

Road to green

We are committed to taking steps to reduce our environmental footprint, adapt to climate change and embed sustainable practices across our businesses to ensure that resource efficiency, environmental stewardship and resilience remain core to how we operate.

NOR containers

Between October 2024 and March 2025, PepClo shipped 2 000 TEUs using non-operating reefers,

saving 1.1 tonnes CO₂ per TEU

on the Asia/South Africa leg while reducing inbound logistics costs. In total the group fills

> 20 500 TEUs

that will cover 43 football fields

Our response to climate disclosure

The urgency of global sustainability challenges is undeniable. In 2025, we have breached seven planetary boundaries, up from four in 2015, underscoring the escalating risks. As the impact of climate change intensifies, businesses must prioritise sustainability to reduce the emissions from their operations and develop resilience in order to remain operational. A 2°C or higher rise in the average surface temperature would have catastrophic consequences for humanity, nature and the economy, and South Africa is one of the regions that will experience an exaggerated temperature increase.

We recognise these climate risks and our responsibilities that arise from South Africa's promulgated Climate Change Act, the targets and global targets from the Intergovernmental Panel on Climate Change (IPCC).

Focus for FY26

Areas of improvement and future focus

- EPR plan implementation
- Three-year plan analysis and energy intensity target starting with PEP
- Profit-enabled initiative (PEI) exploration/business case development to scale positive social and environmental initiatives

NC

Strategic impact: Our road to green balances cost efficiency with environmental stewardship, ensuring Pepkor remains affordable, resilient and responsible in a changing climate.

By embedding climate action into operations, supply chains and sourcing, we protect ecosystems, support South Africa's transition goals and continue to deliver affordable products to customers in a sustainable way.

ENVIRONMENTAL FOCUS AREAS



Energy efficiency and carbon footprint



Transport and logistics



Water



Waste



Responsible sourcing

Our approach

Our environmental policy, supported by the board and executive management, provides the framework for our actions. It aligns with the UNGC environmental principles (7, 8 and 9) and commits us to:

- increasing** resource efficiency within operations;
- procuring** environmentally friendly products and materials;
- preferring** local suppliers where feasible to reduce climate impact; and
- embedding** environmental standards in our supplier code of conduct, encouraging suppliers to adopt sustainable practices.

Cross-group workstreams focus on energy, packaging, waste management, transport and logistics, and merchandise, ensuring sustainability is integrated into operations.



17 533 Scope 1 carbon emissions (tCO₂e)

227 375 Scope 2 carbon emissions (tCO₂e)

57 073 Scope 3 carbon emissions (tCO₂e)

301 981 Total carbon emissions (tCO₂e)

0.108 Scopes 1 and 2 CO₂ intensities per m²

 Carbon footprint

Introduction

Letter from our CEO

Report from our chair

Enabling affordable living

Inclusive growth

Road to green

Climate disclosure

Energy & carbon footprint

Transport & logistics

Sourcing & product

Packaging & waste

Water & conservation

Further disclosure

Corporate information

Use of dynamic mapping in response to TCFD

The task

Align climate disclosure with Task Force on Climate-related Financial Disclosures (TCFD) through scenario planning, prioritising initiatives and identifying metrics.

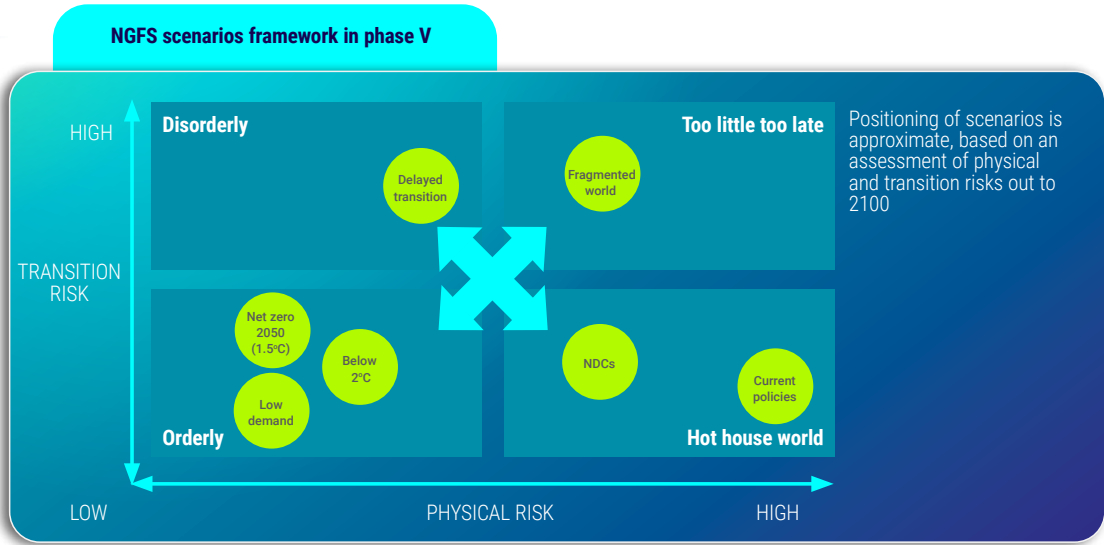
The challenge

Scenario planning can become static, overly technical and disengaging for operational teams given the volatile sustainability transition context.

The approach

Pepkor used Estuarine Mapping, a complexity-adapted method, to make climate planning more inclusive and risk informed. Established global and national climate scenarios by using the Network for Greening the Financial System (NGFS), Long-Term Low Emission Development Strategies (LT-LEDS), Just Energy Transition Investment Plan (JET IP), Climate Change Act and the World Wildlife Fund (WWF) water risk models as references.

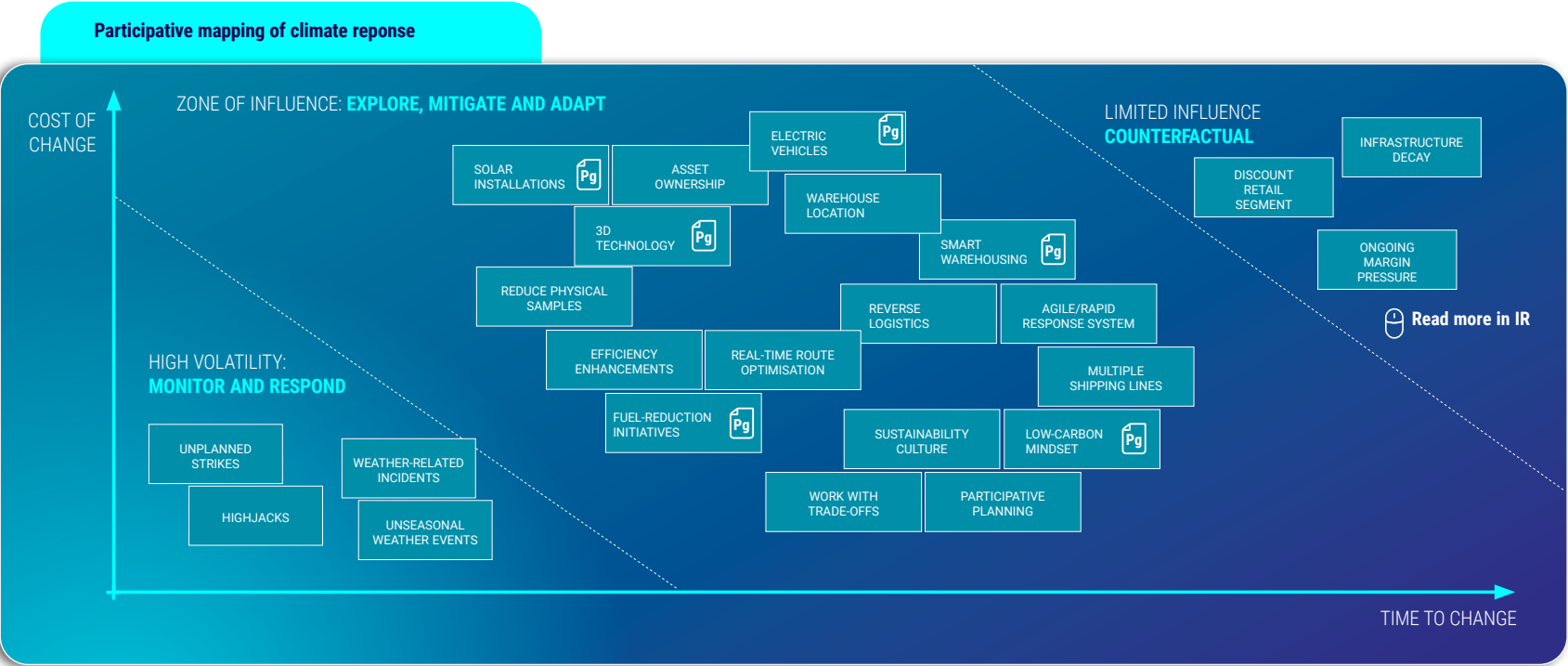
Teams across merchandise, supply chain, logistics and manufacturing explored boundaries, identified possible shifts and integrated actions into business plans.



The result

- **Higher engagement** and enthusiasm across teams
- **Practical opportunities** identified for climate resilience and emissions reduction
- **New cross-silo insights** in logistics, supply chain and merchandising
- **Shift from static compliance** exercises to dynamic, participatory planning
- **Mindset change** towards resilience and collective action
- **Illustrative output** – dynamic mapping of climate risk landscape

Estuarine mapping process



Introduction

Letter from our CEO

Report from our chair

Enabling affordable living

Inclusive growth

Road to green

- Climate disclosure
- Energy & carbon footprint
- Transport & logistics
- Sourcing & product
- Packaging & waste
- Water & conservation

Further disclosure

Corporate information

Energy efficiency and carbon footprint

Resource efficiency has always been part of Pepkor's low-cost business model. By investing in energy-efficient technologies and renewable solutions, we lower costs, reduce emissions and build resilience in a changing climate. As one of South Africa's largest retailers, our operational footprint is extensive, and we are committed to managing and reducing our carbon emissions across stores, distribution centres (DCs), hubs and offices.

Focus for FY26

- Set energy-related intensity reduction targets, starting with PEP
- Implement bilateral wheeling to increase access to renewable energy
- Continue testing and rolling out automated HVAC switching for smarter building management
- Extend LED retrofits across PEP and Ackermans

MM3

Strategic impact: Efficient energy use reduces operating costs and emissions, enabling Pepkor to keep prices low for customers while contributing to South Africa's JET. By combining technology investments with behavioural change, we are building a resilient, climate-conscious retail business fit for the future.

FY25 TREND INSIGHTS

-7% in grid electricity consumption to 216 734 MWh (FY24: 231 927 MWh)

R28.4 million invested in solar PV by Ackermans

+200% in solar intensity (KWh/m²) from 0.85 in FY24 to 2.55 in FY25

+5% in Eskom's emission factor 1.06 in FY25, impacting our Scope 2 emissions as electricity is our biggest carbon emission contributor

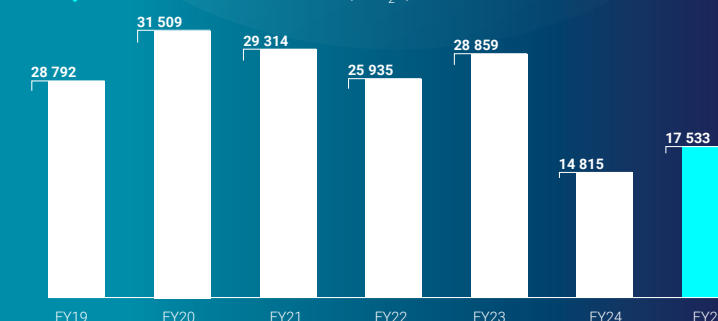
+7.7% in mobile fuel usage overall since FY24. However, by transitioning to a hybrid fleet, PEP has reduced mobile fuels by 14% on average since FY24

Key actions

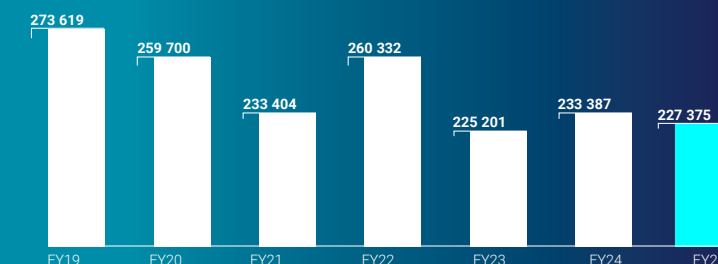
- **Carbon baseline and disclosure:** Established in FY22, giving Pepkor a foundation to begin setting reduction targets and aligning reporting with TCFD requirements.

CARBON FOOTPRINT HIGHLIGHTS

Scope 1 carbon emissions (tCO₂e)



Scope 2 carbon emissions (tCO₂e)



Scope 2 CO₂ intensities per m²



Introduction

Letter from our CEO

Report from our chair

Enabling affordable living

Inclusive growth

Road to green

Climate disclosure

• Energy & carbon footprint

Transport & logistics

Sourcing & product

Packaging & waste

Water & conservation

Further disclosure

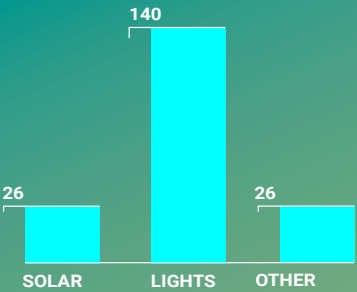
Corporate information

- **Energy-efficiency and LED projects:** All PEP and most Ackermans stores have been retrofitted with specially designed LED lights, saving up to 34% in electricity usage. PEP has a five-year replacement cycle and has initiated its third cycle, upgrading from a 22 Watt lamp to a 14 Watt lamp, which is expected to save 5.2 million KWh (5 934 CO₂e) over the next five years. LED lights have resulted in cumulative savings of 22 257 MWh since 2019 – equivalent to powering 4.5 billion cellphone charges and cutting 23 593 tCO₂e.
- **Solar photovoltaic (PV) roll-out:** Solar systems are now installed across our owned buildings, logistics hubs, head offices and 41 PEP Africa stores, providing 12 MWp total capacity, generating 5 197 MWh in FY25, and saving approximately R12 million in annual electricity costs.
- **Operational optimisation:** Pepkor Lifestyle DCs adopted forklift timers and staggered start times to lower electricity demand.
 - Weather monitoring and analytical data are used to maximise solar efficiency.
 - Smart scheduling of HVAC systems are under testing to cut unnecessary power use.

- **Behavioural change – SOS campaign:** Launched to promote energy-conscious behaviours among employees, ensuring that efficiency savings are not only technology-driven but people-driven.

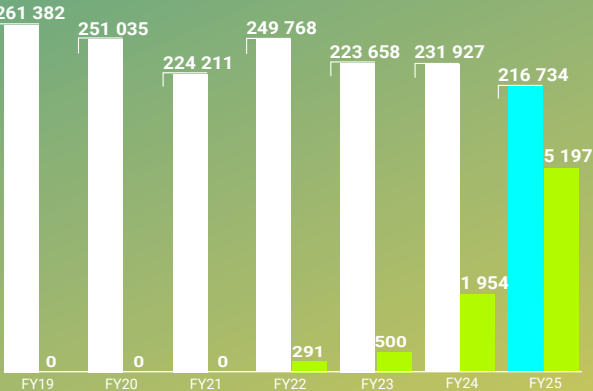


Capex planned for green energy-efficiency projects FY26 – FY28 (R'm)

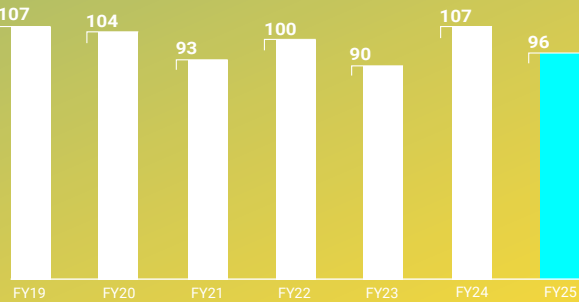


Total electricity purchased (grid) (MWh)

Total electricity generated (solar PV) (MWh)



Grid electricity consumed (kWh/m²/annum)



PepClo energy efficiency

PepClo transitioned from traditional three-phase clutch motors to servo motor-driven sewing machines, specifically direct-drive systems that eliminate the need for belts, reduce energy loss and draw power only when the machine is actively in use.

The performance gains are significant. Servo motor machines can run up to 4 700 stitches per minute, compared to the 2 700 of the older clutch systems, resulting in cleaner seams, more consistent garments and fewer defects to boost output and reduce operating strain.

These machines also deliver measurable productivity benefits:

- 15 to 30%** increased work efficiency
- 20 to 30%** increased labour efficiency
- Zero need** for motor maintenance or mechanical adjustments

 **PepClo** – Quietly Powerful: How new sewing machine motors are transforming PepClo's factory floor



Introduction

Letter from our CEO

Report from our chair

Enabling affordable living

Inclusive growth

Road to green

Climate disclosure

 Energy & carbon footprint

Transport & logistics

Sourcing & product

Packaging & waste

Water & conservation

Further disclosure

Corporate information

Transport and logistics

Transport and logistics are central to Pepkor's supply chain efficiency. With an extensive and diversified retail footprint, we continuously innovate to help build anti-fragile supply chains, reduce carbon intensity, optimise routes and unlock circular opportunities. By tailoring transport solutions to the unique needs of our business segments, we improve delivery performance while reducing costs and emissions.

Focus for FY26

- Continue optimisation to cut costs, enhance efficiencies and reduce emissions
- PKL is upgrading transport planning methodology, focusing on kilometre reduction and truck fill improvement, which should result in reduced carbon emissions
- Expand the use of digital monitoring to capture real-time efficiency gains
- Extend collaborative load planning and route optimisation across brands
- Scale last-mile efficiency initiatives to further improve cubes-per-kilometre metrics
- Consider EV fit assessment results and feasibility of possible EV transition plans

MM2

MC

Strategic impact: Smarter logistics reduce kilometres travelled, lower carbon emissions, reduce costs and build supply chain resilience. By embedding innovation, data-driven optimisation and circular solutions, Pepkor ensures goods are delivered 'on time, in full' while contributing to a greener, more sustainable logistics network.

TREND INSIGHTS

Fuel intensity

-2% litres of fuel used per cubic metre per year since 2017

CO₂e intensity

-2% carbon emissions per cube per year since 2017, despite store footprint growth

Pepkor Lifestyle fleet

-1% average in fuel use and CO₂e intensity since 2017

Key actions

- **Innovation in action:** Continuous innovation across Pepkor's logistics network is driving measurable efficiency gains, improved throughput and reduced turnaround times (TAT).
 - **Linehaul layout redesign:** Replacing floor packing with Ferni bins and expanding loading doors from eight to 15 boosted pre-loading capability and enabled colour-coded first-in-first-out (FIFO) tracking. These changes reduced loading times by 40%, improving fleet turnaround and delivery reliability.
 - **DC line balancing:** Introducing an automated divert between Pick-and-Pack and Full Carton lines added operational agility. Parcels can now be rerouted instantly during maintenance or downtime, ensuring uninterrupted processing and maximised uptime.
 - **PAXI cage relocation:** Relocating the PAXI cage closer to loading bays streamlined parcel flow, speeding up sorting and dispatch while improving use of floor space.
 - **Conveyor streamlining:** Shifting from horizontal to vertical conveyor alignment unlocked additional capacity during peak periods, reduced manual handling and optimised carousel staging efficiency.
- **Non-operating reefer (NOR) containers:** Between October 2024 and March 2025, PepClo shipped 2 000 twenty-foot equivalent units (TEUs) using NORs, saving 1.1 tonnes CO₂ per TEU on the Asia/South Africa leg while reducing inbound logistics costs.
 - 🕒 **Pepkor Logistics** – Rethinking the shipping return trip
- **Smart warehousing and logistics at Pepkor Lifestyle:** Pepkor Lifestyle implemented forklift scheduling and staggered start times, reducing peak energy strain.
 - 🕒 **Pepkor Lifestyle** – Pepkor Lifestyle unlocks new retail intelligence with AI
- **Last mile optimisation:** A new store delivery process, supported by digital tools, has improved the cubes delivered per kilometre travelled by 13%, strengthening last-mile efficiency in FY24.
- **Centralised co-ordination:** Our logistics function consolidates stock deliveries across multiple brands into single trips and optimises vehicle utilisation, reducing both costs and emissions.
- **Real-time monitoring:** Efficiency is tracked at trip, truck and driver level, ensuring continuous improvement and accountability.
- **EV fit assessment:** A Pepkor Lifestyle fleet pilot analysed 26 commercial vehicles for electric vehicle (EV) readiness using telematics data. Thirty-four percent of the vehicles were found to be 'EV ready' and up to 61% EV ready on a trip basis.

Introduction

Letter from our CEO

Report from our chair

Enabling affordable living

Inclusive growth

Road to green

Climate disclosure

Energy & carbon footprint

● Transport & logistics

Sourcing & product

Packaging & waste

Water & conservation

Further disclosure

Corporate information

PKL efficiencies

Since 2017, Pepkor Logistics has achieved a 2% average annual CO₂e fuel intensity saving per cube, supported by smarter routing, load optimisation and DC efficiencies.

Despite store footprint growth, litres of fuel used per cubic metre delivered, have decreased by an average of 2% annually, while decreasing CO₂e emissions.

 PKL – Continued fuel savings



- 12-MONTH ROLLING BENEFITS OF PKL INITIATIVES
- +33% in TAT at store locations
- 9% in core vehicle fleet (8 tonnes)
- +13% in delivered cubes per trip
- 43% in returned cubes per trip
- 5% in kilometres travelled
- 5% in number of trips
- +10% in vehicle utilisation
- +11% in cubes per drop
- 12% in Rand per cube YoY
- R74 million savings across supply chain initiatives



- Introduction
- Letter from our CEO
- Report from our chair
- Enabling affordable living
- Inclusive growth
- Road to green
 - Climate disclosure
 - Energy & carbon footprint
 - Transport & logistics
 - Sourcing & product
 - Packaging & waste
 - Water & conservation
- Further disclosure
- Corporate information

Local sourcing and product innovation

Pepkor embeds environmental and ethical standards across its sourcing practices to ensure that affordability does not come at the expense of people or the planet. By partnering with responsible suppliers and investing in local production, we build transparent supply chains, support South African manufacturing and reduce the environmental impact of transport and materials.

Focus for FY26

- Extend local sourcing in high-volume categories
- Expand partnerships with sustainable fibre innovators where feasible
- Drive consumer awareness of durability and sustainable design
- Roll out supplier sustainability certification pilot for Pepkor Product Solutions (PPS) office

MM2 MM3

Strategic impact: Responsible sourcing builds ethical, transparent supply chains while supporting South Africa's manufacturing sector and reducing transport-related emissions. By combining durable, sustainable products with local supplier partnerships, Pepkor helps customers stretch household budgets further while embedding resilience and circularity into its value chain.

FY25 TREND INSIGHTS

Sustainable material and cleaner production

98 million units (6.5% of total units) sourced from suppliers with accredited sustainability certificates (including ISO14001, GRS, OEKO-TEX, Higg Index), through PPS, the group's international sourcing office

Local sourcing volumes

235 million units sourced locally which is 29% of total units, and 31% by value

Regional sourcing

+146% YoY, further reducing the reliance on direct imports, which dropped by 548 million units during this year

Key actions

- **Supplier code of conduct:** 98% of CFH suppliers have signed Pepkor's supplier code and memorandum of acceptance, committing to UNGC principles on human rights, labour, anti-corruption and environmental stewardship.
- **Local sourcing**
 - **PEP sustainable materials:** PEP sourced 5 million units per season (up from 3 million in FY24) of BCI-accredited cotton, supporting more sustainable fibre use.
 - **PepClo:** With 1 900 employees, PepClo produces 12.5 million schoolwear and underwear items at South Africa's largest single-site clothing factory.
 - **Ackermans:** Local sourcing is a priority and 51% (FY24: 50%) of their business (excluding cellular) is currently sourced locally. A new sourcing specialist will help consolidate footwear with local suppliers and their ESD partner, Ibhayi.
- **Pepkor Lifestyle:** Sources 95% (FY24: 98%) of furniture locally, supporting the Furniture Industry Master Plan (FIMP).
- **Avenida:** 86% of units (FY24: 86%) sourced in Avenida were localised in Brazil, prioritising local job creation, and reduced lead times and logistics costs.

PEP – Kelmik-PEP partnership

Ackermans – Ibhayi – Pioneering local manufacturing through enterprise development

- **Circular economy partnerships:** PEP and Pepkor Speciality partner with Taking Care of Business (TCB) and the Do More Foundation to fight poverty and reduce fashion waste. In FY25, we donated 310 000 items (FY24: 291 000 items) to TCB, valued at R5.8 million, to 697 women informal clothing traders. These donations create resale opportunities, support livelihoods and strengthen community micro-enterprises.



- Introduction
- Letter from our CEO
- Report from our chair
- Enabling affordable living
- Inclusive growth
- Road to green
 - Climate disclosure
 - Energy & carbon footprint
 - Transport & logistics
 - Sourcing & product
 - Packaging & waste
 - Water & conservation
- Further disclosure
- Corporate information

- **PEP Africa** partners with ZamShoes, a local manufacturer, to source durable, full-leather school shoes made from leather by-products. This partnership supports inclusive manufacturing by keeping value within the region. ZamShoes is SADC-registered and fully accredited. Their affordable, regionally produced footwear is now exported to Malawi and Mozambique, circulating within the PEP Africa network.

 **PEP Africa** – Retail on the road, how PEP Africa is building is building growth by meeting the customer where they are

- **Sustainable denim innovation:** Ackermans' supplier, 7 Trees Clothing, has invested in vertical washing machines (50% less water), heat pumps, LED lighting, robotics, automated cutting systems and a R4 million laser finishing machine eliminating potassium permanganate. This has reduced water, energy, chemicals and fabric waste while proving that sustainability and affordability can coexist.

 **Ackermans** – How 7 Trees Clothing is stitching sustainability into every seam

- **BCI cotton:** Please refer to the Kelmik section under Supplier development.

 **PEP** – Kelmik-PEP partnership



Product durability: schoolwear

PEP's genuine leather school shoes withstand over 2 million flexes and have high hydrolysis resistance, ensuring long product life.

PepClo's schoolshirts and pants meet the ISO6330 45-wash benchmark, demonstrating that affordable clothes can be durable and reusable.

This supports South Africa's culture of hand-me-downs, where garments and shoes are passed on between siblings and neighbours – extending product life and reducing waste.



 **PepClo** – Sustainability stitched into durability and hand-me-down culture



Introduction

Letter from our CEO

Report from our chair

Enabling affordable living

Inclusive growth

Road to green

Climate disclosure

Energy & carbon footprint

Transport & logistics

 Sourcing & product

Packaging & waste

Water & conservation

Further disclosure

Corporate information

Materials efficiency, packaging and waste reduction

Pepkor is managing waste through circularity and packaging innovation, reducing environmental impact while creating cost savings. Our waste strategy is centred on reduce, reuse and recycle, embedding sustainability into sourcing, product design, logistics and customer-facing operations.

EPR commitments in PEP by FY27

- 30% reduction in packaging waste
- 100% recyclable, reusable or compostable packaging
- Elimination of problematic plastics
- 30% recycled content in packaging

In addition to these design commitments, Pepkor's EPR scheme implementation will also focus on legislated collection and recycling targets. This includes involving informal waste pickers in the waste value chain and supporting recycling initiatives in municipalities and the secondary market.

A phased roll-out of the plan is currently in progress, beginning with PEP and then expanding to other BUs. A separate EPR plan for the Electronics and Equipment sector has also been initiated.

MM3 MC

Strategic impact: By embedding circularity in packaging, textiles and electronics, Pepkor reduces waste to landfill, cuts costs, and supports South Africa's EPR goals. These initiatives create shared value by reducing environmental footprint, enabling micro-enterprise income and extending product life cycles.

FY25 TREND INSIGHTS

Plastic diversion

77 tonnes of plastic diverted from landfill through recycling (FY24: 67 tonnes)

Recycled cartons

1 143 tonnes cardboard cartons recycled for use in delivery of product to stores (+22% YoY)

Fabric off-cuts

332 000 kg recycled, up 403% since FY22

Lifestyle e-waste

14 309 kg collected for recycling (FY24: 11 464), complemented by 7 749 devices repaired since 2022

Key actions

- **AI intelligence and efficiencies:** AI-powered markdown and price optimisation models powered by Google Gemini are delivering higher sell-through and better stock clearance, while inventory forecasts using SAS Intelligent Planning and SAP MRP are creating leaner, more agile supply chains. Warehouse capacity has improved and, as a result, stockouts and overstocking have declined.

 **Pepkor Lifestyle** – Pepkor Lifestyle unlocks new retail intelligence with AI

- **3D technology and online fit sessions:** 3D fit and design implemented to enhance design efficiency, expedite decision-making and decrease emissions associated with courier logistics.
- **Packaging reuse and innovation:** Reused 3 170 tonnes of second-hand boxes in FY25, reducing carbon emissions by 355 tonnes CO₂e.

- Phased out bubble wrap in favour of recyclable paper 'dunnage' in DCs.
- Pepkor Lifestyle uses reverse logistics to return packing materials for reuse or recycling.

 **Avenida** – Avenida Recycles 620.5 tonnes of paper and cardboard, driving sustainable retail in Brazil

- **Plastic reduction and circular alternatives:**

- PEP and Ackermans shopping bags are made from 100% post-consumer waste, diverting 1 392 tonnes of plastic from landfills in FY25 and cutting emissions by 62%.
- Refinery, Shoe City, Dunns and Tekkie Town switched to paper bags.
- Pepkor Lifestyle has distributed 692 000 reusable bags since 2022, with 150 000 in 2025 alone.

 **PEP** – Shopping with the future in mind
Pepkor Lifestyle – Incredible bags, everyday Impact. Sustainability that carries weight at Pepkor Lifestyle

- 100% recycled-content hangers replaced virgin plastic, diverting 246 tonnes and cutting 471 tonnes CO₂e emissions.
- PAXI bags are 100% recyclable, with 45% recycled content, diverting 311 tonnes of plastic in FY25.

- **Electronics and e-waste:**

- Incredible and HiFiCorp collected 14 309 kg of e-waste in FY25 through 68 stores, up from 11 464 kg in FY24.
- Incredible's Repair Centre extended the life of 7 749 devices since 2022, reducing e-waste through repair.

- **Textile waste and circular fashion:**

- PEP and Pepkor Speciality donated 310 057 units to TBC (Taking Care of Business) for repair and resale, generating R5.8 million in micro-entrepreneur profit.

 **PEP** – Circular economy in action: PEP's resell programme nurtures sustainability

PEPKOR
Holdings Limited

Introduction

Letter from our CEO

Report from our chair

Enabling affordable living

Inclusive growth

Road to green

Climate disclosure

Energy & carbon footprint

Transport & logistics

Sourcing & product

● Packaging & waste

Water & conservation

Further disclosure

Corporate information

- PepClo recycled 332 000 kg of fabric off-cuts.
- Ackermans and PepClo partnered with Wastecrete to convert off-cuts into building materials.

Marketing and materials:

- Ackermans partnered with Sealand to upcycle poly twill marketing banners into handmade bags and apparel, diverting 2 915 kg of waste and avoiding 72 875 kg CO₂e. Sealand undertakes to repair bags damaged by wear and tear.

 **Ackermans – Ackermans and Sealand collaboration**

- PEP reduced printed marketing material: PEP has redefined its in-store marketing for sustainability, reducing waste and costs by streamlining point-of-sale (POS) materials and shifting to a quarterly update model. This initiative has led to a 26% reduction in banner production and annual savings of R900 000 in POS production.

 **PEP – Redefining point of sale marketing**

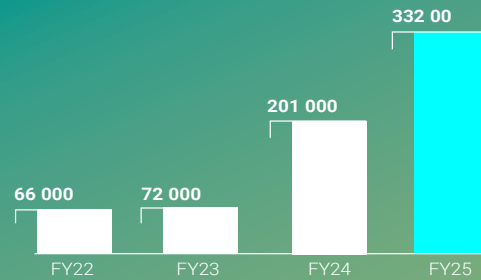
Paper and digitisation:

- Group-wide initiatives such as digital payslips and invoicing are cutting paper use and reducing waste.
- AI has changed the scale and nature of brand communication. In using generative AI to create highly targeted ad variations, Pepkor Lifestyle has reduced its print media output by 24 million catalogues annually across just two brands, cutting R480 000 in monthly costs while boosting sales. These savings have been redirected into digital growth and customer experience.

- **Canteen styrofoam:** Pepkor Payments and Lending's call centre, with over 1 600 employees, switched from styrofoam canteen containers to reusable plates and biodegradable options. This change replaced 8 145 styrofoam containers with fully recyclable ones and reduced the overall use of takeaway containers.

 **Pepkor Payments and Lending – Styrofoam – Nothing disposable about this culture**

PepClo recycled fabric off-cuts (kg)



310 057 units donated for second clothing market generating R5.8 million profit for micro-entrepreneurs

2 925 kg marketing material recycled into handmade bags and apparel

R900 000 saving through streamlining POS material and systems update

-24 million catalogues printed in Pepkor Lifestyle by using AI for a more enhanced digital customer experience

Extended Producer Responsibility (EPR)

Strategic impact: By embedding circularity in packaging and reducing reliance on plastics, Pepkor lowers waste to landfill, cuts costs and supports South Africa's EPR regulations.

In FY25, Pepkor launched its own internal EPR scheme, shifting from compliance to a strategic circularity initiative.

Focused initially on paper and packaging, the scheme is guided by four principles:

- **Design:** Design packaging for recycling, reuse or composting
- **Collection and recycling:** Establish systems and secondary markets for waste recovery
- **Consumer awareness:** Drive behaviour change through education
- **Governance:** Transparent compliance and reporting



EPR commitments in PEP (by 2027)

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in packaging waste

100%
recyclable, reusable, or compostable packaging

Elimination
of problematic plastics

30%
recycled content in packaging

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Introduction

Letter from our CEO

Report from our chair

Enabling affordable living

Inclusive growth

Road to green

Climate disclosure

Energy & carbon footprint

Transport & logistics

Sourcing & product

 Packaging & waste

Water & conservation

Further disclosure

Corporate information

Water efficiency and conservation

Water is one of South Africa’s most precious and limited resources – and one of the greatest environmental risks to businesses, communities and ecosystems. As a responsible retailer with operations across all provinces, many of them water-stressed, Pepkor is committed to safeguarding this vital resource. By identifying vulnerabilities and implementing conservation measures, we aim to reduce risk, support water security and ensure business continuity in a resource-constrained future.

Focus for FY26

- **Reduction and saving:** Continue exploring and investing in water reduction and savings initiatives
- **Awareness:** Expand employee awareness initiatives around the importance of water while driving behaviour change

MM2

Strategic impact: Managing water risk safeguards Pepkor’s operations while contributing to water security and biodiversity in stressed catchments. Conservation efforts protect livelihoods, strengthen resilience against climate variability and ensure sustainable growth in a dry and warming South Africa.

TREND INSIGHTS

Water harvesting

54 244 kℓ
of water harvested across DCs through increasing harvesting capacity

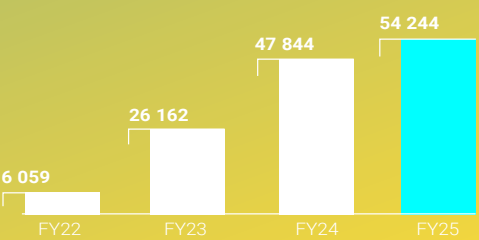
Risk analysis

First
full Water Risk Filter baseline completed

Resilience gains

Hammarisdale DC
and other facilities are now fully water self-sufficient, reducing municipal demand

Water harvesting (kℓ)



Key actions

- **Partnership with WWF:** In FY24, Pepkor partnered with WWF to perform a Water Risk Filter assessment and basin screening across stores and DCs. This established a baseline for understanding climate and water risks, highlighting priority sites for mitigation.
- **Knowledge sharing:** Continued engagement in national platforms such as the World Water Day webinar, which emphasises the importance of protecting South Africa’s strategic water source areas.
- **Water harvesting systems:**
 - PEP DC (Hammarisdale): A three million litre attenuation dam and filtration system supplies all water needs, making the facility 100% self-sufficient
 - Ackermans DC: 120 000 litre rooftop catchment system
 - Pepkor Speciality DC: Installed an 80 000 litre system, inspired by the Ackermans pilot project
 - Pepkor Parow head office: 35 000 litre borehole water used for toilet flushing, irrigation, HVACs and vehicle washing
- **Water recycling:** Wash bay water is recycled at logistics hubs and DCs to minimise wastage.
- **Store-level practices:**
 - In shopping malls, landlords supply water efficiency measures (grey-water systems, low-flow fixtures, sensor taps)
 - In stand-alone and strip-mall stores, Pepkor installs water tanks as needed
- **Behavioural change:** Awareness campaigns promote responsible water use among employees, embedding conservation as part of daily operations, and engendering behaviour that they take home.
- **Reverse osmosis and closed-loop boiler system (PepClo):** Boilers generate steam used for heating, sterilising and powering machinery in textile manufacturing. PepClo modernised its six-boiler steam system to reduce reliance on municipal water and improve efficiency. The operation shifted to on-site boreholes supported by a reverse osmosis water treatment plant and a closed-loop condensate recovery system that filters and returns water to the boilers. This upgrade, implemented in 2024, has lowered municipal water consumption, reduced the energy required to restore steam pressure and decreased scale-related maintenance and downtime – delivering both water and energy savings in a critical manufacturing process. This system not only supports daily operations more efficiently and reliably, but also reflects a shift towards more sustainable practices in South African manufacturing.
 - Reduction in municipal water: 15% reduction in boiler water intake
 - Energy saving/month: 30% less KWh

PepClo – PepClo is reimagining steam

Introduction

Letter from our CEO

Report from our chair

Enabling affordable living

Inclusive growth

Road to green

Climate disclosure

Energy & carbon footprint

Transport & logistics

Sourcing & product

Packaging & waste

Water & conservation

Further disclosure

Corporate information