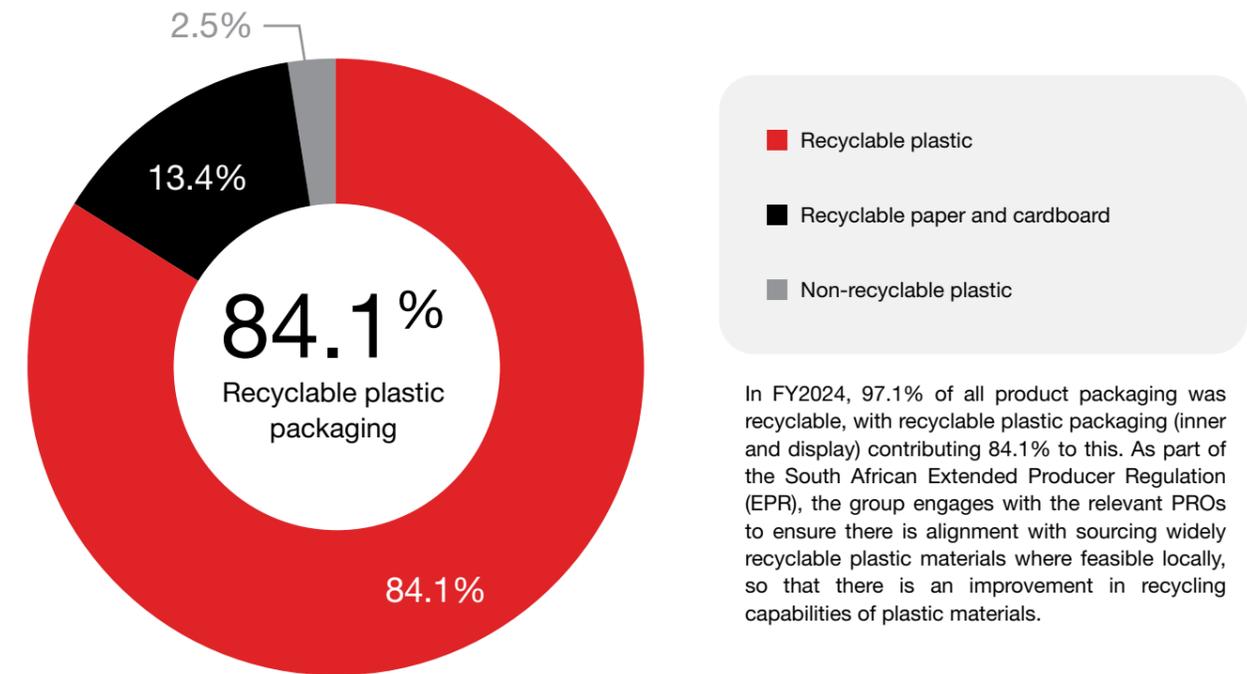


Reusable bag and plastic free packaging at Sheet Street



Linen at Sheet Street with plastic free packaging

**Recyclability of packaging**



In FY2024, 97.1% of all product packaging was recyclable, with recyclable plastic packaging (inner and display) contributing 84.1% to this. As part of the South African Extended Producer Regulation (EPR), the group engages with the relevant PROs to ensure there is alignment with sourcing widely recyclable plastic materials where feasible locally, so that there is an improvement in recycling capabilities of plastic materials.

Looking at inner plastic packaging only, 98.6% is recyclable, being mostly LDPE polybags. Polybags are necessary for efficient logistics and distribution processes, and therefore cannot be eliminated at this stage. The group however ensures that these are recyclable and has created initiatives to ensure recycling occurs (FY2023 sustainability report). Of the group's total display packaging, 89.8% is recyclable. The group's trading divisions continuously embark on interventions to improve visibility of package recycling labels, to encourage for responsible disposal or recycling of packaging by customers.

Reuse and recycling of outer packaging is detailed in the waste and recycling section on [page 37](#).

**Looking ahead**

- The group will continue to monitor and remove unnecessary plastic on display and inner packaging where feasible given the limited remaining opportunities to do so
- Where circular design and practicality allow, the group prefers packaging with a reuse function to enable multiple use. Liaising with suppliers and key partners, the group plans to understand the potential of sourcing plastic packaging material with recyclable content to reduce the extent of virgin plastic packaging and setting related targets
- Together with PROs, the group will explore options to replace non-recyclable packaging including innovative alternative packaging options

4.2.2 WASTE AND RECYCLING

Group recycling

The group is committed to reducing waste to landfill in its daily operations by undertaking waste recycling initiatives at its head office and DC sites. Of total measured waste at head office and DC sites, 91.3% is recycled.



Recycling at the various head offices achieved a combined recycling rate of 67.2% (a 23.9% improvement from the prior year) while the Hammarsdale DC achieved 93.6%, showing improvement year on year for three years.

Waste recycling in kgs			
Location	FY2024	FY2023	FY2022
Head office (combined site)	116 443	81 508	70 417
Hammarsdale DC	1 517 286	1 692 705	1 506 627
<b>Total</b>	<b>1 633 729</b>	<b>1 774 213</b>	<b>1 577 044</b>

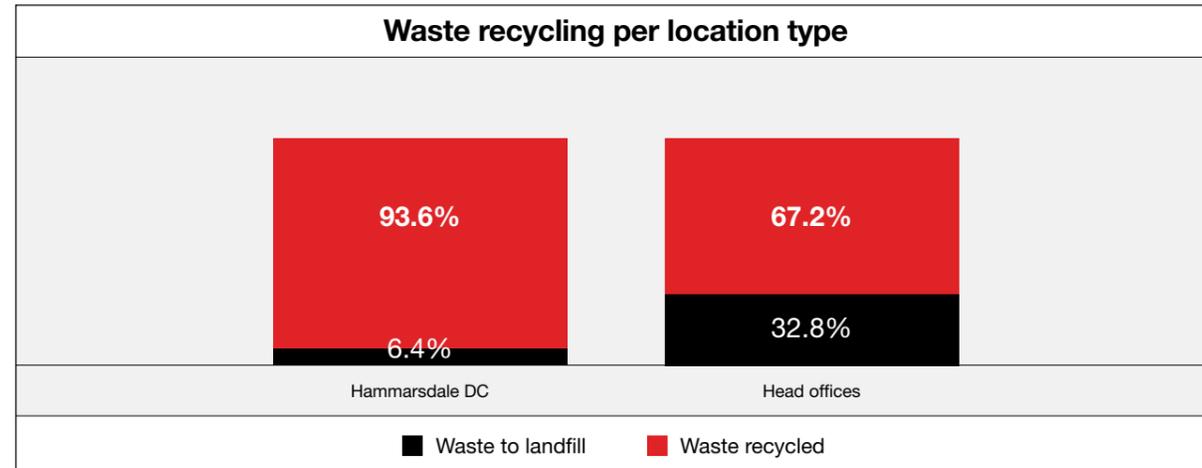
Recycling is currently measured and reported at five sites: the group's Durban head office, Miladys head office, Power Fashion head office and Power Fashion DC (combined site), and Mr Price Money head office (baseline established). Engagements on waste management, measurement and reduction are ongoing with Yuppiefchef and Studio 88. Although the volume of recycled waste has decreased from last year, the percentage total waste recycled has increased reflecting a net reduction of total waste.

Waste measurement is monitored and where recycling rates decline against the baseline measurement, audits are conducted to determine problematic waste streams and corrective action taken. Recycling bins are in place at head offices for dry waste recycling (paper, plastic, glass and tins), organic wet waste separation and pre-composting preparations were introduced in FY2024 at the Durban head office canteen and donated to a compost facility.

Additional waste reduction initiatives at the canteen include replacing free single-use coffee cups with reusable coffee cups, a discounted coffee price for the use of reusable cups, and replacing non-recyclable cardboard food takeaway containers with compostable containers.



T-shirt made using cleaner production practices



**Recycling at stores**

Shopping centre management is responsible for waste collection and recycling at the group’s stores, therefore waste generated from stores is currently not reported. Stores are encouraged to conduct best waste management practice by ensuring that hangers are reused, recycled and recyclable where possible and e-dockets are sent instead of issuing paper till slips. Stores not located in shopping centres work with formal and informal recyclers to collect cardboard.

**Reuse waste**

To minimise packaging waste, the group’s Hammarsdale DC reused 392 813 cardboard cartons.

**Hazardous waste**

Due to the nature of the group’s activities, hazardous waste is minimal. Fluorescent tubes from the Durban head office are collected and recycled by a qualified service provider.

**Paper reduction**

Paper usage at stores continues to be reduced through the e-docket initiative. The group has sent over **89.5 million** e-dockets since 2016, resulting in a reduction of till slips issued.

**E-waste**

E-waste generated at the Durban head office from technology hardware is either sold to external buyers, sold internally to associates, donated to charity, or responsibly disposed of by a specialist e-waste service provider who then provides a certificate of destruction. Printer cartridges from stores are collected monthly and recycled into product material. During FY2024, **9 707 cartridges** (an equivalent of over 970kg) were collected from stores nationally and recycled.

**4.2.3 CLIMATE CHANGE**

The group is aware of its reliance on natural resources and the impact of climate change on these finite resources. The group is therefore cognisant of the need to not only mitigate its contribution towards climate change but also to adapt to the dynamic shifts in climate, ensuring the resilience of the business amid evolving global challenges. The group is closely monitoring national climate change regulatory enactments such as the Climate Change Bill, and possible effects of the Carbon Tax Act on the business and the group’s suppliers. The GHG emissions baseline has been measured using FY2023 as the base year. For further details, see page 40.

**Policy statement**

The group’s position on climate change is aligned with its Environmental Policy, the key pillars of sustainability and the Together We Do Good purpose. The policy statement on climate change will be adapted in the **environmental policy** to align with the approach taken with the climate change response plan (see adjacent page).

**Risks**

The group developed its preliminary climate change response plan during the reporting period. The objective is to respond to the double materiality of climate change identified through a risk and scenario analysis which was conducted in respect of the group’s operations. Through this analysis, the group identified climate change-related risks that have been categorised into physical and transition risks per the TCFD risk assessment framework. Once reviewed by the SETS Committee and the Risk and IT Committee (RITC), these risks will be publicly disclosed together with the estimated financial impacts.

The preliminary climate change response plan formulated during the reporting period calculates and recognises the group’s historical efforts to reduce the environmental impact of its operations and its contribution to reducing climate change. These efforts are the foundational baseline for forward-looking commitments and GHG emissions reduction targets to be set by the group, while being mindful of the need to consider a “just transition” that protects the interests of both people and the environment.

**Targets**

Aligned to the recommendations of the TCFD, the group investigated the possibility of setting GHG emission reduction targets along with the identification of an appropriate standard to guide the formulation of these targets. This culminated in the calculation of a GHG baseline and the modelling of carbon reduction targets. As part of the process, the group assessed the Science Based Target initiative (SBTi) and ISO 14068-1:2023 formerly PAS 2060:2014 standards and has identified ISO 14068-1:2023 as the more relevant standard to work towards carbon neutrality in line with global commitments such as the Paris Agreement. Once targets have been reviewed and the action plan approved, the group will produce its carbon management plan.

Specific activities relating to climate change are included under the “Reducing and Stabilising Environmental Impact” section on [page 34](#).

**4.2.4 GHG EMISSIONS**

The group has developed its GHG baseline and modelled preliminary emission reduction measures against the 1.5°C limit for 2030 and 2050 respectively, per the Paris Agreement. The group’s calculated scope 3 emissions constitutes 83.2% of total emissions. The group will identify interventions to reduce scope 3 as part of the climate change action plan to be further developed in FY2025.

The table below details scope 1, 2 and 3 emissions since FY2020, showing a steady overall reduction of scope 1 and 2 from FY2020 to FY2022 (scope 3 emissions were first measured in FY2023). The increase of scope 1 and 2 CO<sub>2</sub> emissions in FY2023 is attributed to the inclusion of scope 1 and 2 emissions of the acquired Power Fashion and Yuppiefchef businesses.

Scope emissions (tCO <sub>2</sub> e)					
	FY2020	FY2021	FY2022	FY2023	FY2024
Scope 1	2 340	1 905	2 350	2 932	4 044
Scope 2	113 480	99 583	94 983	102 692	101 033
Scope 3	N/A	N/A	N/A	647 908	631 513

FY2023 Total	FY2024 Total	Variance	Reduction
753 532	736 590	16 942	2.25%

### Scope 1 (direct emissions)

These sources of emissions include diesel generators, air conditioners (where data is available) and fuel usage. In FY2024 scope 1 increased to 4 044 tCO<sub>2</sub>e from 2 932 tCO<sub>2</sub>e in the previous year due to persistent loadshedding resulting in high diesel consumption from generators.

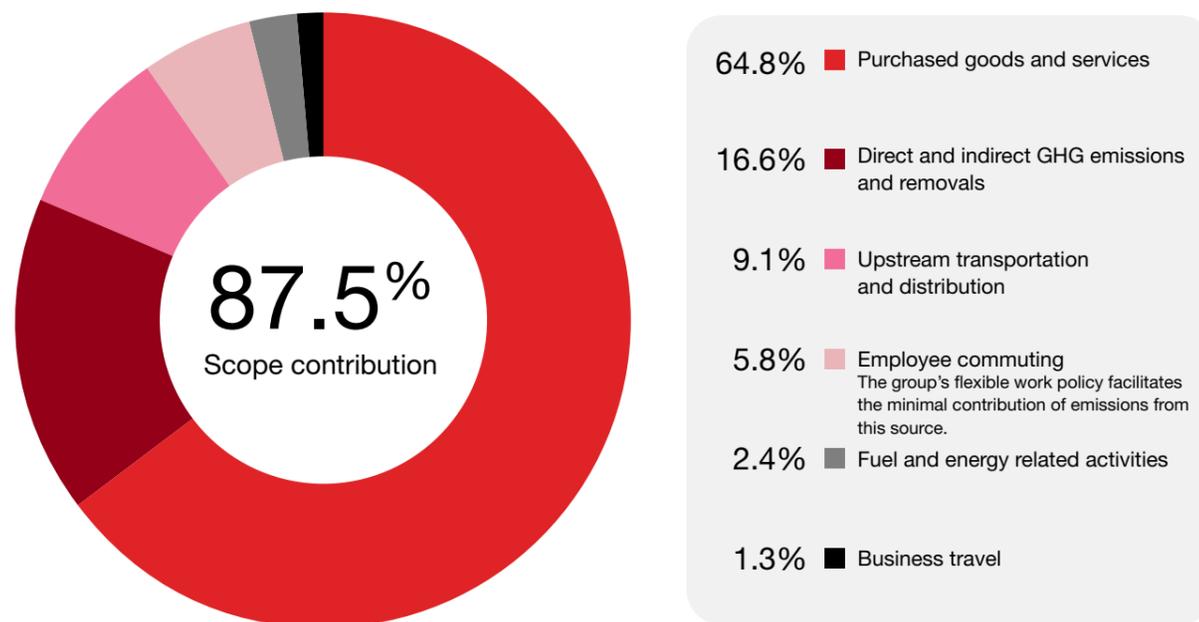
### Scope 2 (energy indirect emissions)

Scope 2 emissions include all energy consumption of retail operations (stores, DCs and head offices). Scope 2 emissions decreased from 102 693 tCO<sub>2</sub>e in FY2023 to 101 033 tCO<sub>2</sub>e in FY2024. Watt/m<sup>2</sup> for FY2024 at store level was 28.8.

### Scope 3 (other indirect emissions)

Scope 3 emissions were 631 513 tCO<sub>2</sub>e in FY2024 and represent the predominant portion of the group's GHG inventory, contributing 85.7% to total emissions.

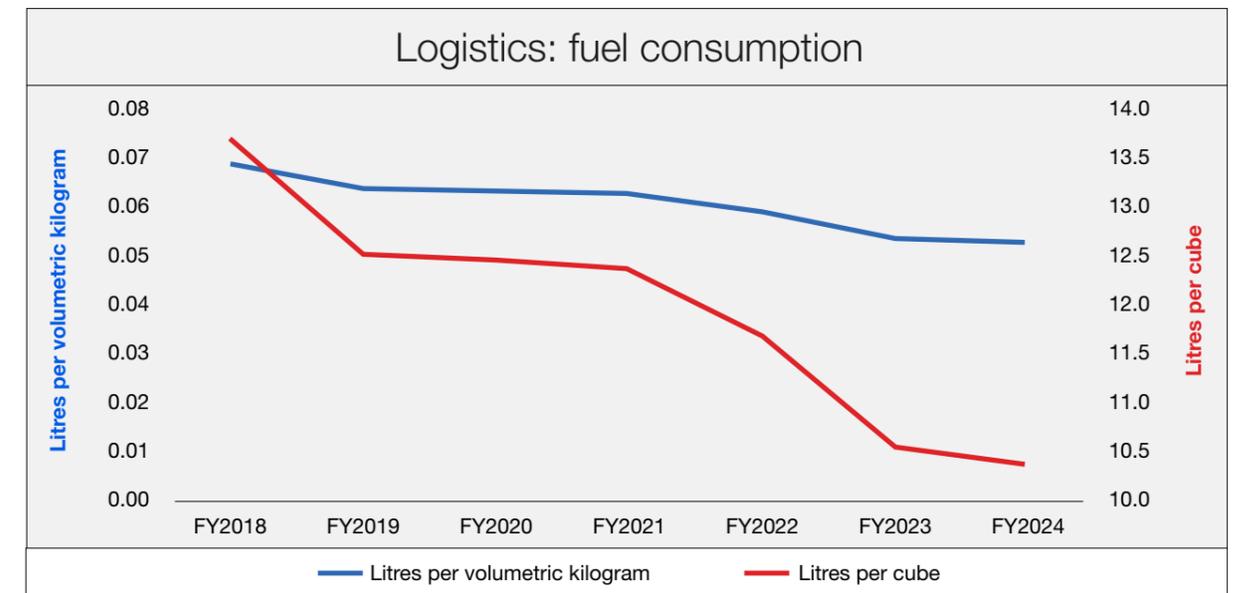
## Scope 3 emissions breakdown



### 4.2.5 LOGISTICS AND SUPPLY CHAIN

The group's logistics partner has maintained their commitment to improving fuel efficiencies through various initiatives and projects. As a result, and as in previous financial years, there has been continued improvement in reducing fuel consumption. Fuel consumption measured by litres per volumetric kilogram has reduced to **0.052** in FY2024, being a reduction of 1.5%. While fuel consumption measured in million litres has reduced by 1.3 million litres between FY2018 to FY2024.

There has also been a decrease in linehaul truck utilisation, from 82.8% in FY2023 to **81.8%** in FY2024, which has resulted in decreased kilometres per volumetric kilogram.



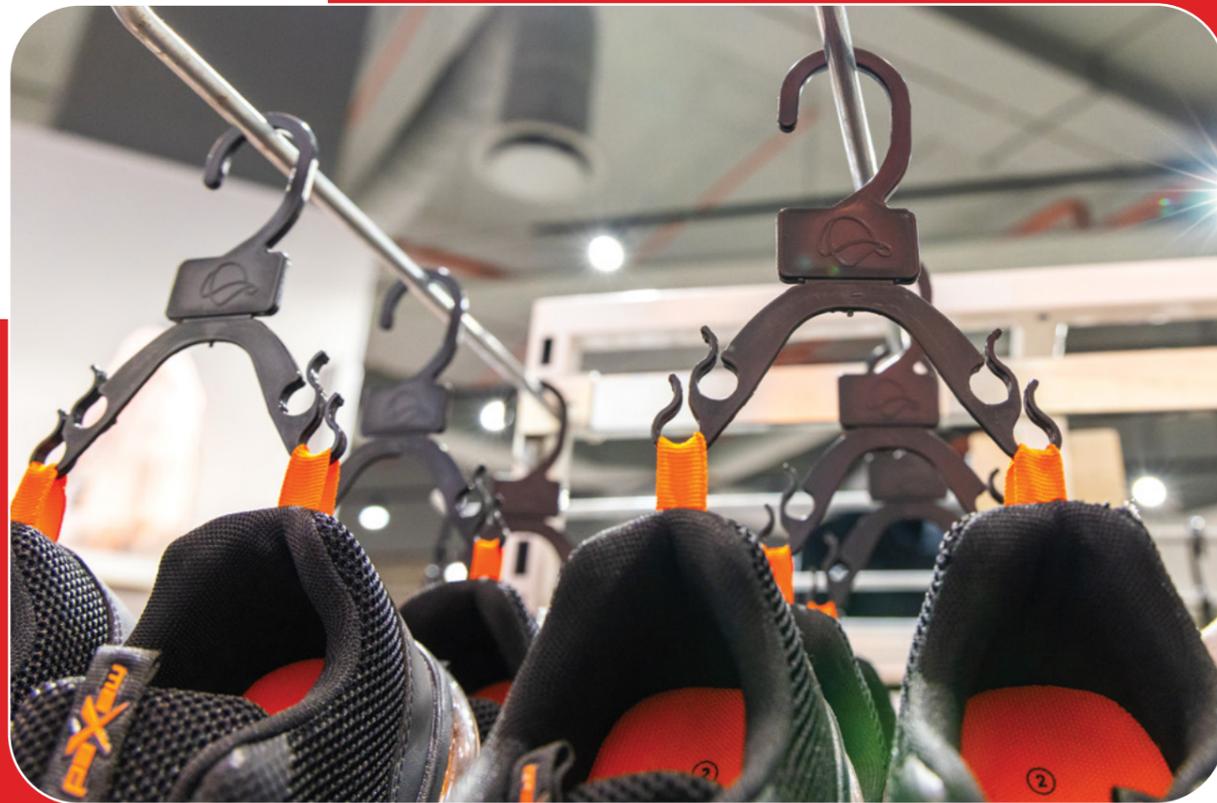
The initiatives being employed by the group's logistics partner to reduce the business's scope 3 carbon footprint and add to the overall sustainability of their business directly and indirectly the group's, include the following:

- Replacement of the older vehicles in their distribution fleet with new vehicles that have a larger volumetric payload capacity and are also more fuel efficient. Both factors contribute to the overall reduction in carbon footprint in that a vehicle moves more freight, utilising a more efficient motor
- Ongoing driver training to ensure the most efficient general use of all the vehicles to reduce fuel consumption and keep maintenance and the associated impact of this maintenance on the environment as low as possible
- Implementing solar solutions at more of their sites and plans to test more electric trucks in the coming year



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4.3 CASE STUDY



Footwear hangers made from recycled plastic

## Mr Price Sport's partnership to reduce plastic waste

Mr Price Sport has partnered with Ocean Plastic Technologies (OPT), to supply its stores with recycled hangers produced from plastic waste generated in local communities.

Waste is collected through OPT's mobile Micro Recycling Plants (MRPs). The MRPs are a localised, micro-scale recycling solution which reclaim and recycle post-commercial and post-consumer plastic waste from a network of collectors in communities, reducing plastic pollution at source and minimising the likelihood of it reaching oceans.

Plastic is then recycled into flakes which are used as raw materials to manufacture the Mr Price Sport footwear hangers. To date, OPT has recycled over 223kg of plastic waste, producing 345 500 footwear hangers for Mr Price Sport in FY2024. Mr Price Sport looks forward to exploring further opportunities with OPT to use circular economy processes to minimise plastic waste and further reduce its negative impact on the environment.

"It has been a privilege working with Ocean Plastic Technologies over the past few years to now make this a reality. We are proud that our footwear hangers are not only made from sustainable materials but also support the local community in job creation," said Paulina Urban, Sourcing Director of Mr Price Sport.

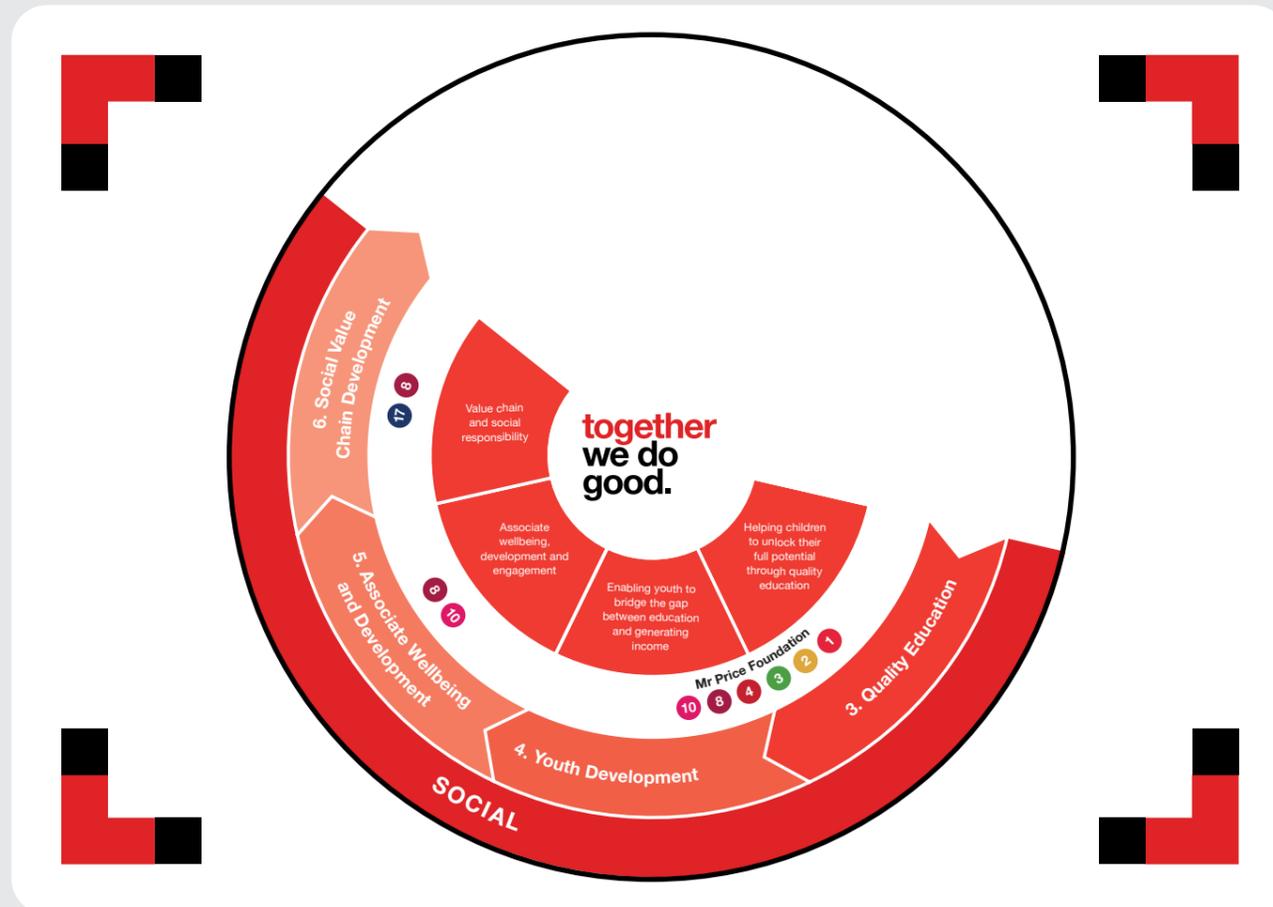
Durban-based entrepreneur Oliver Nudds explained: "Our MRPs make it possible to take plastic recycling to source – taking it into the communities where pollution is a massive problem. By monetising the collection of plastic waste, we're not only cleaning up these communities, but we're also empowering the unemployed."

Mobile Micro Recycling Plants where plastic waste is recycled



# PART 5 Social

## Overview



The group's social responsibility objectives continue to focus on the broader social impacts of its operations on its various stakeholders. The group recognises that it has a social responsibility to make a meaningful impact and create value through relationships with its associates, customers, suppliers and the communities in which it operates.

The SDGs 1, 2, 3, 4, 8, 10 and 17 together with UNGCP 1 to 6 continue to guide and inform social sustainability objectives.

To achieve the purpose of Together We Do Good in the social context, the group has the following key social objectives: quality education, youth development (both of which are implemented through Mr Price Foundation and impact communities), associate wellbeing and development (implemented by the People Centre of Excellence for the benefit of associates), and social value chain development (which impacts suppliers, their workers and communities).

## The key social achievements for FY2024 are:

Sustainability indicator	SDG	FY2024 actuals
% of JumpStart placements (within Mr Price Group)	  	<b>77.6%</b> 5 098 JumpStart participants employed
Employment opportunities		32 916 associates employed
Employment equity		97.0% of associates are ACI
Factory visibility		96.9% 1 168 factories mapped
% of factories audited		94.1% 1 099 factories audited
% of audited factories high-risk		13.5%
Investment in supplier development		R35.55m
Preferential procurement	17.59 points (forecast)	



# mr price foundation

## KEY ACHIEVEMENTS

### R29.5 million donated by Mr Price Group

#### UpLift

Entrepreneurship

73

aspiring entrepreneurs completed the Startup School initiative and Grassroots pilot

27

additional post-matics and graduates supported by the Grassroots pilot to be small and micro business owners

104

youth benefitted from the UpLift programme

#### HandPicked

Entrepreneurship

1.47 tons

of fresh produce harvested from hubs

43

aspiring entrepreneurs benefitted

4

HandPicked hubs

R242 000

collective revenue generated

#### JumpStart

Skills development

R24.2 million

invested in youth development

7 252

unemployed youth participated in JumpStart

5 098

JumpStart participants employed by Mr Price Group

1 470

JumpStart participants employed by other programme partners

#### EduRise

Education

R4.6 million

invested in education

25 214

primary school learners benefitted

40

schools participated

62

educators benefitted

#### Mr Price Foundation

To deliver the social sustainability objectives of quality education and youth development, the group focuses its socio-economic development activities through its annual support of Mr Price Foundation, to help the youth of South Africa unlock their full potential through quality education and youth development. The primary aim is to positively influence and actively support South Africa's national development priorities of youth unemployment and access to quality education and impact SDGs 1, 2, 3, 4, 8 and 10. These activities are focused on and benefit the communities in which the group operates. Mr Price Foundation supports business sustainability by prioritising its EduRise programme for schools in the Hammarsdale community, in which the majority of DC associates live. It also creates a talent pipeline for stores and head office functions through the JumpStart skills development programme.

In FY2024, the group donated 1.0% of its net profit after tax to Mr Price Foundation. This equated to a donation of **R29.5 million**.

Mr Price Foundation was established in 2005 as a non-profit organisation (NPO), which allows it to operate and govern as an independent organisation rather than a traditional corporate charity. This status enables its funding to be supplemented by donations from the group's associates, customers, other corporate partners and the public through donations and fundraising activities. Associates can make monthly donations via a salary deduction and are encouraged to participate in events hosted by the foundation. In the reporting period, more than **576** associates made monthly donations and over 160 associates (20 teams) and 88 suppliers (11 teams) participated in the Mr Price Foundation Cup soccer tournament. In addition, Mr Price Foundation supported more than 80 other NPOs through product donations.

Further details can be found in Mr Price Foundation's integrated report at [www.mrpricefoundation.org](http://www.mrpricefoundation.org)

To donate to Mr Price Foundation, please visit [www.mrpricefoundation.org](http://www.mrpricefoundation.org) or scan the QR code below or make a donation at selected stores.



Scan the QR code to donate

#### 5.1 Quality Education

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Mr Price Foundation's approach to addressing education needs is to avert dependency and capacitate schools by upskilling educators and school management. Given that it is in the foundation phase that the basis for successful continued education is formed, and that early education deficits are costly to correct in later years, Mr Price Foundation focuses on the early years of schooling. The EduRise programme upskills and mentors school management and educators in selected lower socio-economic primary schools across South Africa. The programme includes **40 primary schools** in the Hammarsdale and Tongaat communities. These are key communities based on the location of the group's primary DC in Hammarsdale and the proximity of the group's Durban head office to Tongaat. Over 2 500 learners and **62 educators** benefitted from the programme in this financial year. In delivering the EduRise programme, Mr Price Foundation partners with the South African National Department of Basic Education and private entities such as The Unlimited Child, Sportstec, Creative Madness and JET Education Services.

## 5.2 Youth Development



As with quality education, the group's objective of enabling youth to bridge the gap between education and generating income through employability and entrepreneurship is implemented by its annual support of Mr Price Foundation, specifically its JumpStart, UpLift and HandPicked programmes.

Total investment in youth development was **R32.9 million** across the JumpStart, UpLift and HandPicked programmes.



The JumpStart programme equips unemployed youth with sought-after retail and manufacturing skills to help unlock career potential in the retail and manufacturing value chain. JumpStart provides youth with targeted training in areas of production, pre-production, professional retail, and retail frontline training, among others.

The programmes blend industry-specific theory with life skills and work experience to ensure youth are genuinely prepared for the working world. In FY2024, over **7 250** youth benefitted from the JumpStart programme. More than **5 098** youth were employed in Mr Price Group and 725 through the foundation's external employer partners. A further 745 were employed outside of the JumpStart, which brings the total number of employed JumpStart participants to **6 568**.

In delivering the JumpStart programmes, Mr Price Foundation partners with Catalyx Foundation.



The UpLift programme seeks to unlock the economic potential of young entrepreneurs through skills development workshops, business coaching and mentorship, investor-readiness support and practical business tools. UpLift's entrepreneurship projects include a wastepreneur incubation programme, Startup School initiative and Grassroots pilot. In line with Mr Price Foundation's goal of matching supply and demand, UpLift forms partnerships to identify opportunities in new and growing sectors. In FY2024, 104 youth benefitted from the UpLift programme.

The wastepreneur incubation programme expanded into a new innovation hub and developed 10 wastepreneurs. Over 73 aspiring entrepreneurs completed Startup School's 12-week online Entrepreneurship Development initiative. A Grassroots pilot supported a further 27 post-matrices and graduates to be small and micro business owners in Hammarsdale. In delivering UpLift's programmes, Mr Price Foundation partners with The Litterboom Project, Startup School and Niya Consulting.

Mr Price Foundation historically focused on developing the skills of youth for formal employment in the retail value chain. Given the lack of formal job opportunities, the HandPicked agricultural small business development programme was formed with the aim of connecting unemployed youth and communities with sustainable, economic opportunities in agriculture.

The programme acts as an agripreneurial incubation platform that uses innovative farming technologies to train and mentor youth in agribusiness and crop management skills, in partnership with the private sector and community schools. In FY2024, 51 youth benefitted from the programme, generating R242 000 of collective revenue from the agribusinesses they operate in Mr Price Foundation's four agrihubs.

In delivering the HandPicked programme, Mr Price Foundation partners with Redefine Properties and Fresh Life Produce.



## 5.3 Associate Wellbeing and Development



### 5.3.1 Associate wellbeing Occupational health and safety

The occupational health and safety of associates and partners is a priority. The group's commitment to occupational health and safety is further supported by the health and safety policy which sets standards that must be adhered to in the workplace. A designated person is appointed across group operations to ensure adherence to all safety protocols. The group's health and safety committee has representatives from different divisions and departments and meets quarterly to discuss and review safety measures.

There were no work-related injuries or ill-health during the current reporting period that resulted in fatalities, or during the five previous reporting periods across the group, including associates and workers who are not employees but whose work and/or workplace is controlled by the group. The total number of recordable work-related injuries during the reporting period is **143**.

The group has experienced an increase in headcount over the last five years, with a notable downward trend in the Injury on Duty (IOD) rate. The actual number of injuries has remained consistent within the range of 140-160 injuries per year. The injuries were in relation to minor soft tissue damage and/or lacerations. The group continues to improve on occupational health and safety practices to ensure the wellbeing of all associates is prioritised.

Year	Work-related injuries	Fatalities	IOD rate
FY2020	166	0	0.9%
FY2021	120	0	0.6%
FY2022	143	0	0.7%
FY2023	163	0	0.6%
FY2024	<b>143</b>	0	0.5%

### Associates trained on health and safety

A total of **1 543** associates were trained on health and safety during the reporting period. This is a combination of new certifications for Occupational Health and Safety, Fire Marshals and First Aiders, as well as those who required refresher training.

No material health and safety non-compliance has been noted or reported. In the event of non-compliance, the group will take immediate corrective action to remedy the non-compliance.

### Associate wellbeing

The group is committed to creating a culture that encourages prioritising wellbeing as this is directly linked to engagement, performance and a thriving workforce. Wellbeing is addressed around four pillars; physical, mental, financial and social wellbeing, with a focus on practical and proactive solutions at individual, leader and organisational levels.

Associate and leader wellbeing are standing items in quarterly People Centre of Excellence board meetings as well as a topic that the SETS Committee takes a keen interest in, wanting to ensure that associates and leaders are supported to deliver their best and thrive in the organisation. Quarterly forums are held with wellbeing champions who are ambassadors from all areas of business. These ambassadors support and guide the implementation of the wellbeing strategy by raising awareness about the initiatives, encouraging participation, and providing valuable feedback on behalf of their divisions.

Associates are offered a suite of benefits including medical aid, gap cover, retirement funding and funeral cover. See [page 60](#) for more details.

**Leave and working hours**

The group recognises that associate wellbeing is critical to the success of the organisation hence uninterrupted personal time is essential to rejuvenate in a high performing work environment. In addition to annual leave, associates in office environments are given paid time off on the last Friday of each month, known as “half-day Friday”. In 2024, an unlimited leave policy was implemented for directors to ensure that they are able to take the required time to rest and spend with their families, without being concerned about leave balances. While there is no maximum number of days, there is a requirement that all directors take at least 15 days leave per year.

To allow associates the flexibility required to manage their wellbeing, in 2021 the group introduced a flexible work policy for office based associates, giving them ownership of their work schedules. Additionally, associates may elect the place, time and contract type best suited to create a sustainable work-life balance in a manner that is aligned to business needs.

**Employee assistance**

All group associates have access to an employee assistance programme (AskNelson) which aims to improve the wellbeing and quality of life of associates and their immediate families through counselling and coaching. It is designed to assist with all aspects of wellbeing, with **6 230** interactions (estimated **27.9%** of associates) occurring during FY2024 which aligns to the national retail benchmark of 24%. This gives comfort that associates are receiving professional and holistic support based on their needs.

As an additional benefit, associates receive access to a health app launched in September 2023. The app provides low data access to resources, support groups and a quick connection to employee assistance services which broadens access for operations teams.

**Wellness initiatives**

As part of the wellness approach, the group offers head office associates access to the following initiatives:

- Monthly themed wellness calendar and initiatives (including invited speakers on various topics)
- Vitality wellness weeks and health challenges
- Preventative health testing
- On-site counselling service
- SANBS blood donation days
- Healthy food options at support centre canteens at subsidised rates
- Exercise classes and activities including a social running group and yoga
- Employee assistance programme counsellor facilitates support groups in line with the topic for the month
- Educational resources targeting certain health matters
- 20% discounted gym membership through Virgin Active for associates that do not have the Vitality benefit
- On site health (physiotherapist, chiropractor, nurse, counsellor) and personal grooming (nail technician, beautician, hairdresser) service providers located at support centres at discounted rates

The group also has a wellness programme focused on the needs of store associates aligned to the group wellness strategy. The primary focus being on linking wellness tips to the monthly wellbeing themes, health challenges and AskNelson visits. The group is currently investigating extending preventative testing for stores across the country.

**5.3.2 Associate development**

The group’s strategic commitment to developing skills, underpinned by its home-grown philosophy, offers associates growth opportunities, and supports capability to execute on the group strategy. The group focuses on leadership, scarce and retail skills development, learnerships and business project training needs. To determine and implement training priorities, there is strong partnership with business, various Sector Education and Training Authorities (SETAs), external training partners, the Retail Association as well as collaboration with Mr Price Foundation. Connect Conversations, are also used to determine the development needs of both associates and the business. See [page 56](#) for more on ongoing engagement.

Associates have access to online and facilitator-led learning. Solutions are designed to enhance learner experience while integrating the group’s DNA and values, and equipping line managers to support the application of learning. Course content and core development programmes, such as merchant and leadership modules, are either developed in-house or via hybrid partner models. This model adds value through the benefit of business insights enabling agility to respond to business learning needs, as well as cost and productivity effectiveness. The group constantly revises and adds to the development content brochure to ensure the content is in line with skills requirements and ever-evolving workplace needs.

**MR PRICE ACADEMY OFFERING FY2024**

160

learning and development offerings available

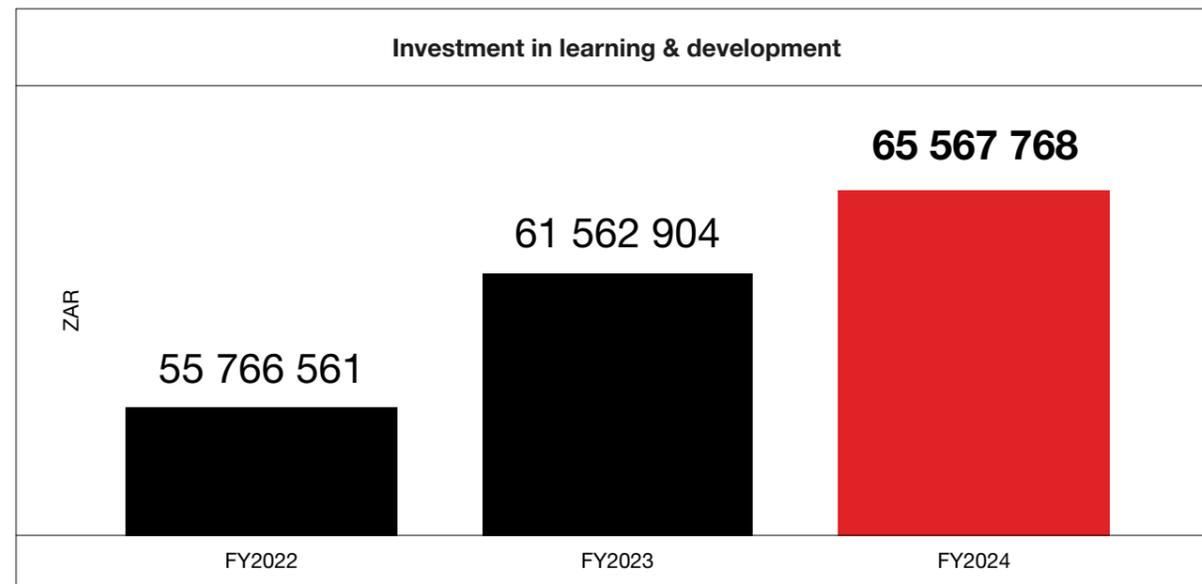


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- GROUP ONBOARDING**
- COMMERCIAL ACUMEN**
- MERCHANT SKILLS**
- MR PRICE MONEY**
- COMPLIANCE**
- OPERATIONS & E-COMMERCE**
- SKILLS DEVELOPMENT**
- TECHNICAL SKILLS**

**Investment in associate development**

The combined group investment in learning and development increased by 6.5% versus the previous period and by 17.6% since FY2022.



**Store associate development**

Store leaders are pivotal to delivering superior customer experience, highly effective store teams and performance. The store leader development programme is delivered online and is designed with formal, social and experiential learning components aligned to competencies. The content is a blend of leadership, technical and compliance skills and integrates the group's values and a deep commercial understanding of the retail landscape.

In response to the growing need for digital skills, courses have been created to build digital fluency within the business. Training plans to support projects implementation of value-added services, as well as new technology enabled processes and systems are also implemented in divisions as needed.

**Merchant development**

The merchant trainee programme provides a pipeline for scarce buying and planning retail skills. The industry continues to be impacted by a loss of key manufacturing skills. As part of the merchant trainee programme, the group includes supply chain and manufacturing content.

In FY2024, the group re-launched the factory experience course which gives merchants practical exposure to end-to-end production manufacturing processes. Merchant training extends beyond the trainee programmes; solutions for various proficiency levels are developed and revised in response to business demand.

**>200** merchant training events were facilitated by the Mr Price Academy

**Leadership development**

Building leadership capability at all levels is a strategic and intentional focus for the group. The group targets leadership programmes from junior to executive leadership level. There continues to be an intentional focus on the development of successors for the critical roles as per the group succession plan. The group also has in place individual development plans where tailored development goals are derived.

- **LEAD** is a transformational leadership development programme designed to empower leaders to navigate the evolving business landscape. The programme has a robust curriculum that is delivered by industry experts. It focuses on topics such as emotional intelligence to build leadership presence, team effectiveness to inspire trust, collaboration and leading through change to navigate the dynamic retail landscape
- To support change agility as a capability, a Building Change Leaders module was deployed to equip senior leaders with the skills to lead their teams through change

<b>65</b> Leaders participated in LEAD	<b>15</b> LEAD alumni associates promoted	<b>8</b> LEAD alumni associates promoted were female
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- A Strategic Planning and Management in Retail programme was designed to bolster the delivery of the group's brand promise and growth strategy, equipping leaders with commercial acumen and retail strategy skills. The programme will be deployed in FY2025
- The Leadership Essentials Programme supports foundational leadership skills, and this coupled with the Wholesale and Retail SETA (W&R SETA) leadership programmes play a pivotal role in enhancing leadership capabilities

The internal mentorship catalogue, monthly LEAD and Leadership Essentials mailers aligned to topical business needs are used as supporting mechanisms for leaders. The group has **over 100** leaders and functional experts making themselves available to mentor others across functional areas and skills.

**Learnerships\***

The group partners with SETAs to drive skills development. This partnership supports the group's transformation imperative, providing opportunities for progression to associates, as well as intentionally building pipeline at various levels. The group delivers learnerships for both its associates and unemployed South Africans living with disabilities. **1 170** associates participated in learnership opportunities across stores, distribution centres, contact centres and group head offices which is a **31.5%** increase on prior year (FY2023: 890).

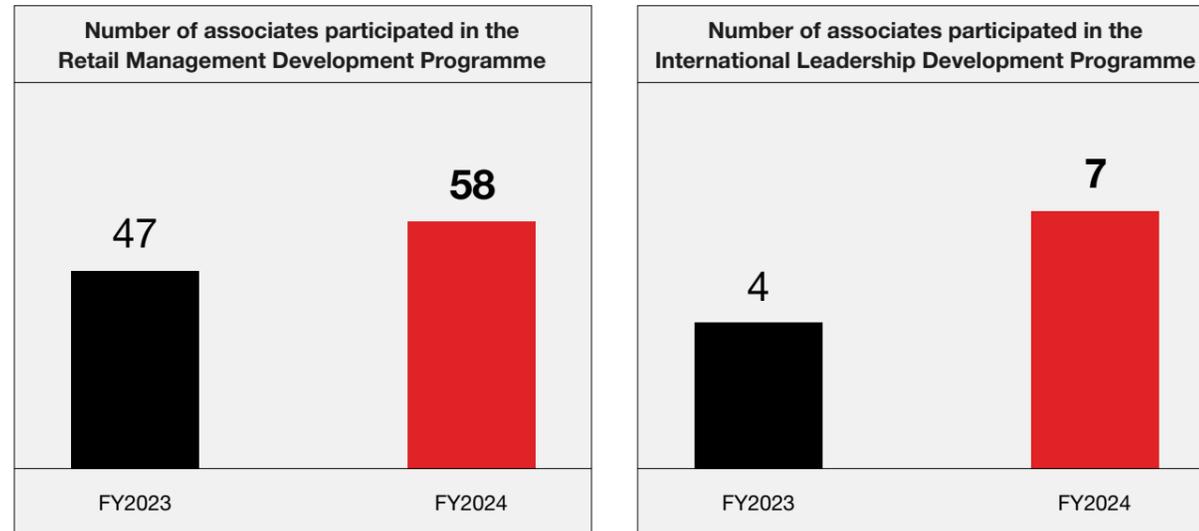
The group is intentionally increasing learnership offerings to include higher level qualifications, as well as learnerships supporting emerging skills. In FY2024, Project Management (NQF level 4) and Systems Support (NQF level 5) were added to the learnership portfolio. The group plans to expand the offering and include Supply Chain Management (NQF level 5) and Marketing (NQF level 4). During the year, **329** unemployed South Africans living with disabilities participated in learnership programmes.

\*Excludes Studio 88

<b>715</b> (i.e. 61.1% of) employed learners were youth (aged 18 - 35)	<b>100%</b> of unemployed learners living with disabilities were youth
<b>85</b> employed learnership participants were promoted	<b>100%</b> of unemployed learners living with disabilities were previously disadvantaged groups (PDG)

**SETA funded leadership development programmes**

The group participates in higher education programmes such as the Retail Management Development Programme (RMDP: NQF level 5 – 7) as well as the prestigious International Leadership Development Programme (ILDLP: NQF level 8) which support the accelerated development of previously disadvantaged associates within the group.



**87.9%** of RMDP participants are ACI

**100%** of ILDP participants are ACI

**93.1%** of RMDP participants are from PDG

**100%** of ILDP participants are from PDG



**Richard Shezi**

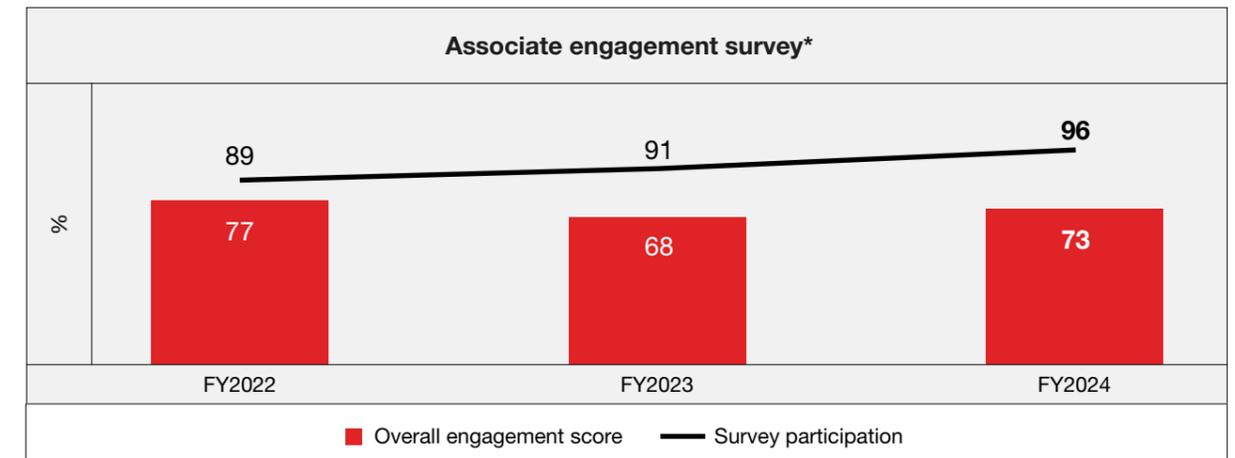
**People Director for Logistics and Group Centres of Excellence**

In FY2024, Richard received the International Leadership Development Programme alumni award from the W&R SETA for his exceptional achievements and contributions to society.

Richard's dedication to giving back includes sharing expertise and engaging with community businesses and colleges in Hammarsdale to address local employment challenges and promote retail as a career path, earning him recognition within the group.

**Associate engagement**

An engagement survey is conducted annually with all associates. The survey is based on the Gallup methodology and includes questions relating to inclusion and wellbeing. The group's FY2024 survey participation rate and overall engagement scores improved by 7% and 5% respectively. Research on engagement indicates a decline in engagement levels globally. A group engagement score of **73%** ranks among the best according to Gallup, with scores at 72% and higher categorised as exceptional workplaces. The group continues to see culture thrive with associates who are passionate about the role they play in making the group's vision a reality and who find meaning in their work and environments. The group experienced a regression with regards to the Employee Net Promoter Score (eNPS) and Wellness Net Promoter Score (wNPS), with key concerns being wellbeing and financial stress. In FY2025, emphasis will be placed on ensuring further support in reducing the impact of the above on the associate experience.



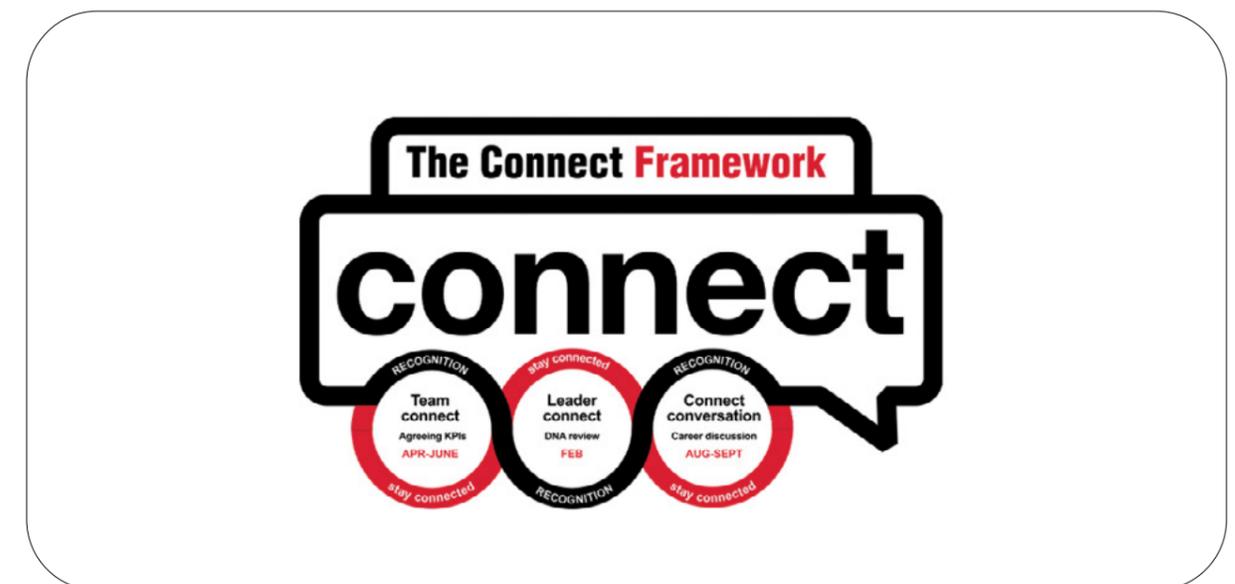
\*Does not include Yuppiechef or Studio 88

**Ongoing engagement**

The Connect Framework is an agile performance enablement framework designed in 2020 to equip leaders with tools to effectively engage their teams without bureaucracy.

This includes cascaded goal setting, career and development conversations, leader and peer feedback aligned to the group's values and DNA, with all practices underpinned by frequent check-ins, informal feedback and recognition.

The group continues to embed the cascaded goal setting process and will introduce the leader feedback platform in FY2025. In FY2024, **72.0%** of associates engaged in a career and development conversation and established development actions. This includes store associates.



### 5.3.3 Being a Mr Price Group Associate

The group's associates are the heartbeat of the business. Being a 'Value Champion' for customers starts with associates. It's not just about the price. It's about the people.

#### Talent attraction

The group attracts and retains high calibre talent that is passionate about retail, possess strong technical and leadership capabilities as well as sought-after retail skills. Creative and multichannel talent approaches have enabled the group to also attract critical retail skills in support of its business strategy.

The group's Workplace Experience Programme (WEP) is one example, where final year students who are considering a career in retail go through a selection process and spend three weeks during their winter vacation learning about the group. During this period, they are placed in trading divisions and complete projects which are later presented to management teams. Of the group's total graduate trainees, 64% have been recruited from WEP, which is testament to the programme's success. The unique candidate experience offered by the programme sets it apart from that offered by competitors, and further has been recognised by the South African Graduate Employers Association.

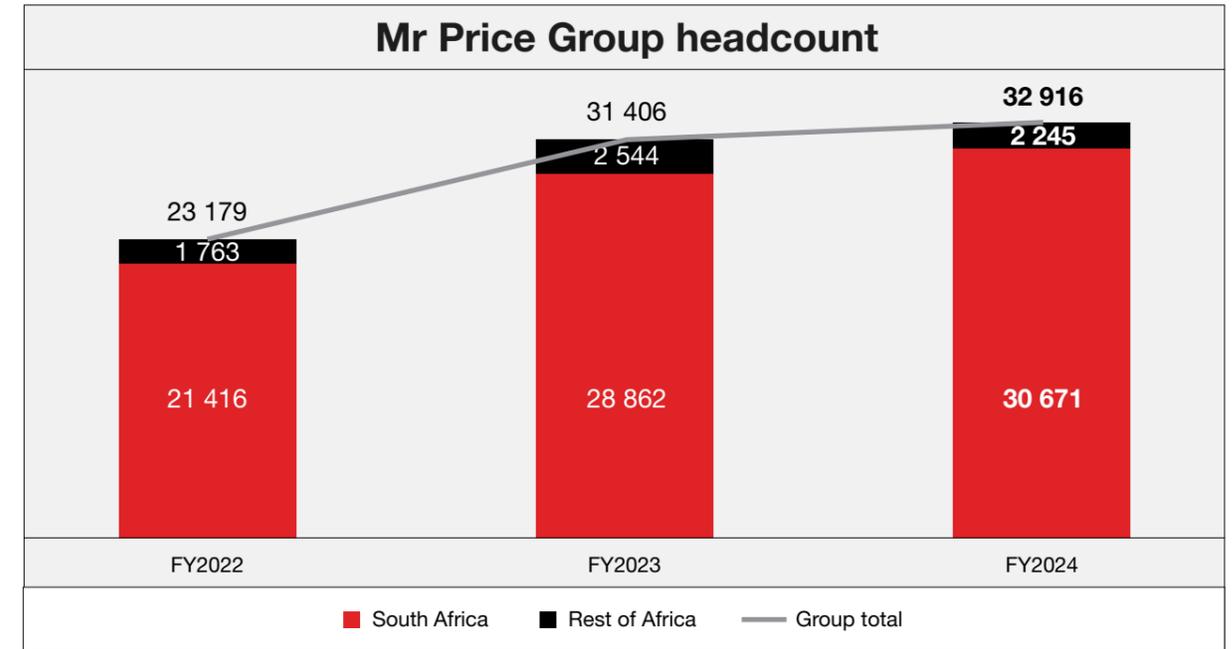
In FY2024, the Top Employers Institute certified Mr Price Group as one of the Top Employers in South Africa. This is a testament to the group's sound people practices which are built on its compelling purpose, values, DNA (see page 59) and employer value proposition.

#### Associate profile

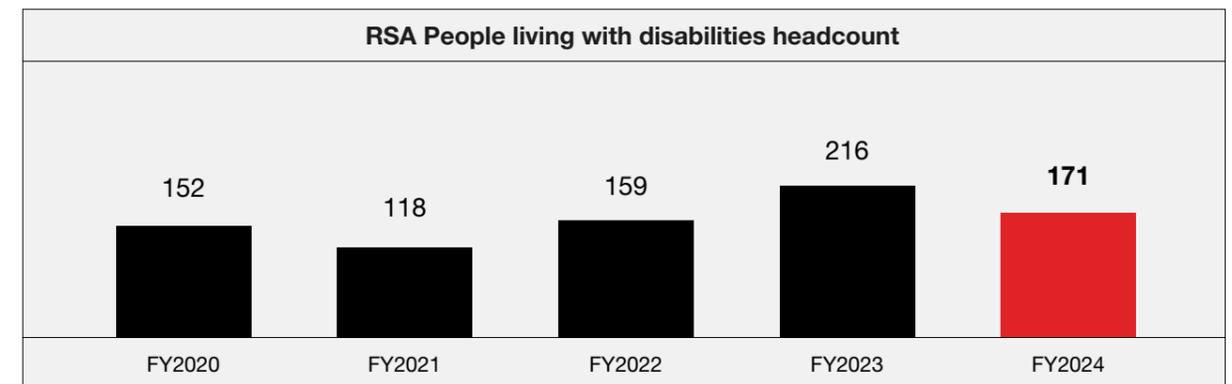
The group's total workforce represented below is inclusive of Power Fashion, Yuppiechef and Studio 88, and all countries within which it operates.



In line with the group's growth strategy, its headcount grew by 42% between FY2022 and FY2024 which is largely attributed to the acquisition of Studio 88, and new store openings in FY2024 which accounted for an increase of 4.8% in the period. The group's permanent staff turnover rate was **20.9%** in FY2024, which is in line with turnover in retail as the majority of the associates are in stores, where turnover tends to be higher. The average tenure of associates is **4.4 years**.

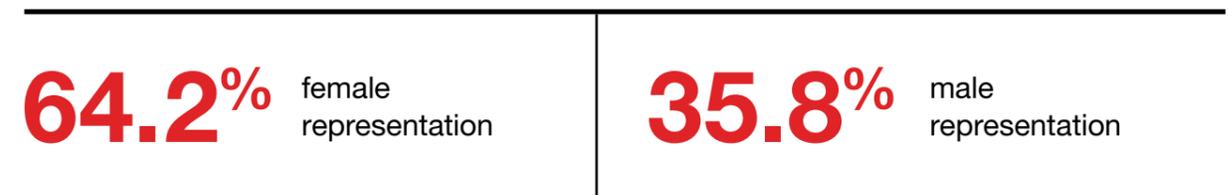


While there has been an increase in the employment of persons living with disabilities over the last five years, this remains an area of opportunity.



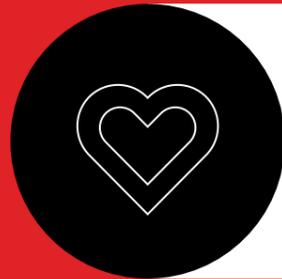
Additional total workforce information is below:

Indicator	Mr Price Group total
Number of jobs created (All employee types)	32 916
Temporary staff complement (%)	8.5
Permanent staff turnover rates (%)	20.9
Permanent staff average length of service (in years)	4.4



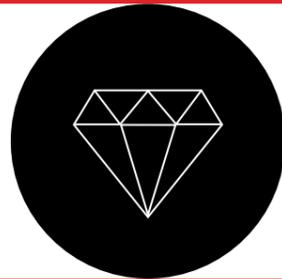
RSA only

## Mr Price Group Values



### Passion

The group's values and purpose are at the core of how the business is managed. It is the backbone of the group's culture and how all stakeholders are treated. The group is driven by passion, guided by value and built on partnership and associates work together to create an environment that is inclusive.



### Value



### Partnership

## Being a value champion starts with you...



The group was built on these three key beliefs and by staying true to these beliefs, ensures that it never waivers on its quest to be the most valuable retailer in Africa.

## Mr Price Group DNA



Aligned to the values is a set of DNA behaviours that showcase how the values need to be lived by associates and this is what makes the group's culture unique. My Mr Price, My Future centres on associates being part-owners of the company and how standing together as a community to invest in their futures makes Mr Price Group a great place to work.

The group's code of conduct further entrenches its values with its associates and external stakeholders. Norms set out in the code of conduct are upheld by ensuring that illegal and unethical conduct is dealt with through a disciplinary code.

All associates have access to FairCall, an anonymous externally managed line that can be used to report illegal and unethical conduct.

All reported matters are dealt with in a fair and consistent manner with firm adherence to the disciplinary code. More information on ethics and the code of conduct is on page 65 and 79.

### Pay and benefits

In the latter half of 2023, the group began the phased transition of its pay model from a basic plus benefits model to a cost to company model. The purpose of the transition was to align to current market practices by affording associates increased control over their benefit structure, allowing them to align their benefits to their needs and priorities. This change also enables the group to fairly benchmark pay on a more equitable basis, contributing to fair pay principles being maintained. The transition will be concluded in 2024. In addition to basic pay, a number of employment benefits are available to associates as part of their cost of employment.

#### Healthcare

The group offers two medical aid scheme options to associates, providing the choice to join either of the schemes. Associates also have access to an in-house consultant who supports them with queries and medical aid administration. Alternatively, associates can join a medical aid scheme of their choice. Associates also have the option to join the GAP Lifestyle Benefit at a reduced rate which offers additional protection against shortfalls to complement the associate's medical scheme cover.

#### Retirement fund

The group contributes 7.5% to an associate's retirement fund which is inclusive of group life and disability cover. Associate contributions are optional and treated as additional voluntary contributions.

#### Funeral cover

Associates and their immediate family (spouse and dependent children) are covered under the funeral policy.

### Reward and recognition

The group rewards associates using a total remuneration mix that drives passion, value and partnership, which are key enablers of its success. The group's remuneration policy is to reward all associates for their contribution to its performance, taking into consideration an appropriate balance between guaranteed and variable (short - and long-term) remuneration components. Superior performance is rewarded through short-term and long-term incentives when targets are achieved. Since performance-related incentives form a material part of the remuneration structure, ongoing performance feedback is vital. As part of a broader performance enablement framework, associates participate in career and development conversations annually (connect conversations, see page 56), focusing on work achievements, learning and development needs aligned to their roles and aspirations. More information on remuneration is contained in the group's remuneration report.

The group further recognises associates at various levels in the organisation, where annually each division recognises their best performers in various categories, and honours them in front of their peers. At a group level, the highest achievers nominated by divisions are honoured during the group's internal annual results presentation and the top achiever is awarded the CEO's 'Running Man' award, which is the highest recognition of excellence and has been part of the group's culture and tradition for several years.

### Diversity, equity and inclusion

The group continues to strengthen its diversity, equity and inclusion foundation by driving its transformation strategy through greater leadership accountability and structures. The strategy is owned by the group's Transformation Committee. The committee is instrumental in setting direction and monitoring progress of initiatives across the group and reports progress to the SETS Committee. This is in addition to the Employment Equity Committee, which is a statutory committee, established to mobilise and monitor progress.

The group's approach to transformation and employment equity is supported by:

- Executive leadership involvement in implementing and supporting employment equity goals
- Accountability for executive and divisional leadership, including KPIs aligned with employment equity goals
- A diverse and inclusive employment equity committee
- A transformation committee mandated to lead the achievement of the transformation strategy
- Transformation champions forum formulated to be change leaders
- All associates are included in driving transformation by ensuring that the group is consultative in its transformation strategy

**Employment equity**

Mr Price Group (RSA operations) **total workforce profile** - FY2024

Occupational level	Male				Female				Foreign Nationals		Total	Total White	Total ACI	Total ACI Female
	A	C	I	W	A	C	I	W	Male	Female				
Top management	0	0	2	12	1	0	0	3	0	0	18	15	3	1
Senior management	15	4	15	49	8	4	12	47	0	2	156	96	58	24
Professionally qualified	159	17	66	110	70	32	75	126	7	5	667	236	419	177
Skilled	1 308	133	154	91	2 022	480	304	298	12	9	4 811	389	4 401	2 806
Semi-skilled	6 520	519	86	13	12 419	1 629	300	52	12	34	21 584	65	21 473	14 348
Unskilled	514	21	0	3	499	15	2	0	16	2	1 072	3	1 051	516
<b>Total permanent</b>	<b>8 516</b>	<b>694</b>	<b>323</b>	<b>278</b>	<b>15 019</b>	<b>2 160</b>	<b>693</b>	<b>526</b>	<b>47</b>	<b>52</b>	<b>28 308</b>	<b>804</b>	<b>27 405</b>	<b>17 872</b>
Temporary	1 029	88	4	2	1 036	171	19	8	4	2	2 363	10	2 347	1 226
<b>Grand total</b>	<b>9 545</b>	<b>782</b>	<b>327</b>	<b>280</b>	<b>16 055</b>	<b>2 331</b>	<b>712</b>	<b>534</b>	<b>51</b>	<b>54</b>	<b>30 671</b>	<b>814</b>	<b>29 752</b>	<b>19 098</b>
ACI as % of total	<b>34.7%</b>				<b>62.3%</b>				<b>0%</b>		<b>97.0%</b>			

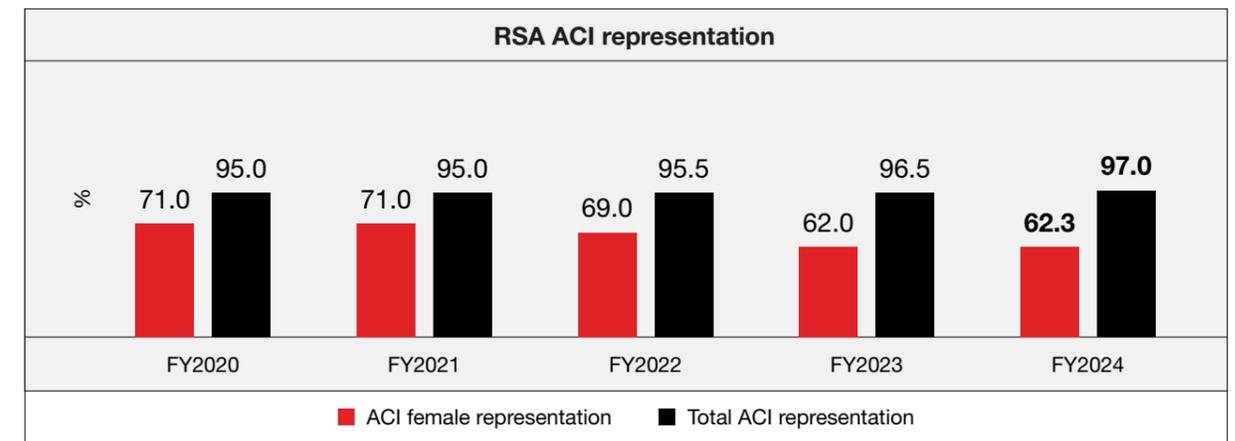
Mr Price Group (RSA operations) workforce profile for **people living with disabilities** - FY2024

Occupational level	Male				Female				Foreign Nationals		Total	Total White	Total ACI	
	A	C	I	W	A	C	I	W	Male	Female				
Top management	0	0	0	0	0	0	0	0	0	0	0	0	0	
Senior management	0	0	0	0	0	0	0	0	0	0	0	0	0	
Professionally qualified	0	0	0	0	0	0	0	0	0	0	0	0	0	
Skilled	1	0	0	1	0	0	0	0	0	0	2	1	1	
Semi-skilled	7	2	0	0	11	2	2	0	0	0	24	0	24	
Unskilled	2	0	0	0	1	0	1	0	0	0	4	0	4	
<b>Total permanent</b>	<b>10</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>12</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>1</b>	<b>29</b>	
Temporary	123	14	0	0	4	0	0	0	0	0	141	0	141	
<b>Grand total</b>	<b>133</b>	<b>16</b>	<b>0</b>	<b>1</b>	<b>16</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>171</b>	<b>1</b>	<b>170</b>	
ACI as % of total	<b>87.1%</b>				<b>12.3%</b>				<b>0%</b>		<b>99.4%</b>			

During the reporting period, proposed employment equity sectoral numerical targets in terms of the South African Employment Equity Act were published for public comment. The group together with other retailers that form the Retail Association (which is a member of Business Unity South Africa) and working closely with the National Clothing Retail Federation of South Africa (NCRF), submitted comments on the draft regulations and targets. The group supports and remains committed to transformation with a view that sectoral numerical targets must be based on accurate and up to date data so that such targets are rational, realistic, and achievable to ensure the achievement of sustainable transformation.

The group has performed relatively well in its progress towards achieving its targets set for the FY2024 employment equity plan with an overall ACI representation of 57.1% at the top three occupational levels (top, senior and professionally qualified). However, there is still an African and Coloured representation gap which the group will continue to focus on. The ACI movement for FY2024 demonstrates a significant step forward.

ACI achievements FY2024	ACI new hires	ACI promotions
Mr Price Group	<b>99.0%</b>	<b>95.6%</b>



The RSA ACI representation in a five-year trend reflects the group's commitment to transformation in the workplace. The group has consistently had a high percentage of ACI representation and experienced an increase in ACI representation over the last five years. The group continues to improve representation within the categories of ACI.

**Broad-Based Black Economic Empowerment**

The Broad-Based Black Economic Empowerment (B-BBEE) Act, introduced by the South African government to counter the legacy of apartheid, requires companies to promote economic transformation by enhancing the participation of black people in the economy. Black people are defined as those who are African, Coloured (mixed race) and Indian (ACI).

The B-BBEE Codes of Good Practice assess black economic participation through ownership, management control, skills development, employment equity, enterprise and supplier development (ESD), and socio-economic development (SED). A company's performance is independently assessed against these elements according to a prescribed methodology and reported in the form of a B-BBEE scorecard. Companies are graded on their B-BBEE contributor level, influencing their ability to do business with government and certain other private-sector entities.

The group strives to make a positive social impact that reaches beyond compliance, guided by its sustainability purpose of Together We Do Good. The group's approach to B-BBEE has always been that the investment in B-BBEE initiatives must be in the best interests of the group, its key stakeholders, and support the achievement of the group's vision and strategy, while maintaining its values. As such, and as is the case with daily business operations, trade-offs are carefully considered to balance the competing objectives of business and society.

For FY2023 the group achieved a **Level 6 rating, scoring 74.45 points**. This is an improvement on the forecast Level 7 rating included in last year's report at the time of which the B-BBEE verification was still underway.

aBEErate, a SANAS accredited B-BBEE Agency, has been appointed to undertake the FY2024 verification, which is expected to be finalised in early July 2024, after the publication of this report. It is anticipated that at least a Level 6 rating will be maintained for the period under review.

**FY2023 actual and FY2024 forecast B-BBEE scorecard**

Element	Weighting	FY2023 Achieved	FY2024 Forecast
Ownership*	25 (3.2 sub-min- Net Equity Value)	15.82	16.72
Management control	19	08.04	8.15
Skills development*	20 + 5 bonus (8 sub-min)	14.16	15.96
Preferential procurement*	25 + 2 bonus (10 sub-min)	20.29	19.82
Supplier development*	10 + 1 bonus (4 sub-min)	6.27	6.67
Enterprise development*	5 + 1 bonus (2 sub-min)	6.00	5.00
Socio-economic development	5	3.87	5.00
<b>Total points</b>	109 (incl. 9 bonus points)	<b>74.45</b>	77.33
Compliance level		<b>Level 6</b>	Level 5
Discounted compliance level		<b>N/A</b>	N/A

\*Sub-minimum elements

**OWNERSHIP**

One of the group’s core values is partnership. This means that the group promotes inclusion and diversity and has embodied this through the Partner Share Trust which affords associates the opportunity to own shares in the group. In FY2024 the scheme held a total of 3 922 677 ordinary shares translating to a 1.6% shareholding in the group. The scheme has a total of 11 886 active participants of whom 11 734 are black people and 7 702 black youth. The group’s shareholding is made up of mandated investments, Partner Share Trust and international shareholding. 50.5% of the group’s shareholding is mandated investments of which 21.1% voting rights are held by black people and 11.5% held by black women. For additional information on the Partner Share Trust, see pages 172 - 173, and 181 of the remuneration report.

**MANAGEMENT CONTROL AND SKILLS DEVELOPMENT**

The group has laid a strong foundation for talent acquisition and management by identifying and developing essential skills that align with the group’s strategic goals and priorities. This has involved a concentrated effort on internal talent and promotion, accelerating the development of core and future-fit capabilities. The group aligned its employment equity plans with the skills development plan and over the past year, has enhanced its ability to grow its own talent and improved the succession bench strength (see Employment Equity on page 61).

**ENTERPRISE AND SUPPLIER DEVELOPMENT**

The group’s ESD activities aim to grow black economic empowerment by contributing to transforming retail supply and value chains in alignment with the objectives of the B-BBEE Act. The group prioritises contracts with black-owned enterprises, especially black women-owned enterprises (where possible), which is evidenced by the points increase in 51% black-owned and 30% black women-owned suppliers over the past two years. Through the group’s unique and proprietary supplier development initiative (see page 76), the group supports these black-owned entities to meet the necessary standards of scale, integrity and quality required for inclusion in the group’s value chain by offering low interest loans predominately utilised to finance raw materials which allows them to negotiate better cost price, delivery reliability and speed to market.

The group partners with Taking Care of Business (TCB) for enterprise development. TCB empowers unemployed South Africans and their families to break the cycle of poverty through small business opportunities. Their mission is to equip aspiring entrepreneurs with the skills and resources to unlock their full potential and to provide access to the economy. Their flagship programme ensures that unwanted fashion and other products are responsibly redirected to a meaningful cause while protecting the contributing brands, reducing waste and creating self-employment opportunities. The programme equips participants with life skills, entrepreneurial skills and resources to run sustainable businesses. In FY2024, 858 667 items were donated by the group to 1 170 entrepreneurs who in turn supported 2 558 family members, with an average take-home income of R3 232 per month.

“When I started buying from TCB two years ago, I was shocked. For the first three months I did well. I saw an opportunity that I needed a permanent space to sell my stock and now I have my own shop. At first, I was sceptical. I thought “Am I going to be able to pay the rent for this space?” But amazingly, I made the rent in one week and the rest was mostly my profit. I also sell at many different flea markets and car boot sales.”

ZINTLE, 42-YEAR-OLD MOTHER OF TWO

**PREFERENTIAL PROCUREMENT**

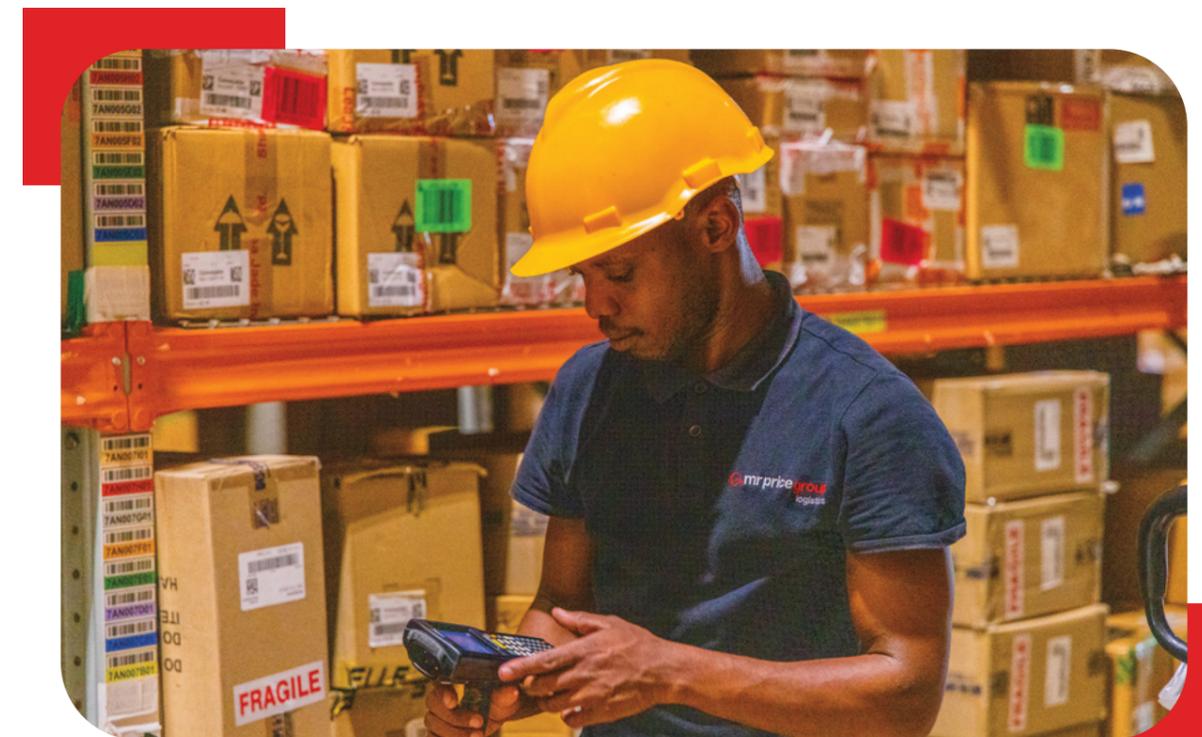
The group is dedicated to empowering and growing local, commercially viable small, medium and micro enterprises (SMMEs) as part of its ongoing efforts to give small suppliers access to its consumer market. The group increased spend on B-BBEE compliant suppliers and continues to maximise points of spend on 30% black women-owned suppliers.

**SOCIO-ECONOMIC DEVELOPMENT**

The group’s strategic partnership with Mr Price Foundation supports South Africa’s youth and the sustainability objectives of quality education and youth development. For further information on Mr Price Foundation’s programmes refer to pages 47 - 49.

**LABOUR STANDARDS**

The group’s code of conduct is a reflection of its commitment to internal and local labour legislative requirements. This commitment is centred around supporting human rights, freedom of speech and association, as well as broader diversity, equity and inclusion. This is a commitment to the group’s associates and partners who are important to the success of the organisation.



Code of Conduct	
Key element	Key policies and actions
Child labour prevention	<ul style="list-style-type: none"> <li>• Child labour is unacceptable across the group's areas of operation</li> <li>• Suppliers are required to ensure there is no child labour in their businesses</li> <li>• Partners shall not recruit child labour</li> <li>• Partners shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable him or her to attend and remain in quality education until no longer a child</li> </ul>
Forced labour	<ul style="list-style-type: none"> <li>• The group's commitment to ethical workplace practices is reinforced in the code of conduct which states that involuntary labour of any kind shall not be used, including prison labour, debt bondage or forced labour by an external authority</li> <li>• Associates are not required to lodge "deposits" or identity papers and are free to leave their employment after giving the required notice (or reasonable notice where a period has not been agreed or stipulated)</li> <li>• The group expects its partners to treat their employees in the same manner</li> <li>• Lockouts are prohibited and associates and employees of partners may not be prevented from leaving any place of work under reasonable circumstances or the conclusion of the official shift</li> </ul>
Freedom of association	<ul style="list-style-type: none"> <li>• The group complies with all applicable legislation and regulation regarding associates' freedom of association and engages with associates on an ongoing basis to foster and maintain open and honest relationships that allow associates or associate representative groups to liaise directly with management on matters that affect them</li> <li>• The group expects its partners to comply with all applicable legislation and regulation regarding freedom of association in respect of their employees and to ensure that the factory workers in their supply chains are afforded the same rights</li> </ul>
Collective bargaining	<ul style="list-style-type: none"> <li>• The group subscribes to the values of the South African constitution, Bill of Rights and labour laws. Collective bargaining is part of the labour laws and this process is respected by the business</li> </ul>
Excessive working hours	<ul style="list-style-type: none"> <li>• All overtime shall be voluntary and must be applied responsibly, taking into account the extent, frequency and hours worked by individual associates/employees of partners and the workforce as a whole. Overtime must not be used to replace regular employment</li> <li>• Associates/employees of partners shall be provided with at least one day off in every seven-day period or, where permitted by national law, two days in every 14-day period</li> </ul>
Reduction of excessive working hours	<ul style="list-style-type: none"> <li>• Overtime is managed within the confines of what is acceptable in law</li> <li>• The group's approach is to limit overtime where possible</li> <li>• This includes the Dayforce labour scheduling system which allows the group to monitor and oversee overtime</li> <li>• The wellbeing and health of associates is an important part of how the group conducts business</li> </ul>
Company policy on labour standards	<ul style="list-style-type: none"> <li>• The group is committed to and aligns itself to the principles of the International Labour Organisation (ILO) and the ETI Base Code as well as the UNGC principles. It operates across vast geographic locations in Africa and internationally with suppliers, and both of these may include areas where social, economic and political factors put human rights and a fair and healthy work environment at risk</li> <li>• The group therefore commits to engage with its partners to resolve any issues it identifies in respect of child labour, forced labour, excessive hours, minimum wages and any other human rights violations, to ensure that as a good corporate citizen it supports the communities in which it operates</li> </ul>
Risk assessment on labour issues	<ul style="list-style-type: none"> <li>• The group conducts regular risk assessments on labour issues and has not received any issues for reporting in FY2024</li> </ul>



Plastic free packaging



Plastic free packaging



String kimbles replacing plastic

## 5.4 Social Value Chain Development



Suppliers are a key stakeholder of the group and supporting and influencing a socially and economically stable apparel and homeware value chain is a defining and differentiating factor in the group's overall business sustainability. In keeping with the group's values, merchandise suppliers are viewed as partners - when suppliers win, the group wins too.

The group's objective is to develop a sustainable value chain through socially responsible and compliant behaviours within its areas of influence through a continuous improvement approach. This is a realistic approach which has shown to be effective in supporting the group's goals to promote socially responsible practices and processes in the value chain. The collaborative efforts between the group's ESG Centre of Excellence, the various trading divisions and suppliers ensure sourcing and production practices are undertaken in a considered and responsible manner.

The group's code of conduct (incorporating the ETI Base Code), the Responsible Sourcing Framework and Implementation Guide, and a continuous improvement

model, aims to embed practices that ensure workers' fair treatment and promotes decent work. The group continues to monitor, engage and guide suppliers to uphold social and ethical compliance in line with the code of conduct. The complexity of diverse global supply chains presents many potential risks and impacts, both in the social (human rights) and environmental areas.

The group's dedicated divisional sourcing and merchandise teams, together with the responsible sourcing working group (established in 2015), drives the implementation of responsible social practices, which include actively managing supplier relations and compliance improvements, and ensuring that the primary responsible sourcing focus is to monitor and promote the use of safe and equitable working environments for workers in the value chain. Divisional activities are guided and monitored by a centralised social compliance function at group level in the ESG Centre of Excellence.

### 5.4.1 Responsible sourcing guide

The group's commitment to responsible sourcing means that it makes concerted efforts to adopt buying practices that promote the human rights of workers and responsible environmental practices within its value chain through transparent and ethical practices. The Responsible Sourcing Framework and Implementation Guide was developed internally to guide both associates and suppliers on a responsible approach to buying and sourcing and allows for trade relations to comply with national and international regulations and codes of good practice. The guide is a living document that continuously evolves and is reviewed regularly to ensure it considers industry developments, practical and operational experiences and realities, and legislative changes.

During FY2024, enhancements were made to the guide to ensure that it is aligned to industry best practice and sufficiently steers the effective implementation of practices that identify issues and address non-compliant practices in the value chain.

### 5.4.2 Human rights commitment

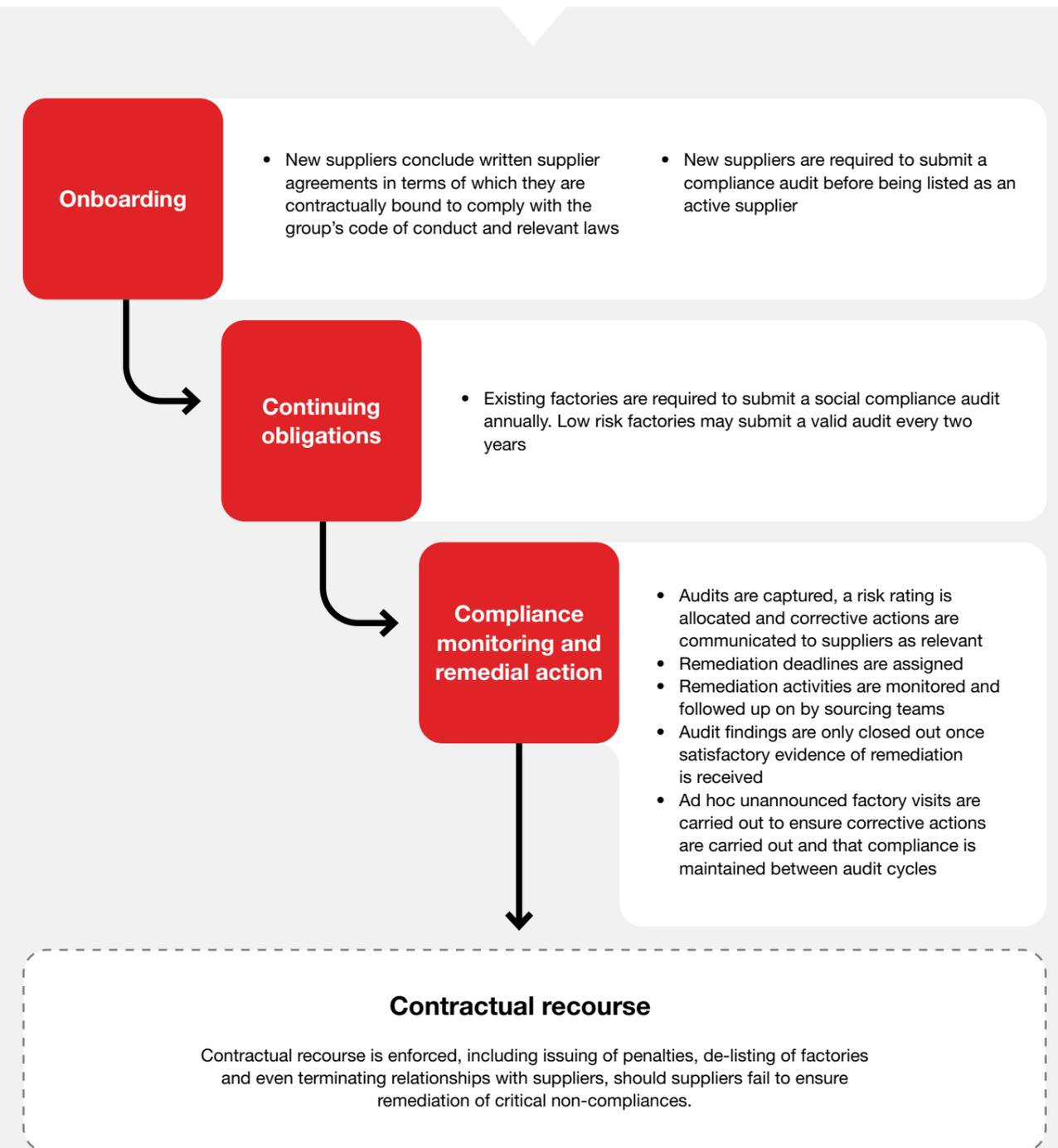
The group's code of conduct, which applies to all associates and partners of the group (including merchandise suppliers), requires supplier compliance with the law at all times. This includes the Constitution of South Africa and the Bill of Rights, which embodies fundamental human rights. This obligation is contractually incorporated and enforced through written supplier agreements, which also requires merchandise suppliers and their factories to comply with applicable local in-country laws. More on the code of conduct can be found on [page 65](#).

Modern slavery in the form of human rights abuses includes forced, bonded, child, and other exploitative labour circumstances which may occur in global value chains. The prevalence of this is exacerbated by the vulnerability of migrant labour, unauthorised subcontracting and poor visibility into the full extent of value chains. Uncovering and addressing modern slavery is challenging across all sectors and the group continues to focus on country specific risks as part of its due diligence assessment, when making sourcing decisions. During FY2024 no factory audits reported instances of modern slavery.

### 5.4.3 Supplier compliance process

In onboarding and maintaining relationships with suppliers, the group's compliance process includes supplier visibility, auditing social and ethical compliance practices, actively monitoring corrective actions to ensure that required improvements are made, and de-listing suppliers where the risk tolerance is exceeded.

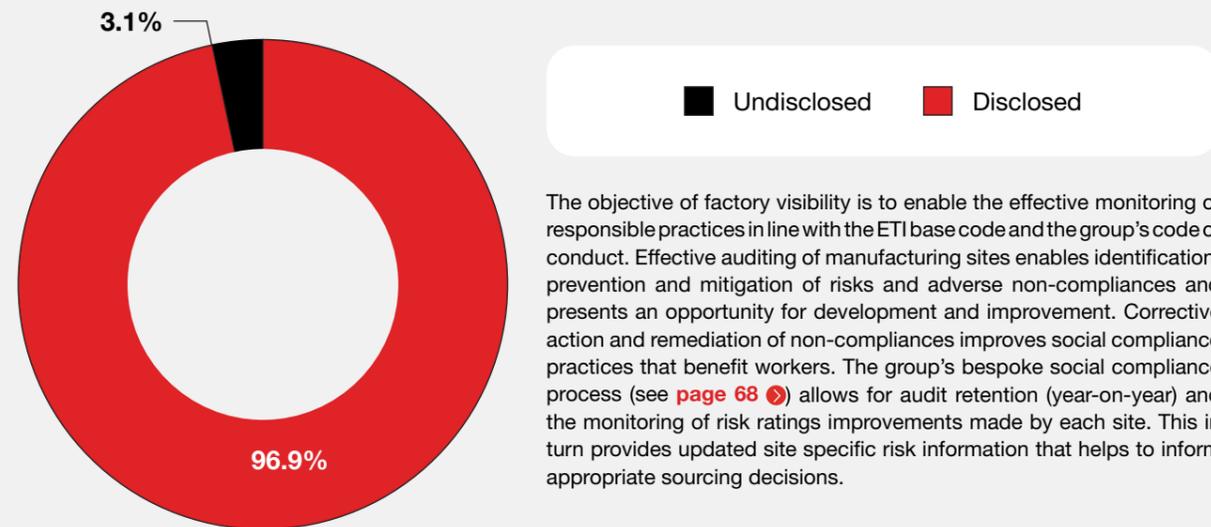
The process is illustrated and explained below. Further detail on factory audits can be found on [page 69](#). During the period there was no need to de-list suppliers due to material non-compliances.



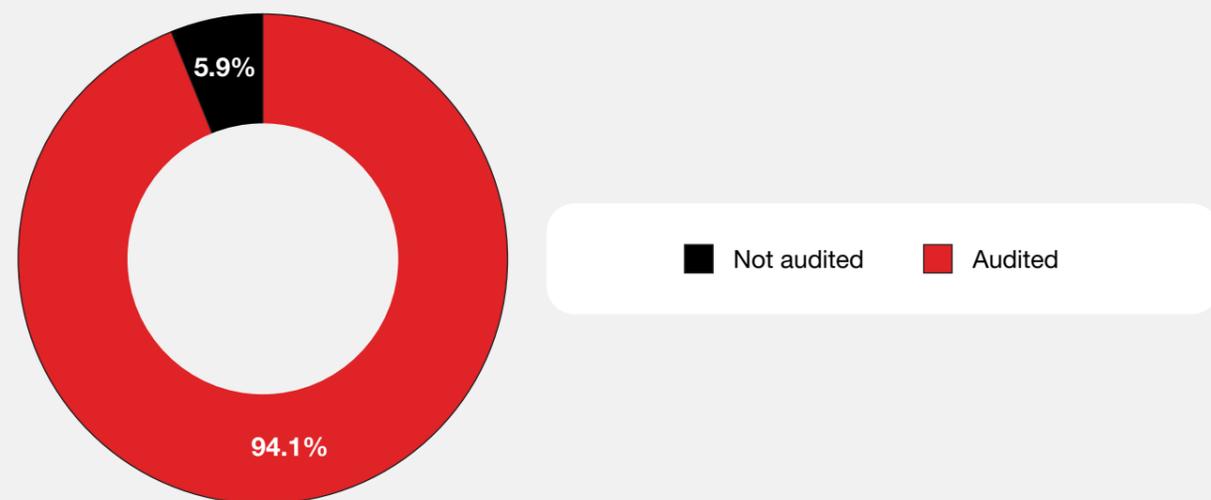
**5.4.4 Factory visibility and audits**

In FY2024, the group achieved **96.9%** visibility of manufacturing sites and brand assured suppliers, which includes first and second tier suppliers contracted for production. The suppliers are categorized as either direct manufacturing, design/trading houses, local finishers, importer or foreign agents. 1 168 manufacturing sites have been mapped and their existence, location and substance verified. In addition, **94.1% (1 099)** of these sites have been audited and have a valid audit in place. Transitional suppliers represent suppliers that are in the process of being onboarded but have not completed all compliance requirements at the time of reporting and are thus not considered 'visible'.

**Factories visible**



**Factories audited**



With the acquisition of Power Fashion which has a different sourcing model to the historical business, the methodology for factory visibility required adjustments to cater for opportunistic or "stock lot" and other (i.e. non-Mr Price Group) branded merchandise procured by Power Fashion. Due to the nature of stock buys (ad hoc opportunist buys), visibility of manufacturing sites is not possible. Stock buys however account for a marginal percentage of the group's total product mix (**1.3%**) which is monitored and reported at board level.

Where it is not possible to obtain visibility of branded factories, written compliance assurance is obtained from suppliers, which is considered to be "brand assured". The expectation for branded suppliers is that social and ethical compliance policies and standards are in place and are measured and monitored to ensure that the required standards are met. A similar approach will be taken with the Studio 88 supply chain, where procurement is largely of international branded merchandise.

**5.4.5 Audit accreditations**

Approved organisations from which the group accepts independent audits include:

- Sedex Members Ethical Trade Audit (SMETA)
- Social Accountability International SA8000 Standard (SA8000)
- Amfori Business Social Compliance Initiative (BSCI)
- Worldwide Responsible Accredited Production (WRAP)
- Initiative for Compliance and Sustainability (ICS)
- CTI Ethical Toy Program (IETP) Certification
- The Responsible Business Alliance (RBA) Validated Assessment Program (VAP)
- Responsible Jewellery Council (RJC) Code of Practices Certification
- QIMA MRPG Ethical Audit

**5.4.6 Ethical trade initiative**

Many of the concerns that continue to affect and impact workers in some producing sectors and countries are systemic and are thus better addressed through collective and collaborative efforts. It is for this reason that the group has been an active member of the ETI since 2013 to better understand areas of greater risk and industry best practice in monitoring and educating suppliers, as well as equipping divisional and centralised teams to best identify and manage negative impacts encountered in global supply chains. Through the incorporation of the ETI base code in the group's code of conduct and the adoption of a continuous improvement approach with suppliers, the group promotes the fair treatment of workers.



Machinist at Nortex factory

**5.4.7 Priority areas and salient issues**

For FY2024, high risk factories reduced to only **13.5%**. The bespoke social compliance system utilises a risk rating methodology which considers both the audited non-compliance count, as well as the assigned criticality of each non-compliance to compute a risk rating. Factories are considered high risk if third party auditors report one ‘critical’ or more than 10 ‘major’ non-compliances on a site. Business critical non-compliances, which result in immediate business suspension until remediated, include issues such as child labour, forced labour, undocumented foreign workers, and severe health and fire safety violations. With substantive factory audit coverage of **94.1%**, robust on-boarding processes and strict contractual parameters in place for social compliance, the group is able to identify several key priority areas, as well as some salient worker issues within its value chain. Salient worker issues refer to the most severe and likely, actual or potential, human rights risks that have a negative impact on workers. Salient worker issues are identified through the assessment of systemic challenges that impact social compliance in the various sourcing countries. This helps to understand the nuances of country risks, legislation and regulatory requirements as well as the most pertinent risks of potential violations of workers’ rights in the group’s value chain. This helps the group to be more informed when making sourcing country decisions. The assessment includes the revision of the group’s Responsible Sourcing Framework, as well as adaptation of its risk rating configuration, to ensure alignment with industry best practice to appropriately identify, prevent, remediate and monitor potential or actual adverse impacts to workers. Due to unacceptable high systemic country risk, the group does not source from the factories located in Xinjiang Uygur Autonomous Region.

The group recognises the need to prioritise due diligence efforts by focusing on the identified high priority and salient issues, and has tailored its compliance risk ratings and remedial action processes accordingly, with targets set to reduce high risk factories and increase remediation timelines of all critical non-compliances. During the year, excessive overtime in China was identified as a salient issue that necessitated an in-depth analysis of international labour standards, including but not limited to ILO conventions and ETI. Internally an audit review was conducted of every Chinese factory that had a non-compliance pertaining to excessive overtime. Audit reports were scrutinised for all pertinent factors impacting worker wellbeing and freedoms in conjunction with overtime. The international thresholds and considerations were applied, and internal risk-rating methodology adjusted to cater for a category of factories that exceed national restrictions in China but fall within internationally accepted norms which uphold worker safety and overall wellbeing. This reduced the risk scores allocated to some instances of excessive overtime in China. Overtime hours that contravene the ILO standards remain a high-risk non-compliance and reduction of excessive overtime is required as part of corrective actions. As a result of this assessment, social compliance teams were able to enhance their understanding of this issue, identify opportunities for development with suppliers, and reduce the group’s high-risk factory complement.

The group’s identified salient issues include actual or potential risks to workers where:

- Health and fire safety regulations are not practiced
- Wages and labour regulations are not applied
- Excessive working hours are regularly experienced
- Work is not freely chosen, discrimination is experienced
- Freedom of association and collective bargaining are not respected

The group’s position on these matters is detailed in the code of conduct which is communicated to all suppliers. Compliance by suppliers with their contractual and ethical obligations in respect of these issues is monitored and assessed through the implementation of the responsible sourcing guide, social audits conducted by third parties and collective remediation of identified issues.

**5.4.8 Grievance mechanisms**

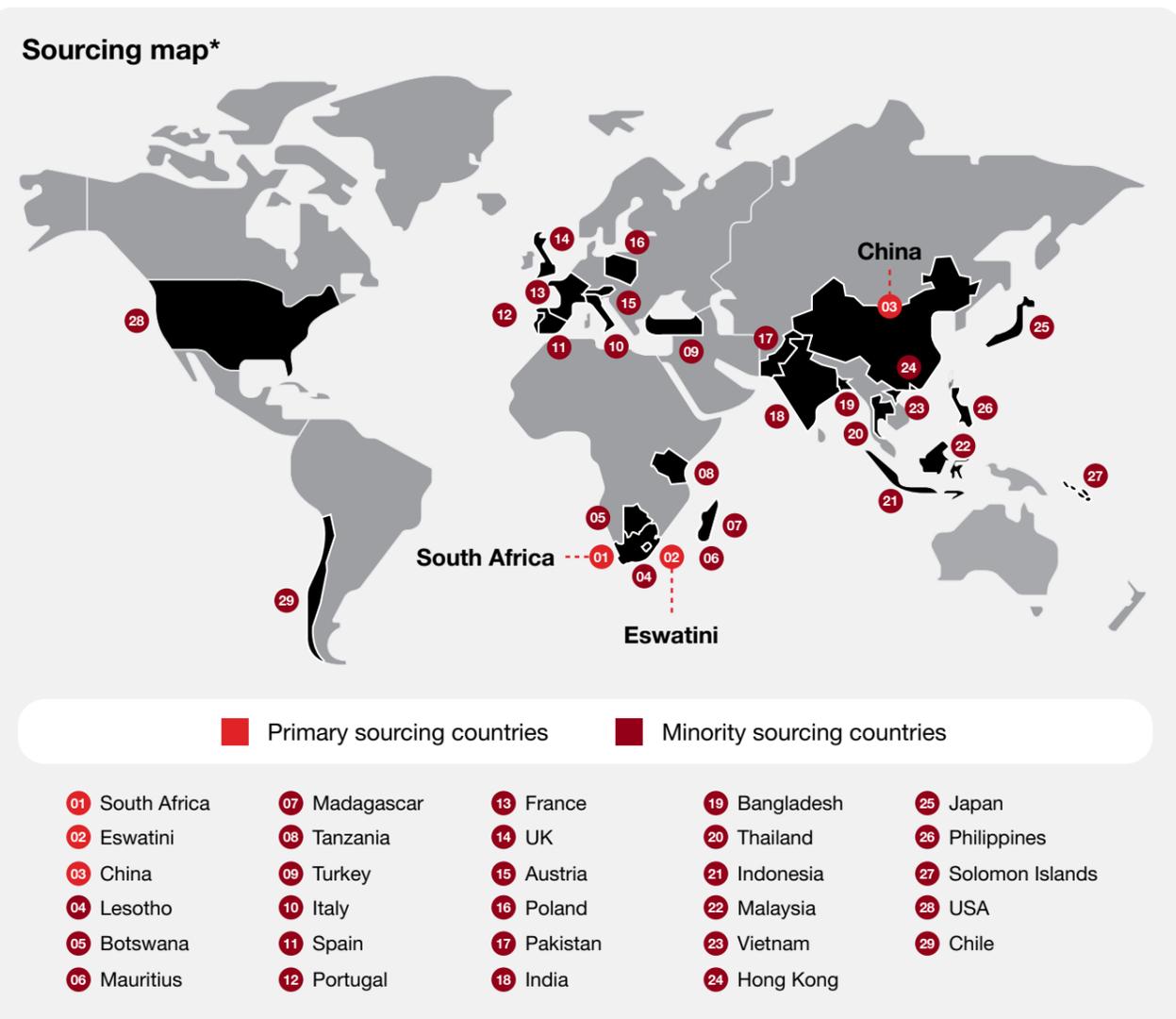
The group promotes the independently managed FairCall hotline facility via its website [www.mrpricegroup.com](http://www.mrpricegroup.com). This confidential service is available to anyone, including factory workers, and enables grievances to be reported safely and anonymously. Social and ethical compliance audits include worker interviews (individually and in groups), which remain an integral and crucial component of the worker voice during the audit process. No reports of human rights violations, including child labour, were received via FairCall during the year. More information on FairCall for the reporting period can be found on [page 79](#).

**5.4.9 Ethical buying practices**

The group’s approach to ethical buying practices is integrated and embedded throughout the organisation and is supported by ethical buying training. The group’s ESG Centre of Excellence centrally oversees social compliance and guides and monitors processes, procedures and best practice developments, which are implemented in the trading divisions by the sourcing and buying teams. Training equips sourcing and buying teams with knowledge to understand the holistic impacts of purchasing practices and ensures ongoing cross functional collaboration by all associates within the group. The group’s training academy continues to prioritise the enhancement of knowledge of production, sustainable manufacturing processes and the impact of decisions during procurement processes.

Since inception the Mr Price Academy has trained merchants as follows:

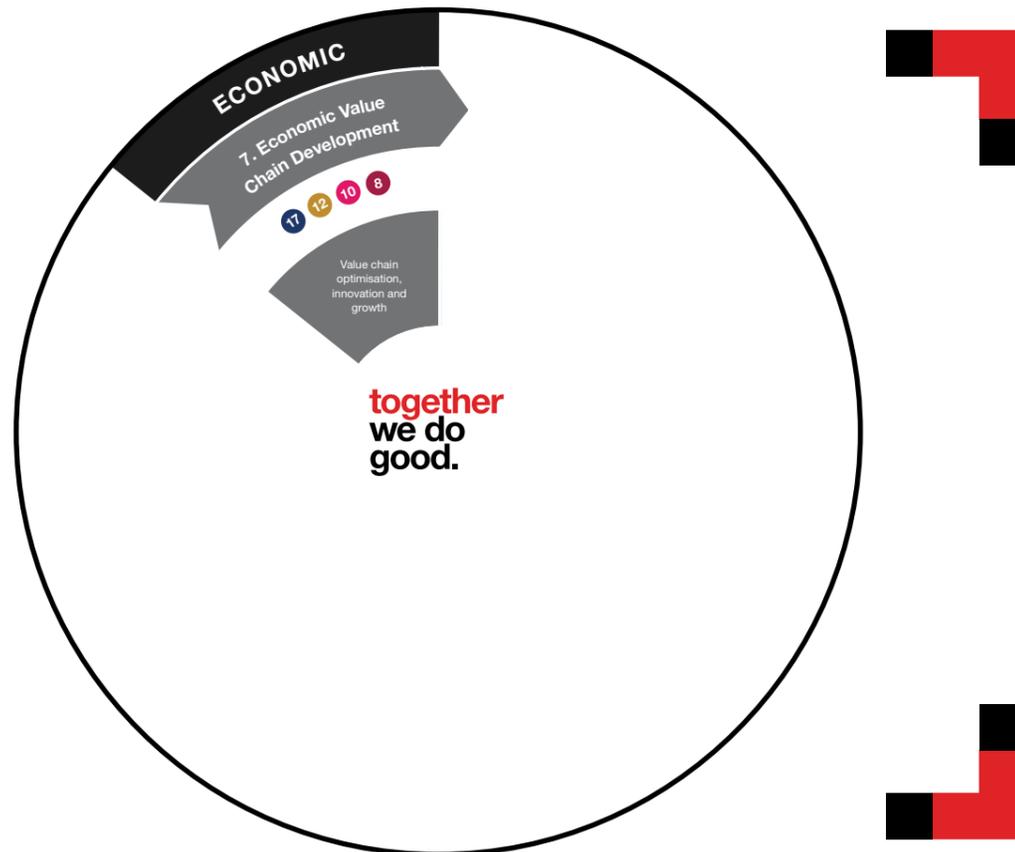
- Buying Ethically **608** associates
- Introduction to Supply Chain **267** associates
- Supply Chain Interactive Game **240** associates
- Critical Path Management **98** associates
- Introduction to Sustainability **583** associates



\*In no particular order

# PART 6 Economic

## Overview



The group aims to have a sustainable value chain that is optimised and innovative. The key objective of the group's value chain development programme is to ensure that the business has a capable, responsive, sustainable, compliant and agile supplier capability that supports current and future supply requirements, and ultimately a sustainable business that can deliver the group's strategy and vision. To achieve this, the group measures supplier social compliance (see page 69) and commercial performance which provides a blended view of performance, and assists with a targeted development programme that helps suppliers improve their own KPIs. The group recognises the need to introduce environmental performance measures for suppliers to create a true 'balanced scorecard' and is working on integrating these measures in the future. In the short term, however, and specifically in the context of the systemic issues in South African manufacturing and production, and the group's commitment to local procurement and social compliance is the priority. Value chain development activity is underpinned by a detailed fit for purpose and proprietary supplier grading tool that tracks real-time supplier performance data. Using this data, the group supports value chain development in partnership with suppliers, government, industry clusters, internal teams and through its supplier development loan programme. The group recognises the need to localise production, with the previously set localisation objective to procure 100 million units from South Africa by 2030. This provides an opportunity to develop in-season trading capability that enables trading divisions to be responsive to customer demands and supports the creation of much-needed jobs and industry skills in South Africa. To support ongoing localisation, the group actively participates in the development of SMMEs that show potential to supply products to the group. This is done in collaboration with industry specialists to ensure a sustainable approach is taken. See pages 75 to 78 for further detail.

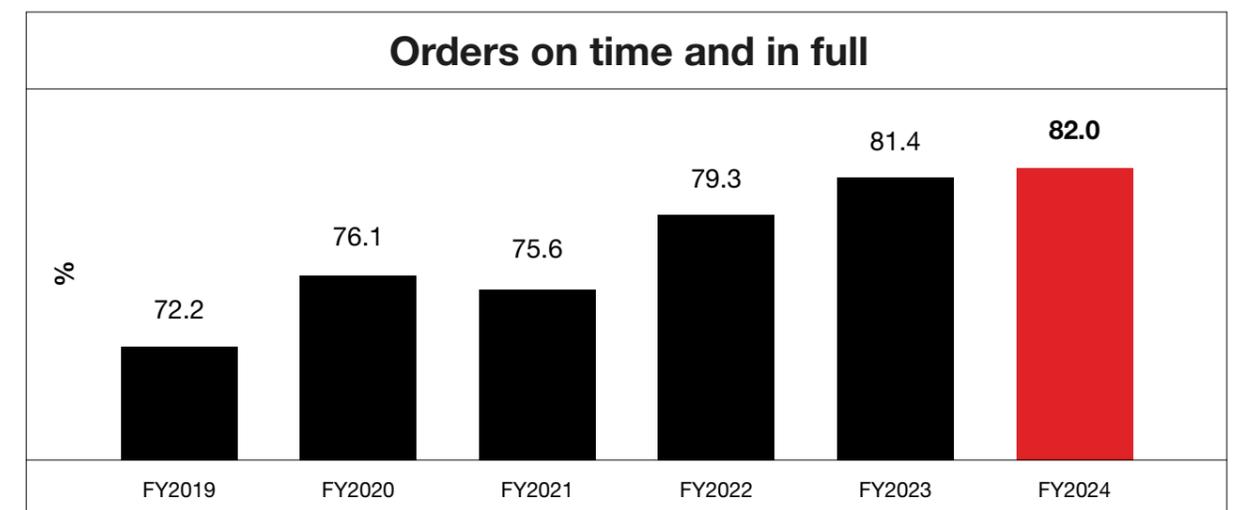
## The key economic achievements for FY2024 are:

Sustainability indicator	SDG	FY2024 actuals
RSA procurement (units)		<b>103.5m</b> products manufactured in RSA
% RSA procurement (% of cost price)		<b>35.6%</b> of the group's total product spend is on RSA manufactured goods
Supplier performance: % of order book A to C grade		<b>95.5%</b> of suppliers are graded A to C grade
Supplier performance: OTIF %		<b>82.0%</b> of suppliers delivered orders both on time and in full
Supplier performance: OT %		<b>86.3%</b> of suppliers delivered orders on time
Supplier performance: IF %		<b>93.9%</b> of suppliers delivered orders in full

### 6.1 Supplier Grading and Performance

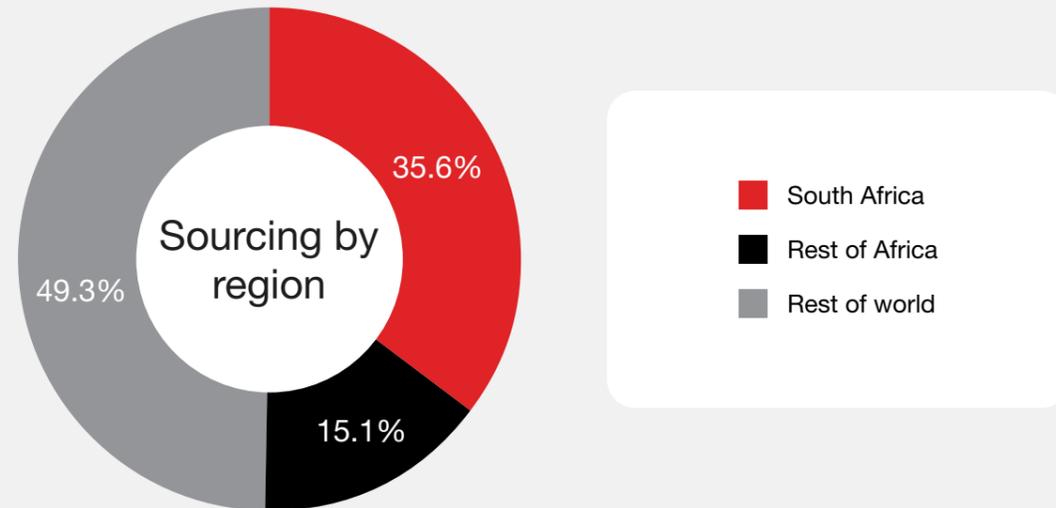
The group has a well-defined proprietary supplier grading methodology that incorporates a variety of metrics to track delivery reliability (as measured by on-time and in-full delivery (OTIF)), DC delivery conformance, breakages and quality (as measured in bulk inspection pass rates). When combined, these metrics are used to calculate an overall grade by supplier – from A to E. Through regular communication of performance data and direct coaching of suppliers, the group has achieved significant OTIF and A to C grade improvements. This has resulted in benefits to both suppliers and the group. For suppliers, improved performance resulted in an increase in order volume, should all other requirements be in place. For trading divisions, supplier performance improvement resulted in delivering value to customers, making full product offerings available as planned. During FY2024, **95.5%** of suppliers achieved A to C grades. This represents a three-year improvement of 3.4% on an already high base.

OTIF is the most heavily-weighted component of supplier grading because it measures if customers are getting the product they want, when they want it. During FY2024, **82%** of orders were both on time and in full. This is an increase of 0.6% from FY2023 and an overall five-year improvement of 9.8%. The group also measures on time and in full separately, which allows the root cause of performance issues to be identified.



## 6.2 Local Procurement

In line with the objective to develop local manufacturing capability, the group is a signatory to and therefore supports the DTIC's Retail-Clothing Textile, Footwear and Leather Master Plan 2030 (Master Plan). In terms of this, the group has increased procurement from South African suppliers from **80.3 million** units in FY2020 to **103.5 million** units in FY2024, valued at **R4.54 billion** (at cost price). This represents **35.6%** of the group's total spend. In Africa, the group procured 123.3 million units valued at R6.46 billion in the same year, equating to **over 50%** of total spend. Sourcing split by region is outlined in the chart below.



While the group remains committed to procure its largest contribution of products from South Africa and the region, several challenges affect these goals. These include accessing the required capability, quality, technology and skills that meet the needs of the business and its customers. In recent years, South African retailers have been impacted by international ecommerce players, which has placed added pressure on localisation. This is an industry issue that impacts multiple disciplines (e.g. customs and excise) and has been raised with the DTIC through the Master Plan forum and the membership of the NCRF. For more detail on country of origin, see the map on [page 71](#).

In support of local procurement, the group established its own supplier development cluster in 2022 incorporating three trading divisions and five South African suppliers. The group is contributing **R2.59 million** to the cluster, which is co-funded by the DTIC's Clothing, Textile, Footwear and Leather Growth Programme (CTFLGP) and aims to leverage the competitive advantage of local supply through the design and rollout of a localisation roadmap.

## 6.3 Industry Partnerships

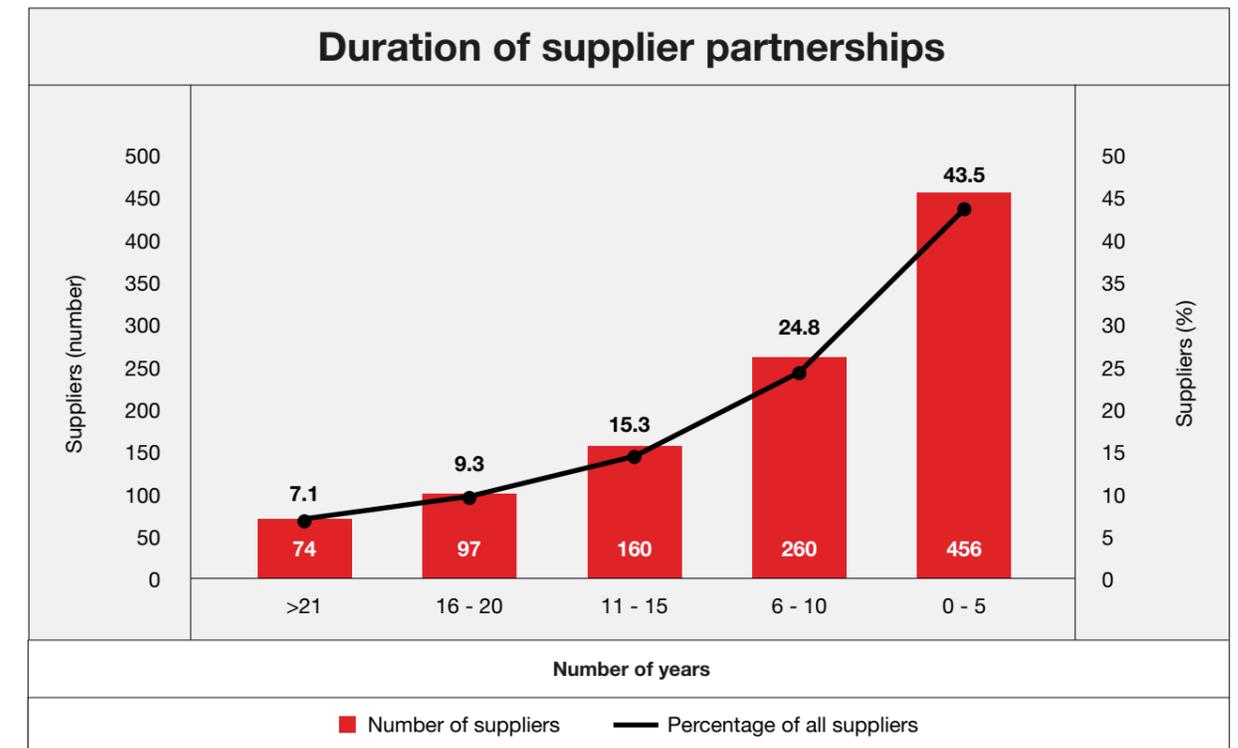
The group supports the local industry through its funding of and participation in the KZN CTC. This is a not-for-profit public/private sector partnership of local manufacturers and retailers which aims to boost the competitiveness of the local industry. Along with numerous other activities, the KZN CTC helps the group to find new suppliers through the Business Accelerator programme. Promising suppliers go through an intensive capacity-building workshop and then present their business plans to a variety of retailers. If selected by a retailer, a given supplier receives expert coaching to unlock a trading opportunity. The case study on Argento Trading, a successful Business Accelerator participant, was included in [last year's report](#).

## 6.4 Value Chain Skills Development

As the group rolls out its localisation roadmap, local economic growth takes place and employment is created within South Africa. In support of growth the group invested **R250 000** in the development of a local black-owned supplier in FY2024 to develop the supplier's costing, quality management and capacity planning capabilities. In addition, the group supported the training of **17** machinists, leading to the creation of **10** jobs. Training of machinists is part of the CTFLGP supplier development cluster activity (see industry partnerships above) through which the group has committed to train 250 machine operators over two years in support of the creation of 200 manufacturing jobs.

## 6.5 Supplier Partnerships

The group has **1 047** active suppliers (excluding acquired businesses). Over 31% of suppliers (being **331** suppliers) have traded with the group for more than 10 years and **74** suppliers have had a relationship with the group for more than 20 years. The tenure of the group's supplier base is reflected in the graph below. While long-standing supplier partnerships are key, the group is constantly looking for new supplier partnerships to deliver fashion value that surprises and delights customers and provides newness. During FY2024 the group onboarded **79** new suppliers. See [page 68](#) for more on supplier compliance process.



## 6.6 Supplier Development

The group adopts a supportive role regarding suppliers and has a dedicated supplier development function within the ESG Centre of Excellence. Along with driving localisation and managing industry partnerships, the group also provides direct performance improvement coaching to suppliers with key development requirements. In FY2024, **14** suppliers received direct coaching in the form of a monthly meeting during which performance was discussed and key improvement initiatives identified. This is aside from the continual feedback and support provided by divisional sourcing teams. Performance of development suppliers is monitored through measurement of OTIF delivery and grading, as explained on [page 74](#).

As part of the group's supplier development programme, qualifying black-owned small- and medium-sized suppliers were provided with financial loans to the value of **R29.04 million**. In addition, a **R6.48 million** loan was provided to a local cotton gin to source South African cotton from small scale farmers for the group towelling programme. The group has implemented development loan programmes for the past **12 years** and has partnered with Absa to manage this programme since FY2021.

## 6.7 Supplier Engagement

The group strives to continuously improve its relationship with suppliers. Each year a supplier survey is conducted to assess progress. In this reporting period, suppliers awarded the group a score of **85.6%** across a variety of metrics. This is an improvement from the previous year's score of **81.4%**.

Based on responses from 138 suppliers representing 49.3% of the group's order book, the survey highlighted some key strengths. The group's representatives treat suppliers with respect and live up to the group's values of Passion, Value and Partnership. As in previous years, the group could improve clarity of performance metrics and clarity of divisional strategies.

6.8 CASE STUDY



together we do good.

# Supplier development with **Nortex**

Nortex is a towelling manufacturer based in Botswana and South Africa, which has grown to be a major supplier of premium towelling. The company was formed in Botswana in 1991 with 40 - 50 employees. Based on the increase in demand for locally made goods, the company expanded into South Africa five years ago and now has the capacity to produce 390 tons of towelling a year in its two manufacturing plants.

Nortex is involved in two of the group's supplier development initiatives. The group's South Africa cotton programme promotes demand for locally grown cotton by securing this cotton at source and facilitating its flow through the value chain into stores. The high-level objective is to promote sustainably grown cotton, support small scale farmers and create local economic growth and employment. In FY2024,

Nortex committed to procure 118 000 tons of local cotton yarn for use in nearly 2 million towels. For Nortex, the benefit of the programme is significant. Not only is it assured of sustainably grown cotton supply throughout the year, but retail divisions also commit to a forecast demand a year in advance, creating overall value chain stability.

As part of an arrangement with the Botswana government, the group sponsored six Nortex managers to participate in a team leader development programme in FY2024. These managers were provided with a grounding in lean manufacturing and were each required to implement an efficiency improvement project. The programme has fostered a change in mindset among leaders and has generated over R450 000 in annual savings for Nortex.

Mr Price Group is committed to developing value chains for the benefit of all.



Machinist at Nortex factory



Nortex towels at Mr Price Home

# PART 7 Ethics

## 7.1 Governance and Business Ethics

The group is committed to high standards of governance and ethics which are essential in safeguarding the interests of all its stakeholders. The group's long-standing beliefs of Passion, Value and Partnership are at the centre of the group's ethical culture. These beliefs are the foundation of ethical behaviour and leadership at the group and are embraced by all associates. These beliefs permeate all business activities from the vision, purpose and strategy at board level to everyday store activities. More information on ethical leadership is set out in the [board report](#) on page 132 and detail on the values are on [page 59](#).

The board is ultimately responsible for the governance of ethics. The board delegates ethics oversight to the SETS Committee, which sets the tone for an ethical culture and behaviour by approving the code of conduct and related policies. The committee assists the board by overseeing the group's conduct and approach to ethics by ensuring that business is conducted in a manner which supports the group's intent to be a responsible corporate citizen. This committee in turn delegates the implementation and management of ethics to senior management. In addition, the committee has the statutory obligation to perform its duties in terms of the Companies Act and its mandate to monitor the group's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice.

The code of conduct formalises the group's stance on various ethical issues, includes and upholds the group's commitment to human rights, equal opportunity, fair treatment, forced and child labour, environment and anti-bribery and corruption principles. The code of conduct, which was reviewed in this reporting period, is publicly available on the group's [website](#) and detailed on [page 65](#). The code of conduct is incorporated into associate employment contracts and contractual arrangements with suppliers and other service providers.

## 7.2 Grievance Mechanisms

The FairCall hotline, in addition to other confidential internal avenues, is managed by KPMG and provides a confidential and anonymous mechanism for associates and other parties to report non-compliance with the code of conduct, group policies or laws. The group compliance and ethics officer as well as line managers provide advice to associates on ethical and lawful behaviour.

Ethics and forensics matters reported via FairCall are investigated internally by the group compliance and ethics officer or by external service providers as required, according to a defined escalation and investigation framework. According to this framework, non-ethics matters relating to human resources (HR) are referred to and investigated by the group's employee relations function and are reported at People Centre of Excellence board meetings. Following investigation, appropriate remedial action in respect of founded allegations is taken in terms of the group's disciplinary code.

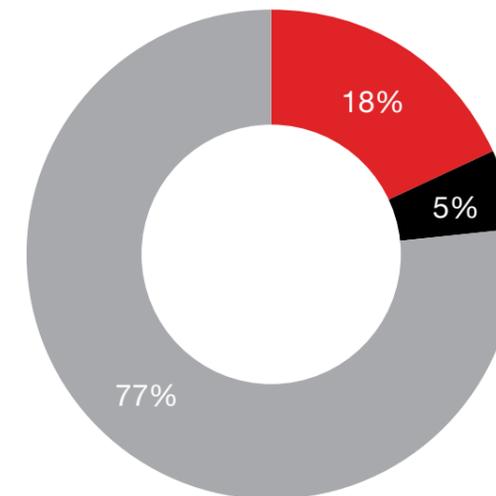
During the reporting period there were no material ethical or fraud issues and no human rights violations.

The SETS Committee is satisfied that matters reported during the period, including HR-related matters, were appropriately considered, reviewed, investigated (where necessary) and action taken in accordance with the relevant disciplinary codes, where allegations were founded.

## 7.3 Ethics Training and Awareness

To foster an ethical culture and to assist associates in navigating the ethical dilemmas that may arise in the workplace, the group empowers all associates by means of awareness, skills and competencies. Given that an ethical culture is a collective effort, ethics must be institutionalised throughout the group and therefore ethics training is conducted on a monthly basis by the group compliance and ethics officer. The training raises awareness on the group's code of conduct, other supplementary policies and the principles documented therein and is a risk mitigation for unethical behaviour. At the end of FY2024, 42% of head office associates and store managers have attended ethics training (excluding Studio 88), with a target to materially increase training coverage in FY2025. The intention in FY2025 is to convert ethics training to the online platform which will allow store associates easy access.

## Whistleblowing allegations FY2024



For the reporting period **360** reports were received through FairCall and internal channels with a total of 780 allegations.

- Valid HR allegations
- Valid non-HR allegations/forensic allegations
- Non-valid allegations

- 10 reports included allegations related to non-HR/forensic matters for the period with preliminary reviews performed by KPMG
- No forensic reviews or investigations were required

## 7.4 Ethics Monitoring and Reporting

The group compliance and ethics officer monitors ethical compliance and when necessary is supported by internal audit and external professional advisors. Annually, a declaration of code of conduct compliance process (including conflicts of interest matters) is undertaken across the business by directors, associates at head office and store managers, as these roles engage with and could influence relationships with suppliers, service providers or professional advisors. The outcome is reported to the SETS and the Audit and Compliance Committees as part of its compliance oversight role. During the reporting period 4 461 associates completed a code of conduct declaration (an increase of 31% from FY2023) and no material conflicts of interest were identified. Following KPMG's prior review of the conflicts of interest processes, an electronic conflicts of interest system was implemented in FY2024. During this reporting period, ethics training and awareness was ongoing, and included awareness and management of conflicts of interest. For conflict-of-interest management at board level, refer to the [board report](#) on page 150.

Ethics-related matters are reported at the quarterly ESG Centre of Excellence board meetings, attended by senior management of trading divisions and other centres of excellence. This reporting includes statistics and trends regarding reported ethical issues, results of the annual code of conduct declarations and other material ethics issues. These statistics and trends are also used to inform the group's organisational health index, which is monitored and reported by the People Centre of Excellence.

### Key ethics focus areas | FY2024

- Ongoing ethics training and awareness of code of conduct and other related policies to all head office associates and store managers, including acquired businesses
- Identified and implemented a conflicts of interest management system
- Finalised and obtained board approval for the fraud risk management framework and financial crime policy and response plan
- Reviewed and updated the code of conduct

### Future ethics focus areas

- Continue ethics training and awareness with the code of conduct and other related policies
- Convert ethics training to the online learning platform and make it accessible to in-store associates
- Convert anti-bribery and corruption and fraud risk management training to online learning platform and roll out training to head office associates
- Conduct training for HR and senior management on conflicts of interest system
- Conflicts of interest system internal audit review

## PART 8 Further Disclosure

### 8.1 Data Protection and Cybersecurity

As the custodian of valuable commercial and personal information, the group has a responsibility to protect personal information of all stakeholders and has continued its journey to mature data protection compliance with the South African Protection of Personal Information Act (POPIA) during this reporting period. KPMG previously conducted a data protection control review and the implementation of KPMG's recommendations continues to be managed by the group compliance function as part of the data protection project. Being cognisant of the risk of human error in data breaches, ongoing data privacy training is mandatory for all associates across the business with approximately 78% of associates trained (excluding Yuppiechef, Studio 88 and store associates below manager level). Data protection remains a high compliance priority with a focus on monitoring compliance with POPIA.

Two low risk data protection breaches were reported to the regulator during this reporting period, one of which has been closed while no feedback from the regulator has been received in respect of the other. One data protection complaint from a customer was responded to and addressed by the ethics and compliance officer in her capacity as delegated information officer. To manage cybersecurity risk and to appropriately respond to cyber-related incidents the group conducted a ransomware simulation and a cybersecurity NIST assessment with an external provider during the reporting period. The group adheres to the NIST cybersecurity framework as well as PCI DSS. Cybersecurity training is mandatory for all associates across the business with approximately 73% of associates trained during this reporting period. There have been no material cyber incidents in the reporting period. There are regular training interventions for both cybersecurity and data protection, which will continue with a focus on increasing associate attendance.

### 8.2 Ethical Use of Artificial Intelligence

Ethical use of artificial intelligence (AI) and data is at the forefront of any AI strategy to ensure the rights of the group's stakeholders are not infringed upon. In response to the transformation of AI and the investment in technology in the group, a policy is being introduced to establish guidelines and best practices for the responsible and secure use of AI and to protect against any risks to the business or stakeholders.

### 8.3 Anti-Bribery and Corruption

The group has a zero-tolerance policy regarding acts of bribery and/or corruption which is documented in the code of conduct. In addition, there is a board approved fraud risk management framework and financial crime policy and response plan. Eight reports were received via the hotline with allegations of bribery during this reporting period, three of which have been closed and are unfounded. The balance are still under review.

With the fraud risk management framework and financial crime policy and response plan finalised in FY2024, group-wide training is a focus area for FY2025. Training will be converted to the online learning platform, and divisional HR will ensure training is rolled out to head office associates.

### 8.4 Lobbying and Political Contributions

The group's commitment to remain politically neutral is stated in the code of conduct as well as a commitment to not use group funds, facilities, goods or services to influence political process. **Zero** financial or in-kind contributions were paid to any political parties or candidates during this reporting period. The group participates in forums where there is a material impact on the group, through industry bodies such as the National Clothing Retail Federation, the Retail Association and Business Unity SA (BUSAs).

### 8.5 Fines and Penalties for ESG Issues

The committee is satisfied that there have been **zero** fines, penalties, settlements or any other monetary loss incurred due to any ESG incidents or breaches.

### 8.6 Public Policy Development

The group is a signatory to and therefore supports the Retail-CTFL Master Plan which is a voluntary industry strategy to grow and develop South African manufacturing capability and capacity of clothing, textile, footwear and leather goods. The Master Plan, which supports the South African government's national development plan, has successfully directed an industry-led approach, supported by government and unions, showing how key stakeholders can drive progress that benefit the country and its people. Progress has also been made with the establishment of the group's supplier development cluster in partnership with national government and key suppliers, which enables the group to develop the required capability to increase local procurement. Further detail on these initiatives are on [page 75](#).

As part of its role as a responsible corporate citizen, the group's leadership formally engages from time to time with the Honourable Mayor of eThekweni Municipality, to add its voice to matters that impact the conduct of its business in Durban and the welfare of its associates, such as maintenance of and investment in infrastructure, and the CEO of Transnet, the port authority that manages the operations of the Durban port.

During the period, the group also provided comments, either directly or through appropriate forums, on the following legislative developments as part of the public commentary process:

- Companies Amendment Bills B27-2023 and B27B-2023
- Employment Equity draft five-year sectoral numerical targets

### 8.7 Responsible Marketing

The group is committed to upholding its brand promise and purpose to be "Your Value Champion". All marketing efforts are guided by a strong sense of responsibility and a commitment to accuracy. The group strives to ensure that all marketing activities are conducted honestly and respectfully towards its customers and comply with the requirement of the South African Consumer Protection Act and the Advertising Regulatory Board.

The group's content refrains from promoting alcohol consumption, smoking, illegal drug use, eating disorders, or terrorism, aligning with local and international laws. It is vigilant in ensuring that its content does not inadvertently encourage or condone cruelty to animals. Additionally, all marketing avoids any messaging that could be construed as promoting racism, xenophobia or unlawful behaviour.

The group is dedicated to providing transparent and truthful descriptions of its products and services, accompanied by relevant factual information. Furthermore, strict ethical standards are upheld and the group and its associates do not engage in bribery or corruption. The group is guided by and compliant with the following standards:

- Advertising Regulatory Board in South Africa
- The South African Consumer Protection Act
- King IV™ Code

Overall, the group aims to maintain a trusted and honest approach in all of its marketing endeavours.



Baskets made from recycled plastic

### 8.8 Product Safety

Ensuring product safety is an important part of the group's quality assurance process, which is well established and implemented by the quality assurance functions in the trading divisions. Suppliers are issued with manuals which clarify the standards expected to support the quality strategy of the group. Products for children have strict safety requirements detailed in a separate manual.

The manual for personal care and cosmetic suppliers is informed by guidance from the Cosmetics, Toiletry and Fragrance Association which aligns to EU standards.

Apparel and accessories are tested for phthalates, Bisphenol A, nickel release, azo colourants, lead in substrates and formaldehyde.

Cosmetics undergo various tests and all cosmetics suppliers must be ISO 9001 or GMP certified. Tags, cutlery, utensils and drinking equipment products also undergo a series of tests to ensure customer safety. An immaterial number of products were recalled for quality and safety reasons in FY2024.

The group's quality assurance process is depicted below:



# PART 9 Additional Information

## 9.1 Policies

The following group policies support and enable the group’s ESG activities (publicly available policies are linked below):

- **Code of conduct** (applicable to associates and business partners)
- **Environmental policy**
- Responsible sourcing framework and implementation guide (for merchandise suppliers)
- Cybersecurity policy
- Diversity policy
- Internal audit charter
- **Privacy policy**
- Disciplinary code
- **Board and committee mandates**
- **Promotion of gender and ethnicity diversity on the board**
- Compliance standards
- Transfer pricing
- Subsidiary governance
- Side Hustle Policy
- Gift Policy

## 9.2 Industry Engagement and Memberships

The group views its role to create value in a sustainable way as an active responsibility which requires engagement and influence – Together We Do Good. To ensure the group can contribute to sustainability and ESG issues and make a difference both locally and globally, it (or relevant management) is a member of or actively participates in the following industry or government bodies, forums and charitable organisations:

Membership organisations	Country	Membership contribution
Ethical Trading Initiative (ETI)	United Kingdom	R2.45m paid in contributions
World Wide Fund for Nature (WWF)	South Africa	
Textile Exchange (TE)	United States of America	
Producer Responsibility Organisations (PROs) Polyco, Fibre Circle, Circular Energy, Light Cycle	South Africa	
KwaZulu-Natal Clothing & Textile Cluster (KZN CTC)	South Africa	
Retail Association	South Africa	
National Clothing Retail Federation of SA (NCRF)	South Africa	
The Compliance Institute of South Africa	South Africa	
Institute of Directors South Africa (IoDSA)	South Africa	
The Ethics Institute	South Africa	
Non-Profit partnerships	Country	Value of donation
Mr Price Foundation	South Africa	R29.5m
Taking Care of Business (formerly The Clothing Bank)	South Africa	R49.5m 858 667 units
Clothing Box	South Africa	R3.2m 53 810 units
Project Rhino	South Africa	R523k
Wild Oceans	South Africa	R695k
Signatory organisations	Retail-Clothing, Textile, Footwear and Leather (R-CTFL) Master Plan 2030	

## 9.3 FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute forward looking statements which, by their nature, involve risk and uncertainty because they relate to future events and circumstances that may be beyond the group’s control. The directors therefore advise readers to use caution regarding interpreting any forward-looking statements in the report.



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# Administration and Contact Details

	Address	Phone	Fax	Websites
Corporate Mr Price Apparel	Upper level, North Concourse, 65 Masabalala	031 310 8000 031 310 8638	031 304 3725 031 304 3358	mrpricegroup.com mrp.com mrphome.com
Mr Price Home Mr Price Sport Sheet Street Mr Price Foundation	Yengwa Avenue, Durban, 4001 Private Bag X04, Snell Parade, Durban, 4074	031 310 8809 031 310 8545 031 310 8300 031 310 8242	031 328 4138 031 306 9347 031 310 8317 031 328 4609	mrpricesport.com sheetstreet.co.za mrpricefoundation.org
Miladys	30 Station Drive, Durban, 4001 PO Box 3562, Durban, 4000	031 313 5538	031 313 5620	miladys.co.za
Yuppiechef	14 Stibitz Street, Westlake, 7945	021 702 4969		yuppiechef.com
Power Fashion	350 Umhlangane Road, Riverhorse Valley, Redhill, 4071	031 570 8400		powerfashion.co.za
Studio 88	Aeroton Business Park, 30 O'Connor Place, Aeroton, Johannesburg, 2190	011 006 0888		studio-88.co.za
Mr Price Money Mr Price Mobile	214 Dr Pixley KaSeme Street, Durban, 4001 PO Box 4996, Durban, 4000	031 334 1011		mrpmoney.co.za
KPMG FairCall	BNT 371, PO Box 14671 Sinoville, 0129	0800 00 6465		www.thornhill.co.za/kpmgfair-callreport/questionnaire/main/
Customer Care		0800 212 535		
Account Services		0861 066 639		

## Company Secretary and Registered Office

### Janis Cheadle

Address: Upper level, North Concourse, 65 Masabalala  
Yengwa Avenue, Durban, 4001

Address: PO Box 912, Durban, 4000

Tel: 031 310 8000

## Domicile and Country of Incorporation

Republic of South Africa

## Sponsor

Investec Bank Limited

## Investor Relations

### Matthew Warriner

Address: Upper level, North Concourse, 65 Masabalala  
Yengwa Avenue, Durban, 4001

Address: PO Box 912, Durban, 4000

Tel: 031 310 8000

## Registration Number

1933/004418/06

## Independent Auditors

FY2024 Deloitte & Touche

## Transfer Secretaries

### Computershare Investor Services (Pty) Ltd

Address: Rosebank Towers, 15 Biermann Avenue,  
Rosebank, 2196

Address: Private Bag X9000, Saxonwold, 2132

Tel: 011 370 5000

Email: proxy@computershare.co.za