JSE Sustainability Disclosure Guidance

The JSE Sustainability Disclosure Guidance – Narrative Disclosures and Metrics have proven valuable in navigating the ever-evolving global sustainability landscape, particularly in light of the recently introduced ISSB standards.

This guidance is finely tuned to the specific nuances of the South African context, making it a relevant and practical resource for enhancing the quality of sustainability disclosure and facilitating more informed investment choices. What follows is an overview of our approach to applying this JSE Narrative Disclosures guidance.

Pg This section should be read in conjunction with **Sustainability strategy** for the complete disclosure narrative.

Sustainability governance

Effective governance is a vital component to the group's sustainability. The board has a responsibility for ensuring that the group is, and is seen to be, a responsible corporate citizen.

Board oversight

While effective control of the group is the responsibility of the board, it has delegated certain authority to executive management and board committees. The board is also responsible for setting an ethical tone, creating a culture of integrity and compliance characterised by appropriate levels of transparency and disclosure. The board's function is assisted and supplemented by the SEC.

Social and ethics committee

The SEC oversees and reviews the group's strategy and performance as it relates to ESG matters. The independent non-executive chair of the committee, together with the CEO, is responsible at board level for all ESG matters reported on in the sustainability report, including climate change.

The committee's responsibilities cover various areas such as health, safety, consumer relations, labour, environment, B-BBEE compliance, and anti-bribery and corruption. Operational management is responsible for ensuring compliance with regulations.

Composition of the committee and responsibilities

The group's governance framework includes principles for ethical leadership, responsible citizenship, adherence to organisational values, strategic guidance, enhanced reporting, environmental awareness and sustainable business practices. The SEC monitors these principles, ensuring compliance, strategic alignment and continuous improvement.

SEC committee members

The committee, chaired by independent non-executive director Fagmeedah Petersen-Cook, consists of the CEO and independent non-executive directors Paula Disberry and Zola Malinga.

In line with King IV™ compliance, the committee is primarily composed of independent non-executive directors. Executives from HR, internal audit, compliance, investor relations and risk management are invited to committee meetings. During FY25, these committee members and executives were present at all meetings of the committee. The chair also serves as a member of the audit and risk committee, ensuring efficient information flow and alignment of sustainability risks. The human resources and remuneration committee (Remcom) and the board jointly (with recommendations made by the SEC) oversee sustainability incentives for senior executives and operational managers.

The SEC operates within a board-approved terms of reference, focusing on governance and sustainability responsibilities. The board confirms it has reviewed the content of the information and believes it is a fair presentation of the group's sustainability performance.

Sustainability governance structure

Effective governance is a vital component and contributor to the group's sustainability. The board and the CEO, supported by the executive leadership team, are responsible for upholding good corporate governance and providing oversight of sustainability-related impacts, risks and opportunities. Decisions and actions of the board embody fairness, responsibility, accountability and transparency. By setting the tone, the board ensures a culture of robust governance filters through the organisation. Operating businesses in turn set governance and management structures in place to execute on the group's sustainability strategy. The SEC working group and ESG champions in our operational businesses drive strategic ESG priorities, fostering a decentralised approach in the group's implementation process.

The board subscribes to the principles and recommended practices contained in King IV™, which are fundamental to good governance. The recommended corporate governance structures and practices are pivotal to delivering sustainable value in the interest of all Pepkor's stakeholders. As such, the group reviews these regularly to reflect best practice, facilitate effective leadership and responsible corporate citizenship.

Governance structure for climate-related decision-making

For more detail on the group's board and governance structure, refer to our corporate governance report.

JSE Sustainability Disclosure Guidance

Policies and codes

- B-BBEE annual compliance report
- Promotion of Access to Information Act (PAIA) manual
- Code of ethics
- Board charter
- Board diversity policy
- Corporate social investment policy
- EE policy
- Environmental policy
- Supplier code of conduct
- Human rights policy
- Insider trading policy
- Stakeholder engagement policy

Integration into remuneration policies

The group's policies direct behaviour and give guidance on procedures and processes. These provide consistency in our operating businesses and support our strategy. Amendments or new policies are tabled with the group Exco for submission to the board and its committees for approval, where necessary. Approved policies are communicated across the group to divisional management. They, in turn, have the responsibility to communicate it to their employees and ensure implementation. Feedback is provided to the SEC on the implementation and actions taken by divisional management for policies that are in the scope of the SEC's terms of reference.

ESG forms part of each operating business's executive team's responsibilities and are included as divisional and group executive short- and long-term incentives.

Remuneration report

Sustainability-related disclosure and communication

The JSE Sustainability Disclosure Guidance, informed by best practice international sustainability standards like the TCFD recommendations and IFRS Sustainability Disclosure Standards, has provided guidance in the way we manage and report on our ESG initiatives.

SEC committee members

Chair

Fagmeedah Peterson-Cook (50)

INDEPENDENT NON-EXECUTIVE DIRECTOR

BBusSc (Act.Sc.), FIFoA, Certificate in Climate Change and Sustainability, FASSA, PGDip Global Business OXON, PGDip (MgtPrac) UCT GSB, CD(SA) IoDSA

Chair of the social and ethics committee
Member of the audit and risk committee
Member of the investment committee

Fagmeedah was appointed as an independent non-executive director during April 2018 and is the designated insurance director for the group. She is an actuary with 25 years' technical experience in the financial services sector and brings enterprise risk management skills to the boardroom. She previously served as the chief investment officer at the Eskom Pension and Provident Fund and an executive director of Prudential. Fagmeedah served on the board of Telkom SOC as a non-executive director, where she chaired the investment committee until retiring from that board in 2022. Fagmeedah champions ESG principles at the various companies where she is involved. She currently serves on the boards of, inter alia, Valterra Platinum, Absa Pension Fund, Famous Brands, Africa Reinsurance SA, Capitalworks Fund III and Momentum Medical Scheme. Fagmeedah was also appointed as curator of 3sixty Life Limited during February 2023.

Member

Zola Malinga (47)

INDEPENDENT NON-EXECUTIVE DIRECTOR

BAcc (Hons), CA(SA)

Member of the audit and risk committee
Member of the social and ethics committee

Zola was appointed as an independent non-executive director on 1 June 2021. She is a CA(SA) and is the co-founder and executive director of Jade Capital Partners, an investment company with a portfolio in the real estate and industrial sectors. Zola has experience in investment banking, real estate, investment management and corporate governance, having held roles at Investec Bank and Standard Bank. She has previously served as a non-executive director on the boards of Hospitality Property Fund Limited, Grindrod Limited and Grindrod Bank (chair of the audit and compliance committee). She currently serves on the boards of SAPPI and Jade Capital Partners and chairs the St Mary's School Foundation.

Member

Paula Disberry (58)

INDEPENDENT NON-EXECUTIVE DIRECTOR

BA (Hons), MA (Cambridge)

Member of the investment committee
Member of the social and ethics committee

She has considerable retail experience, covering fashion, general merchandise and grocery, having held senior executive management positions at Woolworths and Pick n Pay locally. Paula also has significant international experience through her former roles with Tesco, BP, Colgate-Palmolive and Woolworths. She has previously served on the boards of the Country Road Group and Woolworths (African subsidiary boards and risk committee) and currently serves on the boards of ADNOC Distribution (Abu Dhabi), Sefalana Holding Company (Botswana), Sundry Markets (Nigeria) and Banhoek Chilli Oil (UK). She is a managing partner at Retailigence (UK), an AI-based retail software provider, and is the retail/FMCG advisor with a number of African private equity companies.

For more detail on the group's board and governance structure, refer to our **Corporate governance report.**