2025

Together We Do Good Report

31 MARCH 2024 - 29 MARCH 2025

mr price group limited

Together We Do Good

SUSTAINABILITY REPORT

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:

Integrated Report

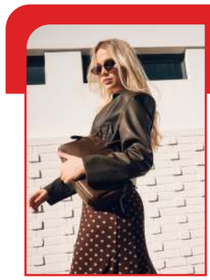
Details the group's integrated processes that support sustainable value creation for all stakeholders and outlines progress against its strategy.

SEE REPORT

Remuneration Report

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

SEE REPORT



Governance Report

Offers a comprehensive disclosure of the group's governance-related matters, including its governance structure, processes, and policies.

SEE REPORT

Notice of AGM

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

SEE NOTICE

Together We Do Good Report

Details the group's sustainability journey, achievements of the last financial year and strategic focus areas to support a sustainable future.

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Annual Financial Statements

Provides an overview of the group's financial position and performance over the last financial year.

SEE REPORT

Our integrated reporting suite is available at www.mrpricegroup.com

Scope and Boundary

This report provides a consolidated view of the group's sustainability performance for the 52-week period from 31 March 2024 to 29 March 2025. 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 Committee (SETS).

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. These are listed on page 20.

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

The 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. This ensures 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 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	page 31
Reduce and stabilise environmental impact	Reduce environmental impact of business and value chain	Communities Environment Investors	Impact Financial	page 35
Quality education	Helping children to unlock their full potential through quality education	Communities	Impact	page 49
Youth development	Enabling youth to bridge the gap between education and generating income	Communities	Impact	page 50
Associate wellbeing and development	Associate wellbeing, development and engagement	Associates	Impact	page 51
Social value chain development	Value chain and social responsibility	Value chain employees Suppliers Investors	Impact	page 67
Economic value chain development	Value chain optimisation, innovation and growth	Suppliers	Impact Financial	page 73

Assurance

The material performance metrics, both financial and non-financial, within this report are independently reviewed by our internal auditors, KPMG. Reviewed data points are denoted in bold text. Indicators in the performance table on pages 25 - 26 have been reviewed. The group's broad-based black economic empowerment (B-BBEE) scores are independently assured by aBEErate, a SANAS accredited verification agency.

Aspects of environmental disclosure are provided by independent third parties, including waste and recycling data on pages 37 and 38, and fuel and logistics information on page 44. Additionally, components of the group's scope 3 emissions are calculated by an independent environmental specialist.

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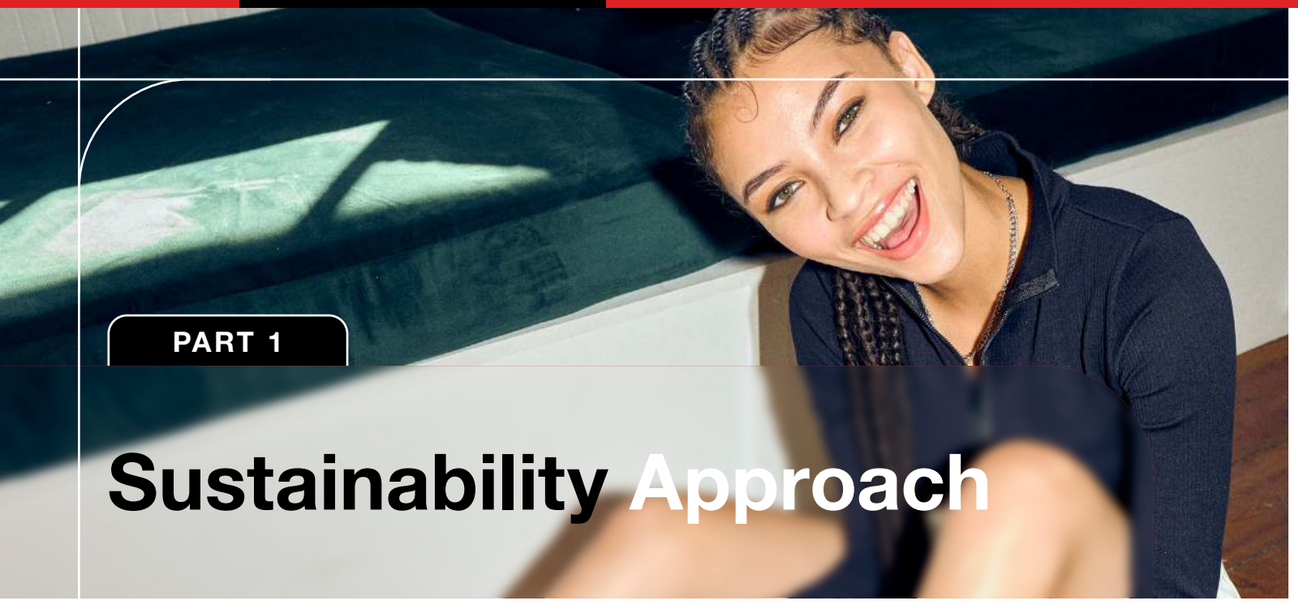


PART 1

Sustainability Approach

1.1 Our integrated value creation process

We recognise that sustainable value creation relies on an evolving, agile and sustainable business model that supports the effective execution of our strategy. Central to this is the efficient use of our six capitals to optimise business activities and produce outcomes that meet the needs and expectations of our stakeholders. Fundamental to this process are 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. This effective and efficient execution through our business model allows our group to deliver consistent financial returns, while simultaneously creating long-term sustainable value for all our stakeholders. This process is guided by the group's robust governance framework and supported by the King IV™ principles.

How Our Report Describes Our Value Creation Process

GUIDED BY OUR GOVERNANCE FRAMEWORK

01 Who We Are

The connection between the group's vision, purpose and its guiding values of passion, value and partnership.

Page 17 - 52 of Integrated Report

02 Value Creation Through Our Business Model

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.

Page 59 - 64 of Integrated Report

03 Stakeholder Value Creation

The group's processes, activities and products sold are not done in isolation, but in a sustainable connection to a wide group of stakeholders.

Page 65 - 84 of Integrated Report

04 Strategic Execution

The group's value creation is led by the successful development and execution of its strategy, which is measured against six key pillars.

Page 91 - 112 of Integrated Report

05 Risk Approach and Material Matters

The group's material matters, risks and opportunities are identified through an ongoing, structured and embedded enterprise risk management process ensuring agility in response to the ever-evolving risk landscape.

Page 113 - 126 of Integrated Report

06 Performance and Results

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.

Page 127 - 140 of Integrated Report

SUPPORTED BY KING IV™ PRINCIPLES

Building a sustainable business measured by our impact on the UN Sustainable Development Goals

Primary SDGs considered material for the group:

1.2 SUSTAINABILITY AT MR PRICE GROUP

Letter from the SETS Chair

On behalf of the SETS, I am pleased to present the group's Together We Do Good report for the 2025 financial year. This report provides insights into our sustainability journey and what truly matters to us and our stakeholders.

LUCIA SWARTZ, SETS CHAIR

Dear stakeholders

The operating environment in the 2025 reporting period was dominated by notable changes attributable to the historic year of elections that took place in many countries across the world. We experienced a shift in the geopolitical landscape, increased polarisation and tensions between nations and uncertain economic policies. On the ESG front, sustainability remained a key topic of discussion, becoming less predictable due to policy changes by newly elected leaders, withdrawals from previously made commitments and push backs against reporting and disclosure requirements.

Despite all the noise and opposing views, we are encouraged by the consistently clear mandate from our consumers, investors and other stakeholders to maintain sustainability standards, objectives and to progress our ambitions. We will continue to be responsible and pragmatic as we navigate our sustainability journey.

ESG approach and strategy

The group's sustainability strategy is well established and integrated into our business model, focussing on ethical practices and partnerships to enhance our reputation and impact on various sustainability development goals.

Sustainability is the sixth pillar of the group's strategy. Our objective is to be recognised by stakeholders as a relevant, ethical and sustainable proudly South African company (see **page 99** of the **Integrated report**). Having been in place for over a decade, the sustainability function and its strategy supports the rest of the group's strategic pillars enhancing the group's reputation, attracting talent, and fostering a sustainable value chain. The group's sustainability initiatives aim to directly impact SDGs 6, 7, 8, 10, 12, 13 and 17, ensuring a future for the business. Partnership is central to this, with collaboration among stakeholders such as suppliers, customers, landlords, and investors. The phrase "Together We Do Good" reflects the group's sustainability approach and guides the focus on key sustainability issues affecting retail operations in South Africa and Africa.

> Mr Price Group procured its highest ever local procurement, with over **127 million** product units sourced from South African suppliers and factories. This represents a meaningful economic impact of over R5 billion (at cost) for the entire value chain and speaks to the group's commitment to economic development in South Africa. Mr Price Apparel stores alone sourced approximately 64 million locally made items - one for every South African!

During the reporting period the group's sustainability journey was shared with investors at its inaugural Capital Markets Day. We highlighted our approach to transparent and continuous improvement to value chain sustainability and supplier compliance processes. The retail value chain remains inherently complex with systemic industry-wide issues at play which are acknowledged and understood. Risk is appropriately balanced with other competing business and socio-economic objectives such as localisation and job creation. The history of the group's Together We Do Good approach is on **page 13**.

The group's strategic framework (**see page 11**) depicts its sustainability objectives and related primary SDG impacts. Double materiality of social, environmental and economic risks and opportunities was assessed in the setting of the strategic framework which incorporates the King IV™ principles of corporate responsibility, citizenship and social investment.

Our ESG KPIs are meaningful metrics set annually that are used to drive every day decision making and positive action in all parts of the business, from stores to boardrooms. These KPIs are operationalised and count towards the award of both short-term and long-term remuneration of various levels of management. For more details on how ESG is linked to remuneration, please refer to the **Remuneration report**.

Sustainability highlights

I am pleased that we can provide a consistent and comparable five-year view of our sustainability journey and the progress we have made. This performance dashboard is on **pages 25 - 26** of the report. The approach to reporting data and related information remains prudent but forthright. The group remains committed to disclosing its successes as well as shortcomings in achieving annual sustainability targets. KPMG has again reviewed the group's key strategic indicators, and I am confident that the information released is transparent, reliable and accurate.

2025 achievements

The group procured its highest ever local procurement, with over **127 million** product units sourced from South African suppliers and factories. This represents a meaningful economic impact of over R5 billion (at cost) for the value chain and speaks to the group's commitment to economic development in South Africa. Mr Price Apparel stores alone sourced approximately 64 million locally made items; one for every South African! When looking at Africa as a whole, the group sourced over 145 million units contributing a remarkable R6.1 billion to the economies of the continent. More information on country of origin and local procurement is on **pages 71 and 75**.

A fitting example of the group's partnership with its customers is the reduction in single-use plastic bags. Our customers helped avoid the use of more than **68 million** plastic packets which would have ended up as waste. Since FY2023, when the group started offering reusable bags and awareness initiatives, plastic bag consumption has reduced by over 159 million plastic packets. As a business located on the coastline with the Durban beaches and Umgeni River close by we are acutely aware of the environmental impact of plastic waste in our oceans and the threat to marine life. We are particularly pleased with this support from with our customers. Together we do good! More information on reducing and stabilising our impact on the environment is on **page 35**.

Supported by innovation from our suppliers, we have also increased the number of sustainable materials used in products we offer our customers, providing them with both affordable and fashionable clothing that is also better for the environment. In the reporting period more than **64 million** products contained either a sustainable material (for example sustainable cotton) or a cleaner production attribute (such as water-wise denim). This represents **28.5%** of the group's total product offering, which is meaningful. Making sustainable product selections aligned to business performance and product quality, is a mark of true sustainability in business practice and shows that sustainability even as a value retailer is achievable.

The JumpStart program of Mr Price Foundation equips unemployed youth with sought after retail and manufacturing skills to unlock career potential. In South Africa, youth unemployment and underemployment are matters of top national concern. Mr Price Foundation was able to place **5 407** participants in employment with the group, a further **405** participants with programme partner employers and 504 participants were employed elsewhere, during a year of economic tension and uncertainty. These 6 316 youths are now part of the labour force and can support their families, communities, and the economy as a whole. Please see **page 48 - 50** for more information on Mr Price Foundation's programs.

External recognition

The sustainability strategy and initiatives are and will continue to be driven and influenced by the group's business strategy. It is encouraging and motivating when external recognition validates and confirms the alignment between our internal focus and stakeholder expectations. During the reporting period the group maintained its place in the JSE's FTSE4Good Index Series which it has done since 2020. The group's rating from ISS remains consistent and is positive in relation to its local retail competitors. Additionally, the group maintained a low-risk rating from Morningstar Sustainalytics which considers the group's management of ESG risk to be "strong" and is the best ranked in its competitor peer group.

Looking ahead

The passing of the South African Climate Change Act in 2024 makes it clear that moving towards a low-carbon economy is inevitable and South African businesses will not be able to ignore the impacts of climate change to the stability and quality of society and the economy. Although no sector carbon reductions targets have been legislated yet, since 2021, the group has been working towards a comprehensive approach to addressing climate change including carbon reduction initiatives and target-setting. The group recognises the need to approach climate actions in the context of a Just Transition, including the social and economic effects of this transition especially on the group's associates, supply chain partners and affected communities. This strongly aligns with the Together We Do Good approach to sustainability which will continue to guide climate change initiatives.

Closing remarks

On behalf of the committee, I extend thanks to Daisy Naidoo, following her retirement during the reporting period, for her seven year tenure and contribution to the committee. Once again, a sincere 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. We would not be able to achieve our sustainability goals without the collective and consistent effort of our stakeholders; from the merchant who selects sustainable products for customers to buy, to the investor who provides input and suggestions on disclosure. Together, we indeed do good.

1.3 SUSTAINABILITY STRATEGY

STRATEGIC FRAMEWORK

Framework pillars

- Environmental
- Social
- Economic

Noteworthy sustainability achievements during the year can be found in the sustainability performance section on pages 23 - 26.

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 pillars are set out of the following pages.

Environmental	1. Preserving natural resources 2. Reducing and stabilising environmental impact	pages 31 - 34 pages 35 - 44
Social	3. Quality education 4. Youth development 5. Associate wellbeing and development 6. Social value chain development	page 49 page 50 pages 51 - 64 pages 67 - 72
Economic	7. Economic value chain development	pages 73 - 80

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 pages 113 - 120 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	• Associate wellbeing and development • Youth development
Supply chain	The risk of an inefficient, ineffective, and unreliable supply chain that will result in poor inventory management impacting the group's competitive advantage	• Value chain optimisation, innovation and growth • Developing social compliance in the value chain • Preserving natural resources
Brand reputation	• The risk that group associates, or parties with whom the group transacts, conducts themselves in a manner that damages the reputation of the group's image • The risk of brand equity erosion due to outdated stores and/or poor customer service • The risk of the group's inability to respond to climate change and environmental degradation that impacts its ability to continue operations	• Developing social compliance in the value chain • Preserving natural resources • Reducing and stabilising environmental impact
Culture and behaviours	The risk that the group's culture and behaviours does not engender the right values, behaviours to protect organisational health	• Associate wellbeing and development • Developing social compliance in the value chain • Preserving natural resources • Reducing and stabilising environmental impact

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	• Value chain optimisation, innovation and growth • Developing social compliance in the value chain
Advance localisation with key objectives to maximise benefit from increasing local production to create much needed local jobs and maintain competitive advantage	• Value chain optimisation, innovation and growth
Make it easier for associates to do the right thing	• Preserving natural resources • Reducing and stabilising environmental impact • Associate wellbeing and development • Developing social compliance in the value chain

TOGETHER WE DO GOOD HISTORY

2005

- mr price foundation established

2012

- Sustainability function established
- SETS Committee formed
- First supplier loan issued

2013

- Became a member of Ethical Trading Initiative (ETI)

2014

- Founding retail member of the South African Cotton Cluster

2017

- Full ETI member
- KZN CTC member
- First SMME cotton farmer loan issued
- KwaZulu-Natal Clothing and Textile Cluster (CTC) member
- WWF member

2018

- Value chain development strategy formulated
- First tier factory mapping reaches 85% of all trade suppliers

2019

- Signatory of the South African R-CTFL Master Plan
- Supplier Grading Tool developed
- Group introduces its supplier on-boarding process including mandatory factory social compliance audits

2020

- Strategic Sustainability Framework created
- Member of Proudly SA
- Introduction of re-usable bags
- Launch of Responsible Sourcing Framework and Implementation Guide
- Extended Producer Regulations (EPR) & PRO membership

2021

- Launch of new group strategy, with Sustainability as sixth pillar
- ESG Centre of Excellence formalised and managing director appointed
- TCFD gap analysis conducted
- ESG performance linked to remuneration (LTIP)
- Inclusion in FTSE/JSE Responsible Investment Top 30 Index
- ESG indicator performance against targets disclosed

2022

- Climate Change risk and scenario anaylsis undertaken

2023

- Climate change risk framework developed
- GHG emissions baseline established
- Over 100m units of SA made products sourced

2024

- Over 53% growth in local procurement over five years
- Over R5bn spent on products made in South Africa
- More than 159 million plastic packets removed from circulation in three years
- Five years of strategic indicator disclosure
- Included in FTSE4Good index for five years

Independent Recognition

The group is pleased that the value created by and impact of its sustainability activities as well as related communication to stakeholders continues to be independently recognised by various ESG ratings bodies. In the reporting period, the group:

SUSTAINALYTICS

- Maintained a low-risk rating with a score of 13.2
- Risk rating is the lowest (at time of publication) of all South African apparel retailers
- The group's management of ESG Material Risk is considered "strong"

ISS

- Maintained a 'C' rating with transparency considered 'very high'

FTSE4Good

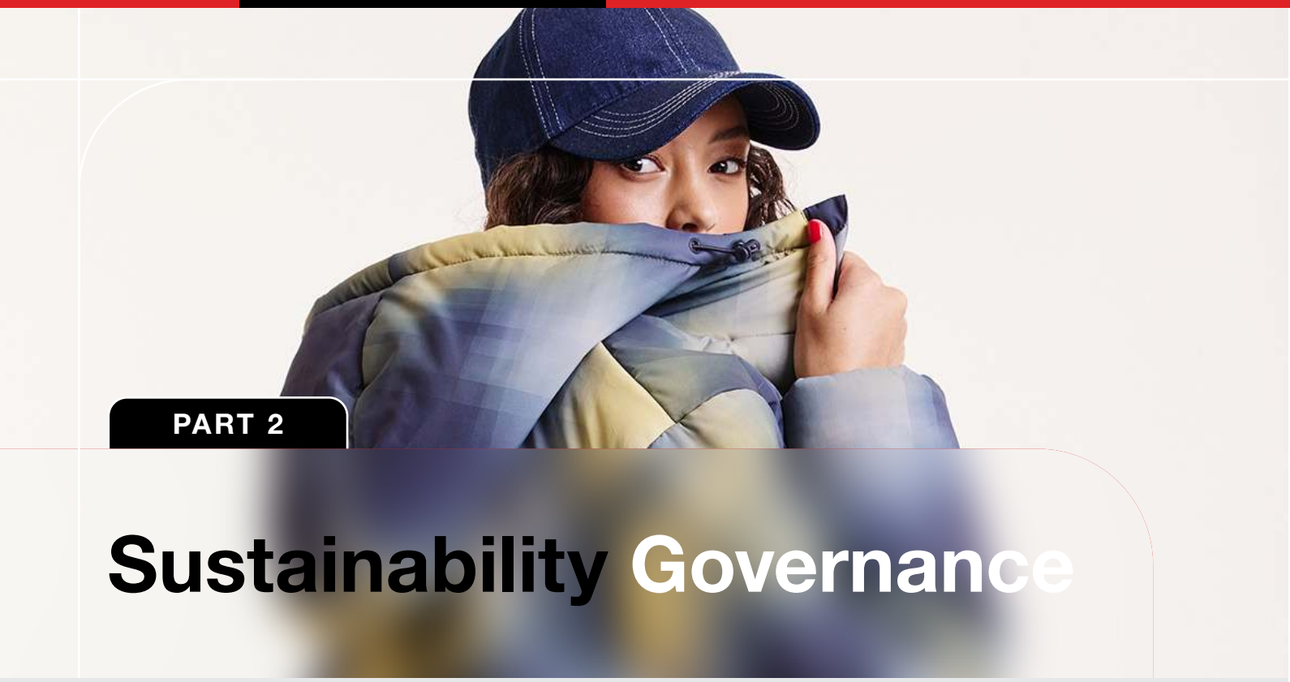
- Retained inclusion in the FTSE4Good Index Series (since 2020)

Made from 100% recycled polyester and plastic packaging removed

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
1 NO POVERTY	• 13 769 learners from low-income communities directly benefit from Mr Price Foundation's education programmes • More than 9 000 unemployed youth gained direct access to job opportunities through the JumpStart programme • **5 812** JumpStart candidates were employed by the group and Mr Price Foundation's external employment partners, with a multiplier effect of 5:1 this means 31 580 people were directly impacted • 41 youth benefitted from the Foundation's Uplift entrepreneurship programme • 285 unemployed people with disabilities participated in learnership opportunities which improve employability • Total investment in youth development in FY2025 was R30.2m across the JumpStart, UpLift and HandPicked programmes • The group employs **32 760** associates, impacting 163 800 people based on a multiplier effect of 5:1
2 ZERO HUNGER	• 14 agripreneurs and their families directly impacted by the Foundation's HandPicked programme. The programme provides food security and the potential to generate income at a higher average than minimum wage
3 GOOD HEALTH AND WELL-BEING	• Growers from Mr Price Foundation's HandPicked programme and their families have access to improved nutrition • The group prioritises supplier health and safety compliance and achieved **92.9%** valid audits • The number of high-risk factories within the group's value chain was under target at 18.6%
4 QUALITY EDUCATION	• 13 769 learners received quality education at 21 schools supported by the Mr Price Foundation • School management and leadership supported with capacity building and mentoring programmess • 423 educators supported through training, mentorship and peer collaboration • In FY2025, 180 course offerings were available to associates to encourage lifelong learning and career advancement • R7.8m invested in education through the EduRise programme • More than **R73m** spent on learning and development by the group
6 CLEAN WATER AND SANITATION	• Over **64 million** merchandise units produced using sustainable materials or cleaner production • More than **29 million** units produced using sustainable cotton and forestry standards • The DC used harvested rainwater, consuming 7 434 kilolitres of water from this source
7 AFFORDABLE AND CLEAN ENERGY	• Investment made in renewable energy use at head office and DC (70% roof coverage) sites • Over 100 000 units energy efficiency certified • 85 stores retrofitted with LED lighting to provide greater efficiency • Over **969 000 kWh** of renewable energy generated
8 DECENT WORK AND ECONOMIC GROWTH	• Group activities resulted in the employment of **32 760** individuals in FY2025 • **R73m** invested in the development of associates to promote a productive workforce • RSA procurement increased from 86.8 million units in FY2020 to over **127 million** units in FY2025 valued at R5.2bn • The group procured 133.1 million units to the value of R6.0bn from Africa • The group's code of conduct also applies to suppliers thereby promoting decent work for workers in the value chain • **1 037** factories audited for social compliance • Mr Price Foundation developed industry skills of 9 021 unemployed youth of whom over 6 316 were employed • **R32.9m** invested in loans to small, black-owned firms
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• The group's supplier development loans support SMME suppliers to increase capacity and capability through investment in technology and infrastructure • Participating suppliers see improved production output which contributes to growth and employment creation • The group participates in and contributed **R429 738** in funding to the KZN Clothing and Textile Cluster which aims to boost local industry competitiveness • The group's supplier development cluster supports investment in technology and upgrading
10 REDUCED INEQUALITIES	• The group reduced inequality through its employment of **97.2%** African, Coloured and Indian (ACI) associates • **R 32.9m** invested in loans to small, black-owned firms • Mr Price Foundation prioritises interventions that benefit children and youth from previously disadvantaged homes
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Over **64 million** products include sustainable raw materials and made with cleaner production methods • The group aims to phase out all single-use plastic shopper bags** by end FY2026. The use of over **68 million** plastic packets was prevented • **28.5%** of products contain a sustainable material and cleaner production attribute • Plastic packaging in **41 million** products was reduced/removed • **92%** of waste at the Durban head offices and Hammarsdale DC is recycled • **97.8%** of inner and display plastic packaging units were made from recyclable packaging **excludes Power Fashion, Yuppiechef and Studio 88 stores
13 CLIMATE ACTION	• The group reduced its GHG emissions by 18.9% in FY2025 • **28.5%** of products contain a sustainable material or cleaner production attribute • The group is working with its logistics partner to reduce its carbon footprint through efficiency and technology
14 LIFE BELOW WATER	• **65%** of waste at head offices and **95%** at the Hammarsdale DC was recycled • Plastic packaging in **41 million** products was reduced/removed • **97.8%** of inner and display packaging units were made from recyclable materials • 159 million single-use plastic bags have been removed from circulation since FY2023
15 LIFE ON LAND	• Recycling initiatives and responsible procurement of cardboard and paper support sustainable forestry • The promotion of sustainably grown raw materials helps to prevent biodiversity loss • The group undertakes a number of recycling and waste management activities including e-waste • BiobiN services engaged to reduce the amount of organic waste sent to landfill • **97.8%** of inner and display packing units produced are made with recyclable materials • 547 337 boxes were reused at the Hammarsdale DC • The group engages with Producer Responsibility Organisations to ensure improvement in recycling capabilities
17 PARTNERSHIPS FOR THE GOALS	• 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 • The group supports local industry as signatories to the R-CTFL Master Plan and through participation in the KZN CTC



PART 2

Sustainability Governance

2.1 SOCIAL, ETHICS, TRANSFORMATION AND SUSTAINABILITY COMMITTEE

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

CAPITALS	STAKEHOLDERS	STRATEGIC PILLARS	BUSINESS ACTIVITIES	SUSTAINABLE DEVELOPMENT GOALS
H Human S Social and relationship N Natural	Associates Customers Shareholders Landlords Government and community Suppliers	Brand Promise Sustainability People	People Operations Supply chain operations Merchandise processes	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS

KING IV™ GOVERNANCE OUTCOMES | **Good performance** | **Ethical culture** | **Effective control** | **Legitimacy**

CHAIR	MEMBERS
Lucia Swartz	Mark Blair, Jane Canny, Daisy Naidoo (retired by rotation 29 August 2024)

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**.

The committee members, their qualifications and experience, the number of meetings held and attendance at meetings is detailed in the **Governance 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 11 and 12**.

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 on **page 20** of this report and in the **Remuneration report** on **page 25**.

Reusable shopper bags

Key Focus Areas | FY2025

- Monitoring the progress of the group's transformation strategy in support of its transformation targets and inclusive culture
- Monitoring material legislative developments including the Employment Equity Amendment and Climate Change Acts
- Considering and approving an extension of the group's 5-year EE plan, which expired in March 2025, by one year
- Overseeing the development of a new Mr Price Foundation strategy in alignment with the group's sustainability
- Continued monitoring of 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
- Reviewing and approving Studio 88's B-BBEE accreditation roadmap
- Overseeing the progress in developing the group's climate change plan, initial targets and action plans to reduce greenhouse gas (GHG) emissions
- Approving and recommending to Remnomco the ESG scorecard applicable to LTI awards made during the financial year
- Monitoring progress against key performance indicators (KPIs) and targets to support the sustainability strategy

Future Focus Areas

- Monitoring the progression of Studio 88's B-BBEE accreditation
- Continue to oversee skills development, job creation and employment equity programs, whilst considering the implications of the newly promulgated 2030 EE targets
- Overseeing the implementation of actions to further mature the group's approach to social compliance
- Continued monitoring of the group's organisational health index
- Approving the climate change plan, initial targets and action plans to reduce GHG emissions
- Continued oversight on progress towards adoption and assurance readiness for ISSB's IFRS S1 and IFRS S2 reporting standards

Power Fashion reusable shopper bag

COMMITTEE STATEMENT

The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the 2025 financial year, including duties in terms of the Companies Act, JSE Listing Requirements and King IV™. The independent performance assessment conducted during the reporting period by The Board Practice concluded that the committee is a key support structure of the board and is highly effective in fulfilling and delivering value on its responsibilities and mandate. The committee chair will be available at the AGM to answer any questions relating to the committee's statutory obligations.

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

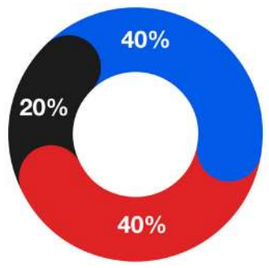
The group has a well-defined plan to incrementally enhance the measurement and reporting of its already detailed indicators to meet the expectations of its stakeholders, particularly shareholders and potential investors. In addition, the group keeps abreast of ESG disclosure advancements and convergence, 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, as well as the release of the King V draft which expands sustainability principles and disclosure. 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. 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 actions 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 delivery to short-term and long-term reward. The ESG scorecard comprises a 20% weighting towards the award of conditional rights (as part of the LTIs) to executive directors, managing directors of trading divisions and centres of excellence, as well as divisional functional 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 performance dashboard on pages 25 and 26). 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 senior management and executive STIs. This further encourages operational and business behaviours to progress the group's sustainability objectives.

During the reporting period the ESG scorecard metrics applicable to conditional rights awarded in November 2024 (with a vesting period April 2024 – March 2027) were approved by SETS and Remnomco. The split of metrics for this award is as follows:



Environmental
- Reduction in single-use plastic shopper bags
- Energy usage
- Recycling
- Sustainable materials

Social
- Preferential procurement and supplier development
- Transformation
- Workplace opportunities
- Closure of factory audit non-compliances

Economic
- South African procurement
- Supplier performance (on-time)

Vesting of 2022 Award

The vesting period for the conditional rights issued in November 2022 (FY2023) 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 of issue. Due to the fulfillment of four out of the group's five performance conditions, 160% of the conditional rights granted in November 2022 with a performance period ending 31 March 2025 will vest. The ESG scorecard is one of five performance conditions, the achievement of which contributed 40% of the 160% vesting. Full details of the five performance conditions relevant to conditional rights are on page 24 of the Remuneration report. The achievement of the non-financial ESG 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 2022

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

Locally produced products in Mr Price Home store

PART 3

Sustainability Performance FY2025

Low risk score 13.2

Rated lowest risk (at time of publication) of all South African apparel retailers

ISS Rating C

Maintained inclusion in FTSE4Good Index Series

Member of Proudly South African

3.1 SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL

Over 159m
plastic packets removed from circulation in three years

Over 64m
products have a sustainable attribute

97.8%
of product packaging is recyclable or made from recycled content

25%
of head office energy use is renewable

SOCIAL

R33.1m
donated to Mr Price Foundation

6 316
previously unemployed youth employed through JumpStart

Over 32 000
associates employed by Mr Price Group

Over R73m
invested in learning and development

ECONOMIC

Over 53%
growth in local procurement in 5 years

Over 127m
units produced in South Africa

Over R5bn
spent on products made in South Africa

Over 1 000
active suppliers

Mr Price Home bedding inners made using recycled plastic bottles

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 23 - 24.

KEY

GROUP STRATEGIC PILLARS

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

TOP 10 GROUP RISKS

1. Macro, socio-political, socio-economic and regulatory environment higher complexity
2. Competitive landscape
3. Talent attraction and retention
4. Supply chain
5. Brand reputation
6. Information technology
7. Transformation
8. Strategy
9. Leadership and organisational agility
10. Culture and behaviours

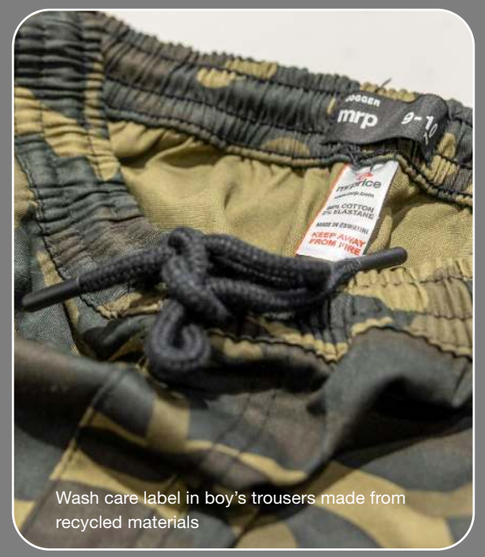
METRIC MOVEMENT

- 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 Strategy Pillar	Group Risk	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Actuals	FY2025 Actuals	Performance Against Target	Performance Against Last Year	Comments
ENVIRONMENTAL	% reduction in single-use plastic shoppers	6, 7, 12, 13	Pg 35		2 & 10	34.0	46.0	55.5	61.7	**86.3**	●	▲	RSA only, excludes PF, YC, S88
	Apparel sector % of packaging reduced (% of total units)		Pg 36		2 & 10	N/A	N/A	N/A	86.5	**82.79**	●	▼	RSA only, excludes PF, YC, S88
	Homeware sector % of packaging reduced (% of total units)		Pg 36		5	N/A	N/A	N/A		**34.66**	●	▼	
	Apparel sector % of packaging from recycled materials		Pg 36			N/A	N/A	N/A	97.1	**98.5**	●	▲	N/A
	Homeware sector % of packaging from recycled materials		Pg 36			N/A	N/A	N/A		**95.23**	●	▼	
	% of Products from sustainable materials (units)*		Pg 31			12.0	15.8	18.0	22.0	**28.5**	●	▲	Excludes PF, YC, S88
	Energy benchmark of 25watts/sqm (stores only)		Pg 41			27.7	27.1	26.3	28.8	14.8	●	▼	RSA only, excludes S88
	Waste Recycling (DC) (%)		Pg 37			N/A	91.1	92.3	93.6	**95.0**	●	▲	RSA only, excludes S88
	Waste Recycling (Mr Price Group) (%)		Pg 37			35.0	43.7	43.3	67.2	**65.0**	●	▼	RSA only, excludes YC, S88
SOCIAL	% of factories audited	8, 10, 17	Pg 69		1, 4 & 5	36.0	74.0	82.2	94.1	**92.9**	●	▲	Excludes PF, YC, S88
	% of audited factories high-risk		Pg 70			N/A	76.0	67.0	13.5	18.6	●	▲	Excludes PF, YC, S88
	% Factory visibility		Pg 69			95.0	99.7	97.6	96.9	**96.6**	●	▲	Excludes PF, YC, S88
	Preferential Procurement		Pg 66		1, 4, 5 & 9	17.6 pts	21.2 pts	20.3 pts	16.04 pts	16.7 pts (forecast)	●	▲	RSA only, excludes S88
	Investment in supplier development		Pg 78		4 & 7	N/A	N/A	R32.0m	R35.55m	**R32.9m**	●	▼	Excludes S88
	% JumpStart placements (within Mr Price Group)		Pg 48		3 & 7	19	55.0	65.0	77.6	**86**	●	▲	N/A
	Employment opportunities (no. of associates)		Pg 61		3	20 451	23 179	31 406	32 916	**32 760**	●	▼	N/A
	Employment equity ACI (%)		Pg 64		7	95.0	95.5	96.6	97.0	**97.2**	●	▲	RSA only
ECONOMIC	RSA procurement (units)	8, 10, 12, 17	Pg 75		1 & 2	78.0m	78.6m	106.8m	103.5m	**127.7m**	●	▲	Excludes S88
	% RSA procurement (cost price value)		Pg 76			39.7	38.2	37.7	35.6	**37.4**	●	▲	Excludes S88
	Supplier Performance: % of order book A-C Grade		Pg 74			89.0	78.3	94.9	95.5	**95.4**	●	▼	Excludes PF, YC, S88
	Supplier performance: OTIF %		Pg 74		4 &5	75.0	79.7	81.4	82.0	**85.8**	●	▲	Excludes PF, YC, S88
	Supplier performance: OT %		Pg 74			N/A	N/A	85.8	86.3	**90.1**	●	▲	Excludes PF, YC, S88
	Supplier performance IF%		Pg 74			N/A	N/A	93.4	93.9	**94.6**	●	▲	Excludes PF, YC, S88

3.3 CASE STUDY: SUSTAINABILITY IN OPERATION

Mr Price Apparel, the group's largest trading division has made meaningful progress putting sustainability initiatives into practice. By staying true to our 'partnership' value and collaborating with suppliers and customers, in Mr Price stores we have demonstrated that significant impact can be achieved. Together We Do Good (even as a value retailer!).



Wash care label in boy's trousers made from recycled materials

PLASTIC REDUCTION

Our customers have been our champions in the reduction of single-use plastic bags. Since the start of the group's plastic reduction initiatives, our customers have avoided using 159 million plastic shopping bags by choosing to say no to plastic, significantly helping to reduce waste. This year alone, 85 out of every 100 Mr Price shoppers chose to say no to plastic. As a business based on South Africa's eastern coastline, we are passionate about reducing plastic pollution that impacts our vulnerable water resources. Our goal is to eliminate single-use plastic bags from all stores in the next year, and we are confident that our customers will continue to partner with us to do good.

In our efforts to reduce waste, we have also improved the packaging of our products. Mr Price Apparel modified 99% of its plastic product packaging to be made from recycled, reusable or recyclable materials. To further reduce packaging waste during transport, multiple items are packed in a single poly bag instead of individually, and the bag itself is made from 30% recycled plastic. Underwear hangers are now produced from a material with higher recyclability, and product packaging is now printed with a water-soluble print, making it easier to recycle. These efforts have shown us that even small changes can make a big difference.

Cardboard packaging

CLEANER PRODUCTION

Denim is a cornerstone of Mr Price's assortment and a category synonymous with the brand. Therefore, sustainability in denim manufacturing is important to us. The division partnered with a key supplier to co-invest into advanced cleaner denim production capabilities that includes globally recognised environmental impact measurement software (Jeanologia®). The software calculates the ecological footprint of every denim product by measuring water and energy consumption, chemical impact and worker health. Together, these metrics provide deeper visibility into the sustainability impact of garment production. With this investment in cleaner production, and as an example, ladies 5-pocket black denim now uses only 5 litres of water/kg of garment manufactured, compared to significantly higher amounts required by conventional methods. During the reporting period, we provided our customers with 1.15 million denim products made using cleaner production methods. By choosing Mr Price denims our customers have reduced their impact on the environment.

PRESERVING NATURAL RESOURCES

Mr Price Apparel has been intentional in their efforts to increase the use of sustainable fibres and materials in the make-up of their fashion value clothing. For the reporting period:

- 19.5 million products were made with sustainably certified cotton fibres
- 5.4 million products used RGS certified recycled polyester fibres
- 11.9 million products included Okeo Tex® certified fibres
- 427k puffer jackets included recycled polyester wadding
- 632k products incorporated recycled plastic
- 1.2 million products had FSC certified viscose fibres
- The swing tags on all products are FSC certified, and local garment wash care labels are all made with 100% recycled polyester

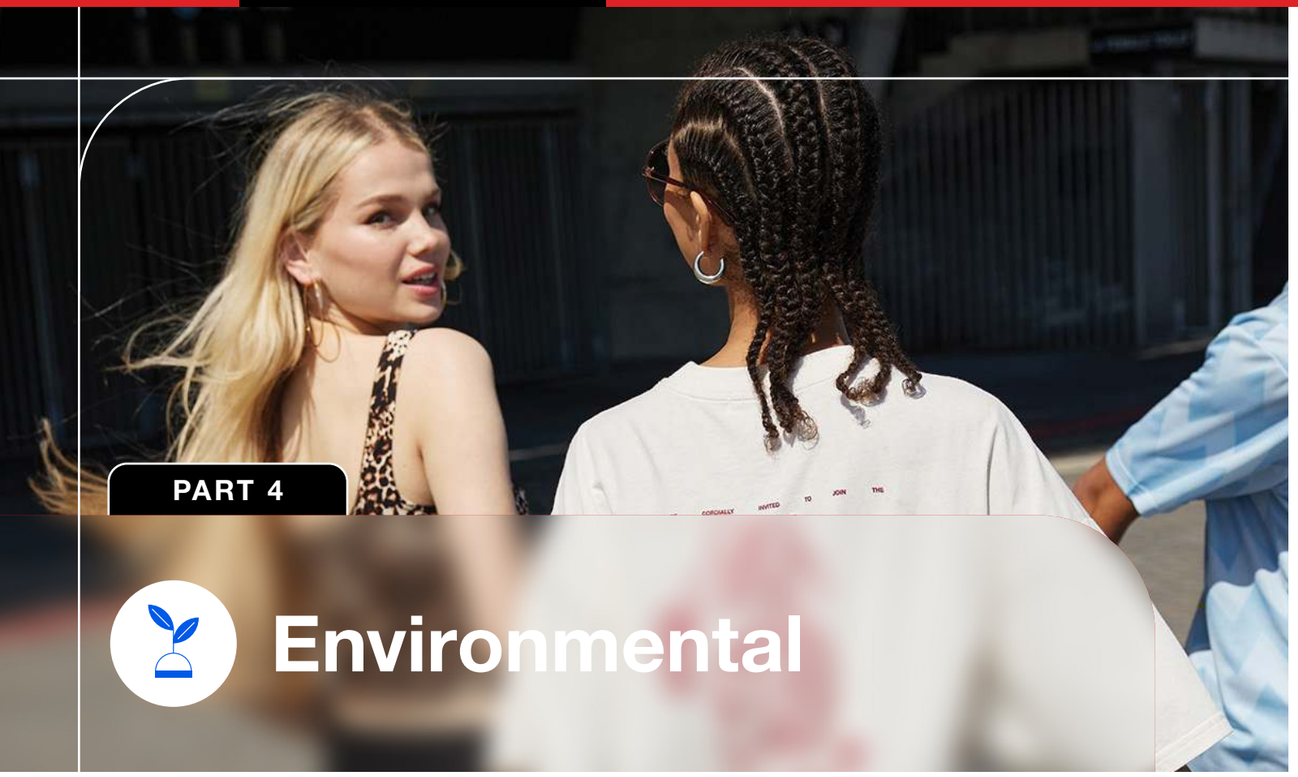
DEVELOPING A SUSTAINABLE VALUE CHAIN

Mr Price Apparel has been instrumental in developing key performance metrics that measure merchandise supplier performance. As a result, 98.5% of its suppliers are classified as A to C grade. Commercial performance metrics include product quality and lead time performance, and the supplier scorecard has recently been adapted to incorporate social and environmental measures to provide a balanced view of performance. More detail on the development of a balanced scorecard can be found under supplier grading and performance on page 74.

Development of local production capacity and capability is critical to business sustainability and value creation. Mr Price Apparel is an active member of the KZN Clothing and Textile Cluster and invests and participates in the group's own supplier development cluster, which works to grow and develop strategic suppliers. An amount of R26 million was also invested to assist SMME suppliers with much needed finance to afford raw material purchases.

In FY2025, Mr Price Apparel sold 64 million products made in South Africa – equivalent to every South African purchasing a locally produced item. This amounts to a contribution of R2.3 billion (at cost) to the South African economy, making Mr Price Apparel stores a significant contributor to local manufacturing and sustaining over 14 500 much needed jobs*. The division also sold another 11 million products made in Africa. Local procurement remains an important part of our Together We Do Good journey. Information on the group's local procurement achievements is on page 75.

*Per industry calculation methodology



PART 4

Environmental

Overview

Environmental impacts from retail mainly stem from direct store operations and sourcing practices reliant on natural resources. These impacts extend to the group's indirect supply chain and logistics. The group is committed to preserving natural resources and reducing its environmental footprint in retail, manufacturing and supply chain processes. It also aims to drive sustainable changes in customer behaviour, detailed in the Mr Price Apparel case study on page 27.

Guided by the UN Guidelines for Consumer Protection (UNGCP) 7 to 9, the group's environmental objectives focus on SDGs 6, 7, 12, and 13, with indirect impacts on SDGs 14 and 15. The group reduces its environmental impact through efficient use of energy, fuel, and water, and minimising waste by diverting it from landfills and extending the life of materials and packaging. Collaboration with suppliers promotes circularity and environmentally responsible production practices. Protecting forests, biodiversity, animal welfare, and natural resources is essential for healthy ecosystems, which is integral to the group's products.

KEY ENVIRONMENTAL ACHIEVEMENTS FOR FY2025:

Sustainable Indicator	SDG	FY2025 Actuals
% reduction in single-use plastic shoppers	6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action	**86.3%** **68 336 333** plastic bag-free sales transactions
% of products that have plastic packaging		**72.74%** Plastic packaging reduced in **41 720 181** products
% of packaging from recyclable materials		**97.8%** **161 334 667** products have recyclable packaging
% of products from sustainable materials		**28.5%** **64 795 022** products have a sustainable attribute
Energy benchmark of 25watts/sqm (stores only)		14.87 watts/sqm
Waste recycling (DC)		**95.0%** of waste at the Hammarsdale DC is recycled
Waste recycling (head office)		**65%** of recycled waste at head offices

The full indicator table is on page 25 and 26 and other areas of environmental progress are included in the pages that follow.

Environmental Partnerships

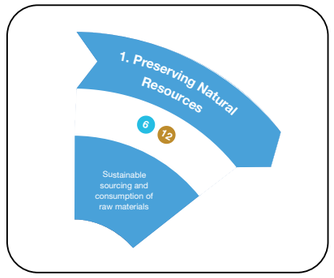
Suppliers must adhere to local environmental laws as per the group's code of conduct. Collaborations with NGOs and industry bodies help mitigate environmental impacts and identify potential operational risks and opportunities. The group partners with the Worldwide Fund for Nature (WWF) for advisory support and works with the Textile Exchange on sustainable materials and standards. Packaging and paper solutions follow the standards of the Forest Stewardship Council (FSC), and the group is a member of various producer responsibility organisations (PROs) to promote recycling and circularity in packaging and product solutions.

The two key objectives relating to the group's impact on the environment are:

- To preserve natural resources
- Reduce and stabilise environmental impact.

Reusable shopper bags at Pavillion Sheet Street store

4.1 PRESERVING NATURAL RESOURCES



4.1.1 SUSTAINABLE MATERIALS AND CLEANER PRODUCTION

Biodiversity and natural resources are essential for the production of the group's merchandise. It is crucial to ensure these resources are sourced sustainably and conversion processes utilise cleaner production practices to produce sustainable materials and products. Key materials used include cotton, recycled polyester, man-made cellulosic fibre, wood, and non-harmful chemicals.

The group collaborates with certification organisations and suppliers to promote sustainably grown materials and cleaner production methods. It also works with suppliers to divert pre-consumer textile waste to local recycling plants, minimising landfill waste. Relevant certification groups are listed below.

Categories of Sustainable Materials and Cleaner Production*

	Units		Percentage Contribution**	
Certification category	**FY2025**	**FY2024**	**FY2025**	**FY2024**
Energy saving	**100 568**	128 478	0.0	0.1
Anti-cruelty	**2 786 122**	2 165 738	1.2	1.0
Non-harmful chemicals	**17 643 834**	N/A	7.7	N/A
Recycled material	**12 021 207**	8 656 748	5.3	4.0
Sustainable cotton	**25 864 127**	25 630 730	11.3	11.8
Sustainable forestry/timber/wood	**3 218 334**	2 601 396	1.4	1.2
Cleaner production	**3 160 830**	8 355 908	1.5	3.9
Total	**64 795 022**	47 538 998	28.5	22.0

*Excludes Power Fashion, Yuppiechef and Studio 88
**Percentage contribution is to the group's total product range in units

In FY2025, the group sourced over **64.7 million** products that were certified sustainable or manufactured with technology and management systems that sustainably use water and energy, and support waste reduction. This translates to an increase of 6.5% from FY2024. The predominant materials remain sustainable cotton and recycled synthetic materials, aligned with the group's primarily apparel product mix. Materials with similar sustainable attributes are grouped into categories to create themes and/or initiative-based clusters. These categories include:

Energy Efficiency

Energy-saving products encompass those that meet efficiency standards and are labelled by South African National Standards under the South African Bureau of Standards such as electric lamps and bulbs from Mr Price Home and Sheet Street.

Anti-cruelty

Anti-cruelty products advocate for responsible practices aimed at preventing or reducing cruelty towards animals in the sourcing of raw materials and production processes. Certifications include Beauty without Cruelty in relation to products such as candles, candle accessories, and Responsible Down Standard in relation to down-filled products such as scatter cushions from Mr Price Home.

Non-harmful Chemicals

This category focuses on textile products tested for harmful substances that could impact human health and the environment. The certification is carried through every stage of the textile production process, from raw materials to finished products. Certification such as OEKO-TEX® STANDARD 100, are applicale to Mr Price Home products such as couches, and Sheet Street products such as bedding and curtains.

Recycled Materials

This theme includes textiles and materials made from recycled material such as recycled glass, plastic, wood and fabrics. These materials are repurposed in a circular process, serving as input materials for the creation of 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 currently recognises two sustainable cotton standards: 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.

Sustainable Forestry

The group sources wood or plant-based products from suppliers that support responsible forestry practices, ensuring they do not obtain materials from ancient or protected forests or areas. Certifications include FSC and 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 adopted practices that minimise the environmental impact of raw material conversion and improve manufacturing. These include reducing water usage and water effluent, and eliminating harmful chemicals in the production and conversion processes. Certifications may include OEKO-TEX®, ISO 14001 and ZDHC certification. In the men's essentials ranges of the RT and Oakridge brands from Mr Price Apparel, 1 157 098 units are produced using cleaner production practices. More details on cleaner production are in the Mr Price Apparel case study on page 27.

Reusable shopper bags

4.1.2 ENERGY

Energy Saving Initiatives

In FY2025, 85 stores were retrofitted with LED lighting, which enhances energy efficiency, improves lighting quality, and has a longer lifespan. The group collaborates with associates, landlords and store operation managers to reduce energy consumption. Looking ahead, the group will work with suppliers to gather energy consumption data for better supply chain energy management.

Despite reduced loadshedding in South Africa, the group continues to install inverter backup power to decrease reliance on generators and diesel.

Renewable Energy

During the reporting period, **969 403kWh** of renewable energy was generated at the Hammarsdale DC and Durban head office sites, accounting for **19.4%** of the group's total energy use (excluding stores) and **18.0%** of the DC's energy source.

The group's more than 3 000 stores, the largest energy consumers in direct operations, are located in properties owned by third party landlords, limiting the group's ability to implement renewable energy generation and consumption at store level. By collaborating with key landlords, the group is exploring opportunities to share the benefits of renewable energy through wheeling and renewable energy certificates.

Renewable Energy

	FY2025		FY2024		FY2023	
Site	% of buildings' energy derived from solar	kWh	% of buildings' energy derived from solar	kWh	% of buildings' energy derived from solar	kWh
Mr Price Group head office	**25.5**	**232 831**	25.2	245 899	17.7	203 904
Hammarsdale DC	**18.0**	**736 572**	26.8	949 477	20.4	751 158
Total	**19.4**	**969 403**	26.4	1 195 376	19.7	955 062

Solar energy generation at the Hammarsdale DC was impacted by technical issues which accounts for the decrease from last year.

4.1.3 WATER USAGE

Water usage at head offices is measured monthly to identify excessive consumption and any anomalies. Given South Africa's water scarcity, best management practices are essential. In FY2025, total water usage was 29 423 kilolitres, an increase of 4 613 kilolitres. The increase was due to the inclusion of the water usage at the newly operational Gosforth Park DC. The Hammarsdale DC consumed 7 434 kilolitres of rainwater sourced from harvesting tanks, reducing scarce surface-based water consumption. When procuring products, the group also considers cleaner production processes and technologies designed to reduce water usage during manufacturing. More details are in the cleaner production section on page 31. Water consumption at stores is minimal.

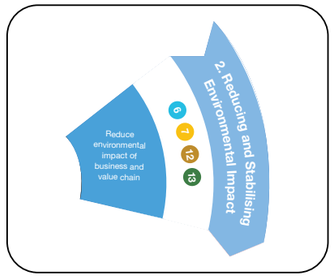
Water Consumption in Kilolitres

FY2025	FY2024	FY2023	FY2022
29 423	24 810	28 945	26 858

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

The group has made good progress in its ambitious effort to eliminate single-use plastic shopper bags from all stores*. Operations teams managed plastic bag procurement, and procured 16.7 million bags less than last year, a 60.6% reduction. The impact is most notable in stores and through customer collaboration. Store associates promote reusable bags, and the point-of-sale system tracks transactions for single-use plastic bags, reusable bags, and instances where customers use their own bags or none. In FY2025, customers opted for their own or reusable bags in over 68.3 million transactions, meaning **86.3%** of all sales did not include a plastic bag, an improvement of 23.6%.

This reflects the group's commitment to its Together We Do Good sustainability purpose. Reducing **over 68.3 million** single-use plastic bags mitigates environmental pollution, especially in vulnerable water sources like rivers and oceans. Additionally, all reusable bags are made in South Africa, supporting local manufacturing and promoting sustainable practices.

Since FY2023, the use of over 158 million single-use plastic packets has been avoided.

*Excluding Yuppiechef, Power Fashion and Studio 88

Mr Price Sport and Mr Price Home stores are substantively single-use plastic bag free. By the end of FY2026, Sheet Street and Mr Price Apparel will follow suit. In FY2025, Power Fashion successfully piloted reusable bags at select stores, with plans to expand offerings next year. Studio 88 will conduct a similar pilot, starting their journey to reduce single-use plastic bags.

The following alternatives are offered to customers:

Trading Division	Bag Options
MILADYS	Reusable and paper bags
mr price sport, mr price home	Only reusable bags
YUPPIECHEF, mr price cellular **	Paper bags
mr price, sheet•street	Reusable and plastic bags
POWER FASHION	Reusable and plastic bags Test conducted in FY2025; to be rolled out further
studio 88	Plastic bags Reusable bag test to be conducted in FY2026

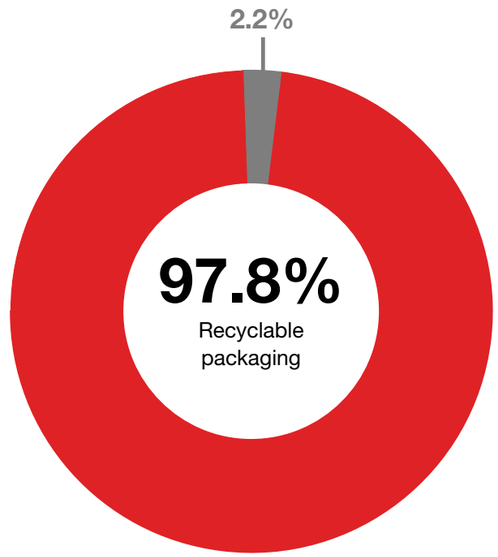
**Standalone stores

Product Packaging

The group continues to make significant strides in reducing plastic packaging. In FY2025, more than **41 million** of the group's products had reduced plastic packaging. This is an improvement of 11.3% from last year.

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



RECYCLABILITY OF PACKAGING*

In FY2025, **97.8%** of all inner, display and product packaging was recyclable, reusable, or made from recycled content, with recyclable plastic accounting for **72.74%**.

As part of the South African Extended Producer Regulation (EPR), the group engages with PROs to source widely recyclable plastic materials locally, enhancing recycling capabilities. The group also advises on waste and packaging through the Circular Energy advisory board.

Most plastic inner packaging consists of LDPE polybags, essential for logistics and distribution, which is currently irreplaceable. However, the group ensures that these are recyclable and continuously works towards developing recycling initiatives. An independent packaging audit in FY2025 measured packaging types and identified opportunities to further reduce plastic packaging and source sustainable alternatives.

Reuse and recycling of outer packaging is detailed in the waste and recycling section on page 37.

*Excludes e-commerce packaging

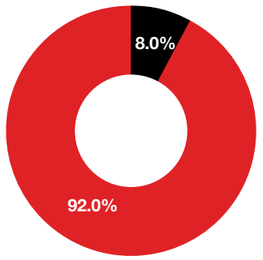
Recyclable plastic | Non-recyclable plastic

Couch manufactured using cleaner methods certified by the OEKO-TEX 100 standard

4.2.2 WASTE AND RECYCLING

Group Recycling

The group contributed to reducing landfill waste through recycling initiatives at its head office and DCs. Pleasingly, **92.0%** of the total measured waste at these sites has been recycled.



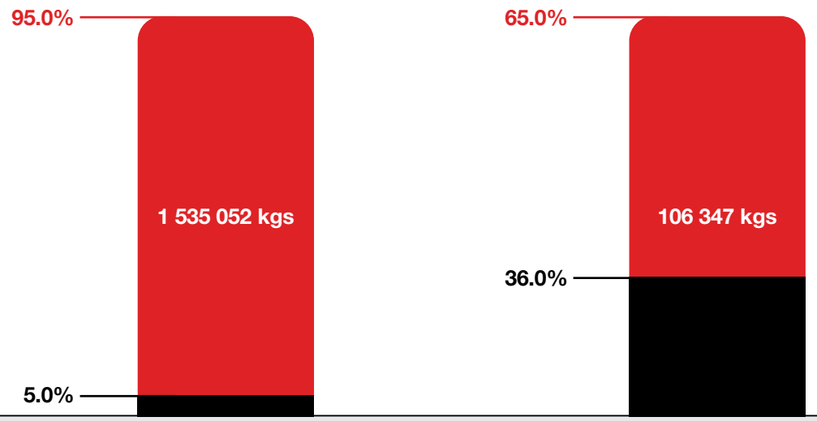
92.0% waste recycled

Waste recycled | Waste to landfill

Recycling is currently measured and reported at five sites: the group's Durban head office, Miladys head office, Power Fashion head office and DC (combined site), and Mr Price Money head office. Recycling will be extended to the Yuppiechef and Studio 88 sites in FY2026. Although the total volume of recycled waste has increased from last year, the percentage of total waste recycled at head office sites reduced by 3% while the Hammarsdale DC has increased year-on-year for four years.

Waste measurement is monitored and reported quarterly, and if recycling rates drop, audits are conducted to identify remediation interventions. In addition, an internal recycling working group discusses challenges and solutions for each site. The group will continue efforts to reduce waste to landfill.

WASTE RECYCLING PER LOCATION TYPE



Total waste recycling in: **1 641 399 kgs**

Waste recycled | Waste to landfill

Recycling at Stores

Store-generated waste is currently not measured by the group, as waste collection and recycling is overseen by shopping centre management. Stores are encouraged to adopt responsible waste management practices by reusing, recycling, using recyclable hangers, and sending e-dockets to customers instead of printing paper receipts. Stores not located in shopping centres collaborate with both formal and informal recyclers to collect cardboard for recycling.

Reuse Waste

To minimise packaging waste, the group's Hammarsdale DC reused more than 547 000 cardboard cartons, an increase of 39.4% from last year.

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. During the reporting period 142 kg of these were collected and recycled.

Paper Reduction

Paper usage at stores continues to be reduced through the e-docket initiative. The group has emailed over 106 million dockets since 2016, significantly reducing the volume of paper receipts issued.

E-waste

E-waste generated at the Durban head office from technology hardware is sold to external buyers and associates, donated to charity, or responsibly disposed of by a specialist e-waste service provider who provides a certificate of destruction. Printer cartridges from stores are collected monthly and recycled into product material. During FY2025, 6 528 cartridges were collected from stores nationally and recycled.

4.2.3 CLIMATE CHANGE

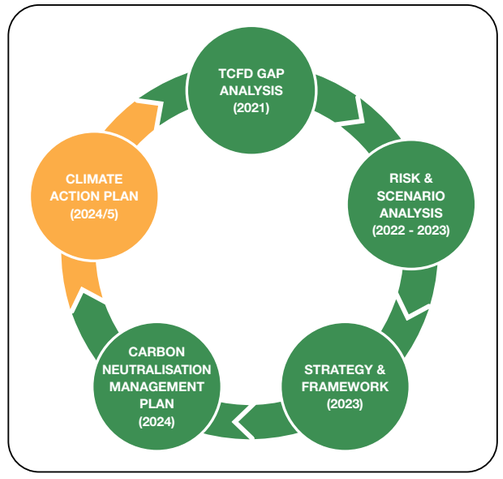
Climate change poses risks to the natural resources used in the group's products, the communities it operates in, and its supply chain infrastructure. The group recognises the importance of reducing its climate impact and adapting to climate change to ensure business resilience. In FY2025, significant climate developments in South Africa included the partial proclamation of the Climate Change Act and the Carbon Tax Discussion Paper. The next legislative phase is expected from 2026 to 2035. Currently, the group is not directly impacted by carbon tax, and retail sector carbon emissions targets are still being established by government. These developments are closely monitored, and readiness activities are well under way. As part of GHG reporting, SAGERS and Carbon Tax is annually reported and submitted to the relevant government authorities.

Climate Change Process

Since conducting the TCFD gap analysis in 2021, the group has been on a journey to progress its thinking and actions to address climate change. In 2022, the group started a process to identify its climate change risks, develop a framework and plan to guide implementation and identified suitable metrics and targets to inform an emissions baseline.

The approach followed by the group is shown in the adjacent image and includes the development of a carbon neutralisation management plan as required by ISO 14068-1:2023.

A key recommendation from the TCFD gap analysis was to develop a risk and scenario analysis, which was completed in 2023. This analysis identified the group's physical and transitional risks. Using this as a key input, a climate change framework and strategy was formulated in 2023 that included the development of a carbon emission baseline (using 2023 data) against which targets that align to the mitigation of a 1.5-degree temperature rise, were modelled. To support the framework and strategy, a draft climate change action plan has been formulated that proposes key actions needed to meet the proposed targets.



The intricacy of the retail sector and its value chain, as well as the complexity of climate change as a subject has necessitated the process being iterative. The group is continually learning and gaining deeper understanding of climate change in retail and adapts the plan on a continuous improvement basis. The intention is to set realistic emission reduction targets that are supported by identified operational actions that are agreed and socialised with the relevant internal stakeholders. This will ensure that climate change is actionable, not academic.

Due to the negative effects of climate change on businesses, surrounding communities and environments, the group recognises the need to approach climate actions with a Just Transition in mind and to consider impacts across the value chain. As part of its climate action plan, the group will consider the effects of a climate change on associates, supply chain partners, and communities.

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 through the climate action plan.

Plastic shoe kimbals replaced with elastic kimbals

Risks

The group's climate change risk and scenario analysis highlighted physical and transitional risks. These are listed in the table below:

Physical Risks	
Theme	**Impact**
Raw material production	• Changes in temperature, precipitation patterns, and extreme weather events can affect the growth, quality and characteristics of certain crops and fibres such as cotton and other natural fibres
Manufacturing and logistics	• Increasing tropical storms and/or flooding will negatively impact manufacturing, logistics and warehousing
Associates and supplier partners	• Extreme weather events present a safety risk for associates and workers in the supply chain at workplaces and whilst traveling to and from work
Merchandise supply	• Seasonal climate shifts may influence customer purchasing behaviour
Transitional Risks	
Theme	**Impact**
Cross border carbon pricing	• Increase in the costs of imported and/or exported merchandise
South African suppliers and customers	• Climate change can negatively impact local production facilities and low-income consumers. Disposable income can be reduced through climate change impact (reduction in jobs, increase in food cost etc.)

These risks have been considered and are incorporated into the groups, enterprise risk management processes and in the group's response to climate change.

Standards, Targets and Key Actions

After careful consideration and guidance from specialist consultants, the group used the ISO14064-1:2018 standards to establish an estimated base year of its carbon emissions in FY2023 and modelled provisional targets that align to the mitigation of 1.5˚C as per the Paris Agreement. This provided the group with a trajectory to use as a guide for the reduction of carbon emissions between 2023 and 2050.

The climate change action plan sets out an implementation guide to both reduce the group's emissions and investigate key interventions required to align with the proposed trajectory. These are summarised in the table below:

Value Chain Action Plan

Raw material	Product manufacturing	Packaging	Transportation	Own operations	Customers/End use
Key actions	**Key actions**	**Key actions**	**Key actions**	**Key actions**	**Key actions**
• Source lower impact materials • Increase use of raw materials from circular processes • Assess impact on farm workers	• Identify energy reduction and renewable energy opportunities in value chain • Conduct product carbon footprint analysis. • Assess impact on arm workers	• Reduce the impact of packaging - reduce, reuse, recycle • Packaging optimisation	• Explore viable options for less carbon intensive transportation alternatives • Transportation route efficiencies and optimisation	• Explore using biodiesel for generators. • Convert all stores to LED lights • Explore renewable energy opportunities (including wheeling)	• Wash care instructions at 30 degrees and below • Return plastic packaging for circular processes

Value Chain

Note: Implementation has started with all actions in green

Challenges and Limitations

The group's ability to achieve a net zero carbon emission target is limited by systemic factors such as energy generation using coal and fossil fuels in countries of both operation and manufacturing. In addition, electric vehicles requiring battery backups necessitate renewable energy for emission reductions to be realised.

The group has limited influence over upstream production of tier 3 and 4 suppliers and require access to data relating to supplier production processes and materials outside of its direct control. As such, scope 3 base year data currently reflects high-level assumptions and whilst aligned with the GHG protocols, it requires more in-depth analysis to accurately measure and reflect current impact and reduction opportunities.

Despite these challenges and limitations, the group is committed to act on reducing the carbon emissions in its direct control and to work through collaborative structures to influence systemic change where necessary.

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 constitute 83% of total emissions. The group will identify interventions to reduce scope 3 emissions as part of the climate change action plan to be further developed in FY2026. The table below details scope 1, 2 and estimated scope 3 emissions, showing a steady overall reduction of scope 1 and 2 from FY2020 to FY2022 (scope 3 emissions were first measured in FY2023).

Scope Emissions (tCO2e)

	FY2021	FY2022	FY2023	FY2024	FY2025
Scope 1	1 905	2 350	2 932	4 044	2 809
Scope 2	92 992	82 894	89 856	88 029	81 773
Scope 3	N/A	N/A	542 292	526 435	413 448

Note:
There has been a restatement on Scope 2 and 3 as a result of changes to calculation methodologies. A restatement of the GHG inventory refers to the revision of previously reported emissions to reflect improved data quality, updated methodologies, or corrections. In this reporting period, Scope 2 emissions have been adjusted due to the alignment with an updated South African energy grid emissions factors. Ongoing enhancements in data availability, quality, and accuracy have also resulted in minor changes across other emission categories.

FY2023 Total
632 148

FY2024 Total
614 464

FY2025 Total
498 030

Variance
116 434

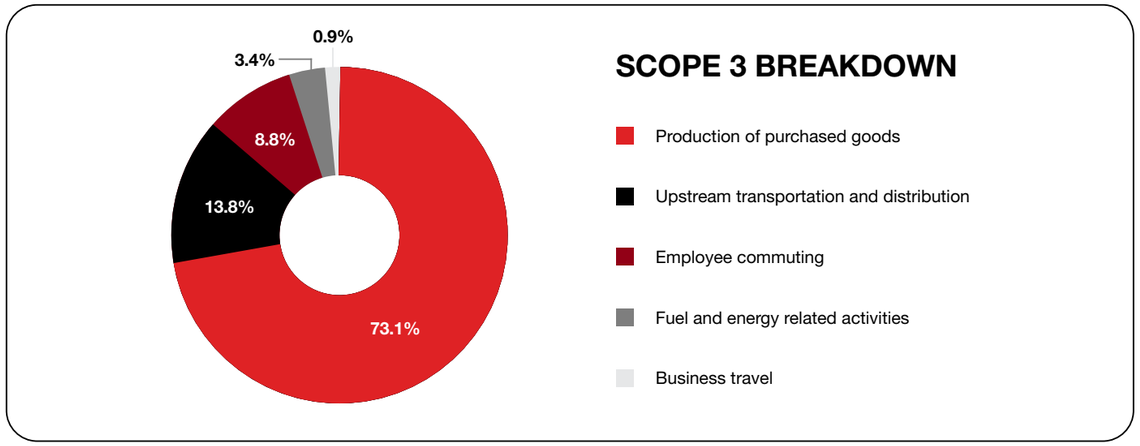
Reduction
18.95%

Scope 1 (Direct emissions): These sources of emissions include diesel generators, air conditioners (where data is available) and fuel usage. There was an expected decrease of 1 235 tCO2e in scope 1 due to reduced loadshedding which resulted in less diesel usage and overall increase in inverter backup power at stores.

Scope 2 (Energy indirect emissions): This includes all energy consumption of retail operations (stores, DC and head offices). Scope 2 emissions had a decrease of 6 526 tCO2e.

The watts/sqm were 14.87 for FY2025 at store level. The group is conducting energy audits across its high energy consuming stores to identify energy and cost savings opportunities.

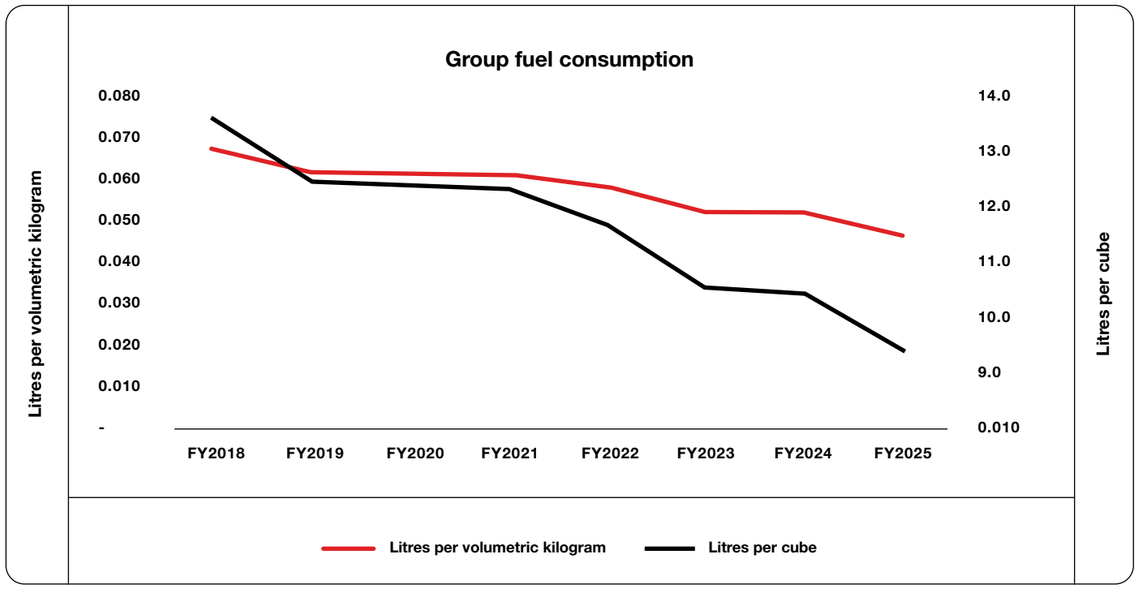
Scope 3 (Other indirect emissions): Represent the predominant portion of the group's GHG inventory, contributing 83.0% to the total emissions, equivalent to 413 448 tCO2e in FY2025. The group has calculated the following Scope 3 categories and its emissions contribution.



Mr Price Home reusable shopper bags

4.2.5 LOGISTICS AND SUPPLY CHAIN

The group's logistics partner has maintained its commitment to improving fuel efficiencies through various initiatives and projects, with continued improvement in fuel consumption reduction. Efficiencies have increased in the current reporting period, as compared to the stagnant trend in prior years. Fuel consumption measured by litres per volumetric kilogram has reduced to 0.047 in FY2025, a reduction of 9.7%, while fuel consumption measured in million litres has reduced by 1.8 million litres from FY2018 to FY2025. There has been improved linehaul truck utilisation in FY2025, from 81.8% in FY2024 to 83.6% in FY2025, which reduces kilometres per volumetric kilogram.



The initiatives being employed by the group's logistics partner to improve their sustainability which contributes to the reduction of the group's scope 3 carbon footprint include the following:

- Continued replacement of the older vehicles in the distribution fleet with new vehicles that have a larger volumetric payload capacity and are more fuel efficient. Both factors contribute to the overall reduction in carbon footprint for the business as a vehicle moves more freight, utilising a more efficient motor
- Replacing some of the linehaul fleet with new units with technology that makes them more fuel efficient contributing to the reduction of emissions
- Movement towards paperless deliveries, using paperless solutions in their back-office support functions where possible, and considering internal automation of administration processes to further reduce paper consumption
- Installation of a solar solution in multiple depots to increase the use of renewable energy
- The Durban depot has been awarded a 4 Green Star rating by the Green Building Council of South Africa, making it the second site in their network to attain this accreditation
- Testing additional electric truck models available in the market

4.3 CASE STUDY: PARTNERSHIP IN CIRCULARITY

The group collaborated with Hirt & Carter, City Logistics, and Sealand, to demonstrate how value can be generated from waste. As part of the group's usual in-store marketing activities Hirt & Carter, one of the group's marketing service providers, prints advertising material. This material is delivered to Mr Price Apparel stores nationwide by City Logistics and is then displayed in store windows for the duration of the marketing campaign.

Instead of discarding used advertising banners, City Logistics collects them from Mr Price Apparel stores during merchandise deliveries and delivers them to Sealand. The material is upcycled by Sealand as the lining of premium bags and accessories for the consumer market. This extends the lifecycle of the material, promoting circularity by transforming waste into valuable, long-lasting products.

Head of Sustainability from Sealand, Tim Cole: "Sealand is most grateful for the unwavering support and regular donations from Mr Price Group, forming a sturdy and reliable backbone to our upcycling operations. Used advertising banners are sent from store to our door where they are prepared, cut and sewn to form vibrant and unique linings in our bags. Without this constant stream we would be unable to do what we do - we can upcycle only as much as is provided by our esteemed retail partners and Mr Price is our most regular and reliable donor! We value this partnership incredibly and have been ecstatic to witness unbound growth and buy-in from Mr Price Group".

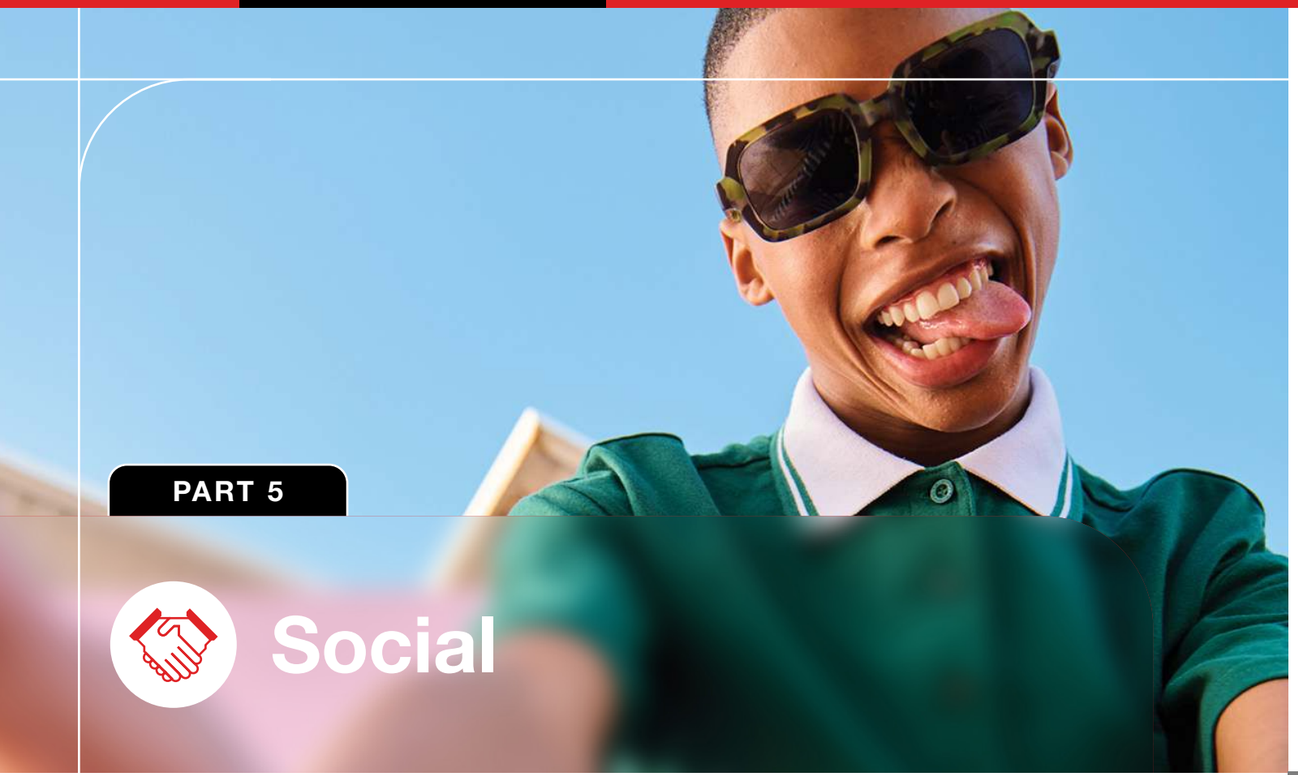
Since the inception of this partnership, almost 10 tons of fabric has been upcycled, keeping this material out of landfill and creating local jobs.

Upcycled Sealand product

Upcycled Sealand product inner

"Hirt & Carter's collaborative journey with Sealand began in August 2022, with a shared vision to reduce waste and promote sustainability", says Jeremy Thomson, Head of Operations, Hirt & Carter. "The key challenge in upcycling initiatives is often the reverse logistics of collecting used materials from retail outlets. To address this, we partnered with City Logistics, who recognised the value of this cause-related opportunity and agreed to collaborate. Through this strategic partnership, the aim is to achieve diversion of non-decomposable waste from landfills, support Hirt & Carter on their school bag drive and strengthen the value chain in moving towards a circular economy" he added.

This case study illustrates how the collaborative efforts of Hirt & Carter, City Logistics, Mr Price Group, and Sealand create a sustainable loop that benefits the environment and the community. By turning waste into valuable products, these partners set an example of genuine circularity and demonstrate the positive impact of committed partnerships on both the economy and society.



PART 5

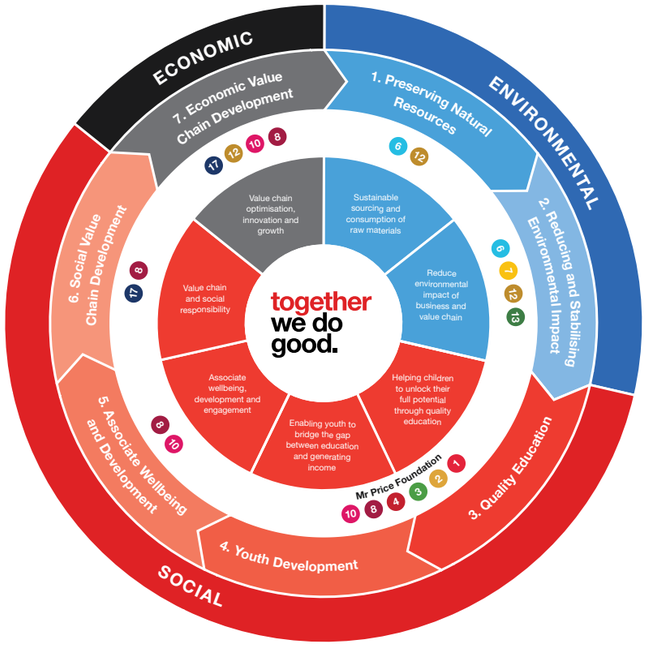
Social

Overview

The group's social responsibility objectives are focused on the broader impacts of its operations on its stakeholders. It aims to create value and make a meaningful impact through relationships with associates, customers, suppliers, and communities.

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 Together We Do Good social purpose, the group focuses on these key objectives: quality education and youth development (via Mr Price Foundation), associate well-being and development (via the People Centre of Excellence), and social value chain development (impacting suppliers, their workers, and communities).



KEY SOCIAL ACHIEVEMENTS FOR FY2025:

Sustainable Indicator	SDG	FY2025 Actuals
% jumpstart placements (within Mr Price Group)	8 Decent Work and Economic Growth; 10 Reduced Inequalities; 17 Partnerships for the Goals	86%
Employment opportunities		32 760
Employment equity (ACI)		97.2%
Factory visibility		96.6%
% of factories audited		92.9%
Investment in supplier development		R32.9m
Preferential procurement		76.54 points (forecast)

KEY ACHIEVEMENTS

mr price foundation

JumpStart — Skills Development

R23.8 million
invested in skills development

9 021
youth benefited

5 407
JumpStart participants employed by Mr Price group

405
JumpStart participants employed by other programme partners

504
employed elsewhere

UpLift — Entrepreneurship

R6.4 million
invested in youth entrepreneurship

41
aspiring entrepreneurs benefited

EduRise — Education

R7.8 million
invested in education

13 769
primary school learners benefitted

21
primary schools participated

423
educators benefited

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. In FY2025, Mr Price Foundation, which has been operating for twenty years, undertook a comprehensive review exercise to develop a new 10-year strategy to better serve youth against the evolving socio-economic challenges. This new strategy is set to take effect in FY2026.

Mr Price Foundation supports business sustainability by prioritising its EduRise programme in Hammarsdale schools, benefitting DC associates. It also develops a talent pipeline for stores and head office through the JumpStart skills development programme.

In FY2025, the group donated 1.0% of its net profit after tax to Mr Price Foundation, equating to a **R33.1m** donation.

Established in 2005, Mr Price Foundation operates as an independent NPO, allowing it to receive funding from associates, customers, corporate partners, and the public. Associates can donate monthly via salary deductions and participate in foundation events. In the reporting period, over 580 associates made monthly donations, and more than 150 associates and 98 players representing suppliers joined the Mr Price Foundation Cup soccer tournament.

In addition, Mr Price Foundation supported more than 43 other NPOs through product donations.

JumpStart Program Participant

Further details can be found in Mr Price Foundation's integrated report at **www.mrpricefoundation.org.** To donate to Mr Price Foundation, please visit **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

together we do good.

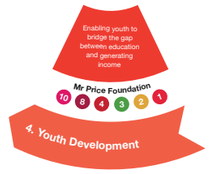
Mr Price Foundation addresses education needs by empowering foundation phase schools. The EduRise programme upskills and mentors school management and educators in various lower socio-economic primary schools across South Africa, including 21 schools in Hammarsdale. Over 13 700 learners and 423 educators benefitted this year. The foundation partners with Kwa-Zulu Natal's Department of Basic Education to deliver the program.

5.2 YOUTH DEVELOPMENT

The group's goal of bridging the gap between education and income generation through employability and entrepreneurship is achieved via annual support of Mr Price Foundation's JumpStart and UpLift programs.

Total investment in youth development was R30.2 million across these programmes, with R23.8m allocated to JumpStart and R6.4m to UpLift.

together we do good.



JumpStart

Skills Development - JumpStart

The JumpStart programme equips unemployed youth with retail and manufacturing skills, offering targeted training in production, pre-production, professional retail, and frontline retail.

Blending industry-specific theory with life skills and work experience, JumpStart ensures youth are prepared for the working world. In FY2025, over 9 000 youth benefited, **5 407** were employed by Mr Price Group, **405** by external partners, and 504 employed outside JumpStart, totalling 6 316 employed participants.

Mr Price Foundation partners with SPAR Group and Anglo Platinum to deliver JumpStart.

UpLift

Entrepreneurship - UpLift

The UpLift program unlocks young entrepreneurs' economic potential through skills workshops, business coaching, mentorship, investor-readiness support, and practical tools. It includes wastepreneur incubation, Grassroot, and HandPicked programs. UpLift collaborates with partners to identify opportunities in emerging sectors.

In FY2025, 10 waste entrepreneurs, 17 grassroots entrepreneurs, and 14 agripreneurs were supported. During the year, the HandPicked programme was reclassified as a skills development program under UpLift, rather than a standalone program. Mr Price Foundation partners with CHEP to deliver the benefits of UpLIft.

Wash care label made from recycled materials

5.3 ASSOCIATE WELLBEING AND DEVELOPMENT

5.3.1 ASSOCIATE WELLBEING

Occupational Health and Safety

The group prioritises the wellbeing and safety of its associates and partners, as outlined in its health and safety policy supported by the occupational health and safety committee. In FY2025, there were no work-related fatalities, marking five consecutive reporting periods without serious incidents, although 153 work-related injuries were recorded. A total of **1 538** associates received health and safety training, including new certifications and refresher courses. There were no significant non-compliance issues.

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	143	0	0.5%
FY2025	153	0	0.5%

Associate Wellbeing

Associate wellbeing continues to be a priority the group invests in. This in turn contributes to higher levels of productivity, engagement and an overall thriving workforce.

The group's wellbeing programs are underpinned by four pillars which provide comprehensive support to associates, with each pillar enabled by a number of activities. Each division has wellbeing champions (ambassadors) who ensure that wellbeing initiatives are relevant and address associates' needs.

Water soluble prints on Mr Price Apparel underwear packaging bags

WELLBEING = PHYSICAL + MENTAL + FINANCIAL + SOCIAL

WELLBEING

PHYSICAL
- Preventative health testing
- Discovery wellness weeks
- Health and wellness challenges
- Medical professional services
- Healthy food options at support centre canteens at subsidised rates
- 20% discounted gym membership through Virgin Active for associates that do not have the Vitality benefit

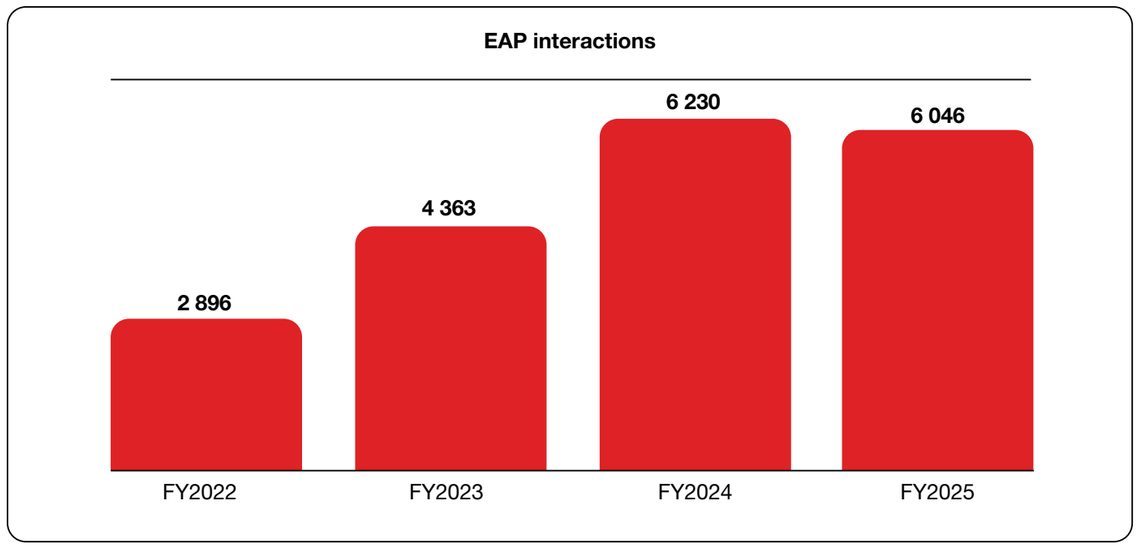
MENTAL
- 56 group counselling sessions held across the group
- Mental health support groups and educational talks in line with the topic of the month
- Access to on-site counselling services.

FINANCIAL
- Budget building, debt management and debt consolidation support is provided through the employee assistance programme
- Annual financial wellness weeks are held at various office locations
- Financial wellbeing education talks provided monthly

SOCIAL
- Educational talks relating to healthy relationships
- Associates are encouraged to give back through participation in social upliftment initiatives linked to the Mr Price Foundation

Supporting each pillar are Wellbeing Champions (ambassadors) who raise awareness, encourage participation and provide valuable feedback on behalf of their teams, which informs the monthly themed wellness calendar and initiatives (including invited speakers on various topics)

Through the group's employee assistance programme (EAP), associates were able to access professional support for themselves and their families across the pillars with over 6 000 interactions taking place over the year.



Parental Support

Early child development is important for the future of the communities where the group has a footprint. For the past five years the group has offered bursaries to school going children of permanent associates, at primary or secondary school levels. To date 1 121 children have had the opportunity to receive quality education through financial support provided to associates.

Leadership Wellbeing

In FY2025, the group introduced an executive wellbeing programme, in partnership with Discovery Health. A strategic decision was made to prioritise executive wellbeing due to the the complex challenges modern leaders face. Insights gained will help the group to better support leaders on their wellbeing journey and mitigate people-related risks. In the last year, 110 leaders (100% completion rate) completed comprehensive assessments, receiving individual reports with preventative, remedial actions, and referral support. This empowers leaders to understand their health and take accountability, supporting their overall wellbeing. By prioritising wellbeing, leaders set the tone for their teams, leading to better performance, engagement, and retention outcomes.

Leave and Working Hours

The group subscribes to the relevant labour laws/national laws that are applicable in every country within which it operates and ensures group policies align to legislative requirements. Associates are entitled to various paid leave types and conditions may vary depending on seniority, years of service and in-country legislation requirements, as set out in each leave type policy. The aim is to ensure that associates live a balanced life outside of work and are able to rest and recover in a high performing work environment.

As a minimum requirement, the group encourages associates to take their leave as it is an important part of their wellbeing.

Leave Type	South Africa
Paid time off	15 days per annum
Sick leave	30 days per 3-year cycle
Maternity leave	Up to 4 months
Adoption leave	Up to 4 months
Commissioning leave	Up to 10 weeks
Parental leave	10 days
Family responsibility leave	3 days per annum
Study leave	Up to 8 days per annum
Relocation leave	2 days (once-off)
Sports leave	Up to 10 days per annum
Directors' uncapped leave	Unlimited with a minimum of 15 days per annum
Half day Friday	Support centre associates, last Friday of every month

*Leave legislation varies by country and leave type and duration for associates outside of South Africa may vary.

The group recognises flexibility and ownership over work schedules as an enabler of engagement and wellbeing. In 2021, a flexible work policy was introduced for office-based associates which remains in place. Associates may elect the place, time and contract type best suited in support of work-life blend while remaining aligned and accountable to business needs. This policy is monitored closely to ensure that desired performance outcomes are still met, productivity and engagement data is tracked and used in managing the policy in a way that delivers the best outcomes for the associate and organisation.

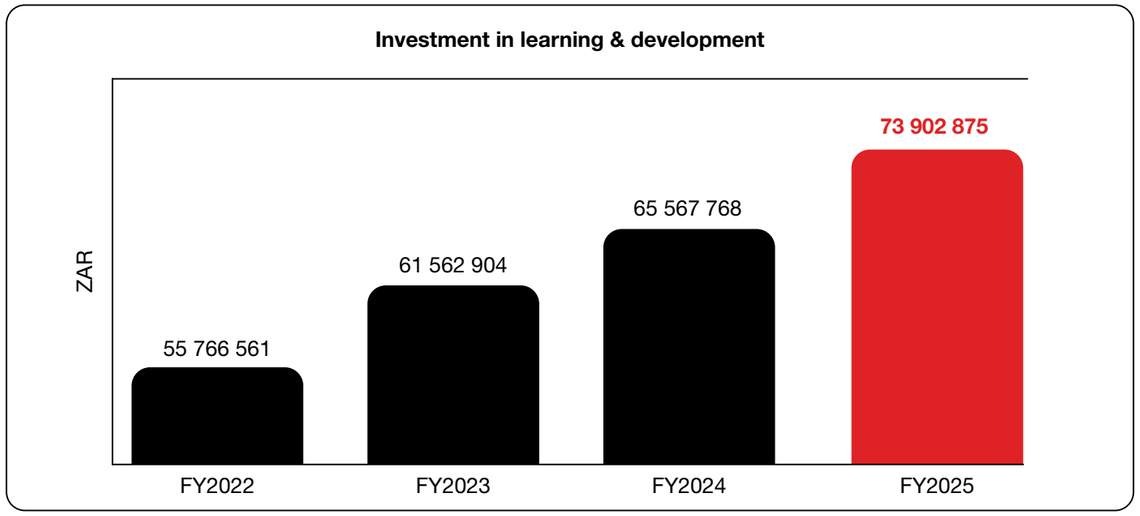
5.3.2 ASSOCIATE DEVELOPMENT

Learning and Development	FY2024	FY2025	Comparative
Investment in learning and development	65 567 768	**73 902 875**	8 335 107
Average spend on learning per associate	2 240.48	2 464.99	224.51
Total number of learnership participants	1 499	1 268	-231
Previously disadvantaged groups (PDG) as a % of associates on unemployed learnerships	100%	100%	0
Number of associates participating in learnerships were youth	715	549	-166
Number of associates participating in learnerships were promoted	85	72	-13

Investment in Associate Development

With continued focus and investment in associate development, the group's total investment has grown by 13% since last year, this coupled with maintained efforts and focus, saw emphasis on the following learning areas:

- Leadership capability development (LEAD, Leadership Essentials Programme, Strategic Planning and Management in Retail Programme)
- Unconscious bias training
- Expansion of content to support merchant supply management skills and enhancements to the trainee merchant programme. Training content in support of enhanced and new merchant financial planning tools and product management systems were also developed
- Training content was developed and implemented to support the implementation of HR system
- Keeping abreast of Compliance and Governance demands, content to support Ethics, Risk Management, Compliance, Data Protection was developed for deployment, mainly via digital platforms
- Managing Learnerships that equip both unemployed and employed youth
- My Growth Journey, a campaign aiming to create awareness of development and career opportunities (expanded to include remote associates)



Merchant Development

The merchant trainee programme is crucial for developing scarce retail buying and planning skills. To address the industry's shortage of manufacturing expertise, the programme includes supply chain and manufacturing insights.

In FY2025, the General Merchandise and Apparel experience was expanded to include a factory experience course, enhancing practical exposure to end-to-end manufacturing processes. Additionally, merchant learning solutions for various proficiency levels are continuously refined to meet evolving business needs.

Associates have access to a brochure of more than **180** course offerings

Since inception **388** associates have participated in formal factory experiences

More than **70** courses are available online

Learnerships

The group has a longstanding partnership with the W&R SETA to drive transformation and career progression particularly for previously disadvantaged populations through skills development. This includes both internal associates and unemployed South Africans, with and without disabilities, across various sites such as distribution centres, contact centres, stores, and group head offices. Although student intake decreased this year due to changes in regulatory bodies and qualifications, the group remains committed to youth development by introducing more learnerships:

- Supply Chain Management (NQF level 5)
- Systems Support (NQF level 5)
- Project Management (NQF level 4)
- Business Administration (NQF level 3)
- HR graduate programme for unemployed

Learning Participation	FY2023	FY2024	FY2025
Total number of employed learners participated	890	1 170	909
Total number of unemployed learners participated	312	329	359
Total learnership participation	1 202	1 499	1 268
Unemployed learners living with disabilities	312	329	285

FY2025 LEARNING & DEVELOPMENT FOCUS AREAS:

Associate Development

- Comprehensive review of the Store Leader Development Programme was conducted with plans to implement enhancements in FY2026
- Associates (excl. Studio 88, and Yuppiechef with a limited offering in Power Fashion) had access to my growth journey curriculum, growth journals and webinars
- Associates (excl. aquisitions) have access to the group's Learning Platform with comprehensive online offerings available

Merchant Development

- Merchant capability enhanced by introducing two new supply management courses
- Training content was developed to support adoption of a new merchant financial planning tool
- Training content was deployed to support product management systems enhancements
- Trainee merchant programme was enhanced to include a structured proof of evidence assessment
- Power Fashion and Yuppiechef are now enabled access to some of the content

SETA Programmes

- 909 number of employed associates participated in FY2025
- 359 number of unemployed youth participated throughout the year
- 285 unemployed South Africans with disabilities participated
- Piloting HR graduate programme for unemployed youth

Digital

- LinkedIn licenses made available to a targeted population
- Udemy course focused on scarce skills develpment e.g. System Architecture

Leadership Development

In FY2025, the group enhanced its leadership development journey to support its vision of becoming Africa's most valuable retailer through:

- **Leadership Competency Framework:** provides guidance on expected leadership proficiency and integrates all leadership initiatives
- **LEAD Programme Expansion:** Introduced two new modules, "Inclusive Leadership" and "Crucial Influence"
- **Leadership Essentials Programme Update:** Added "Leading Through Coaching" and "Leading Recruitment" to support diversity, equity, inclusion, and belonging

These mechanisms aim to strengthen the leadership succession pipeline through continuous upskilling.

31 Leaders participated in LEAD

19 LEAD alumini associates promoted

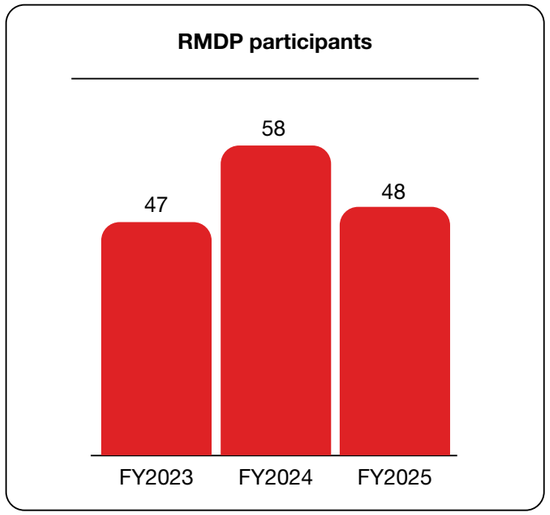
12 LEAD alumini associates promoted were female

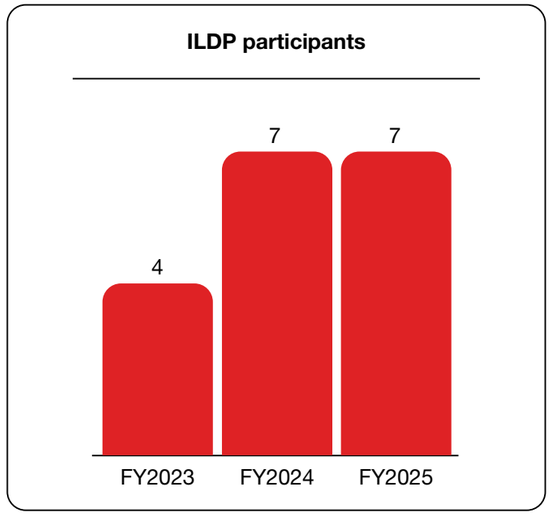
Further to the above offerings, the Strategic Planning and Management in Retail Programme aims to equip leaders with skills to develop and manage sustainable retail strategies for competitive advantage.

Additionally, 105 leaders and functional experts are mentoring others across various areas and skills.

SETA Funded Leadership Development Programmes

The group participates in higher education programmes like the Retail Management Development Programme (RMDP: NQF level 5 - 7) and the prestigious International Leadership Development Programme (ILDP: NQF level 8). These programmes provide accelerated development opportunities for previously disadvantaged associates, ensuring robust leadership pipelines to deliver on our growth strategy.





88% of RMDP participants are ACI

100% of ILDP participants are ACI

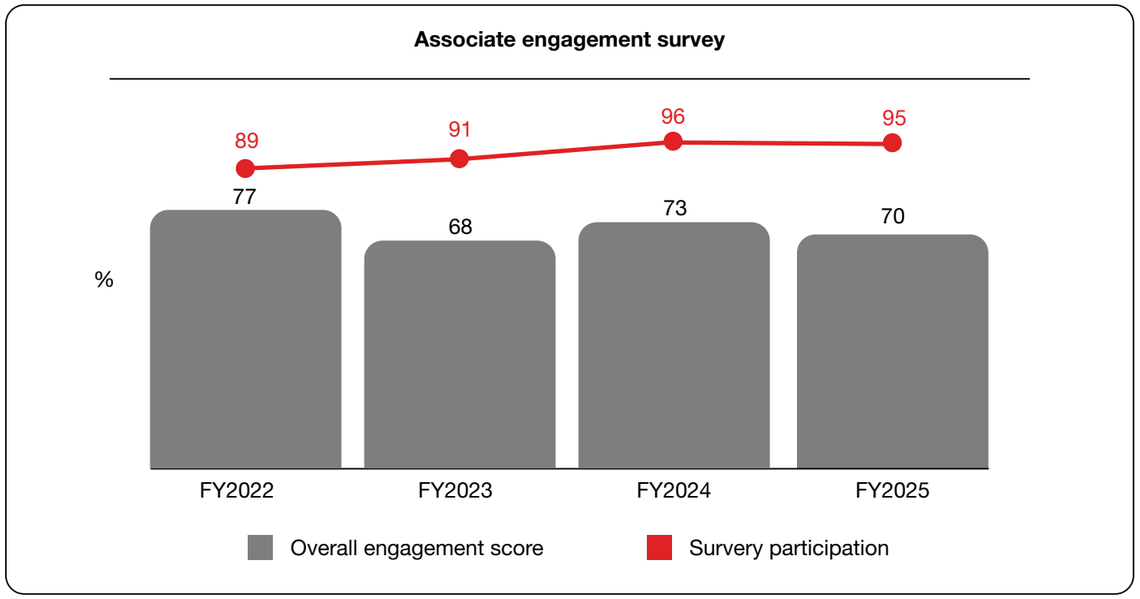
94% of RMDP participants are from PDG

100% of ILDP participants are from PDG

Associate Engagement

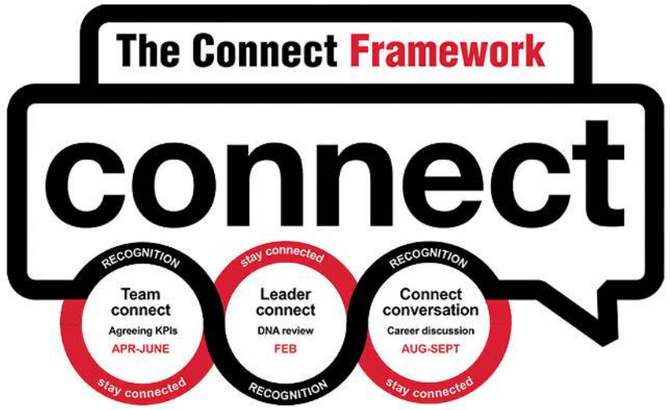
An engagement survey is conducted annually with all associates, which now includes Yuppiechef and Studio 88 associates. The survey is based on the Gallup Q12 methodology with the addition of questions relating to inclusion, wellbeing, and purpose.

In FY2025, 70% of associates remain engaged, are enthusiastic about their roles and find meaning in their work. This performance in engagement is in line with that of exceptional workplaces according to Gallup.



Packaging made from recyclable cardboard

Performance Enablement



The group's performance enablement framework (Connect) includes Team Connect (KPI setting), Leader Connect (DNA review) and Connect Conversation (Career and development discussion). The framework aligns associates with the group strategy and vision through setting of stretch KPIs, clarifying performance expectations, fostering development, and agile feedback.

During the reporting period 73% of associates engaged in Connect Conversations to establish development actions supporting career progression.

73% engaged in a career and development conversation

77% were ACI associates

79% were female associates

5.3.3 BEING A MR PRICE GROUP ASSOCIATE

Talent Attraction

To achieve the group's vision, it is necessary to attract and retain high calibre talent who are passionate about retail, and possess strong technical and leadership capabilities as well as sought-after retail skills.

The group's award-winning Work Experience Programme (WEP) attracted final-year students nationwide, offering experience in various merchant functions. This aligns with the group's strategy to build a strong young talent pipeline for critical roles and support transformation goals. WEP candidates feed into the Merchant Trainee Programme, aiding youth employment. To attract young talent, the group invested in enhancing its Employer Brand through strategic social media content, gaining over 700 000 followers. In FY2025, content reached over 2 million unique users on LinkedIn, Facebook, and Instagram, attracting 520 000 unique visitors to our careers, site and resulting in 75 000 applications.

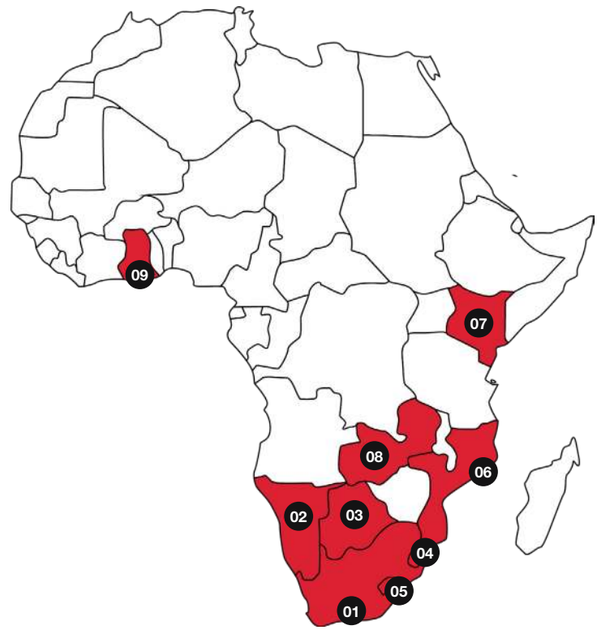
The group began developing an Employer Value Proposition (EVP) in FY2025. The EVP aims to elevate the group's talent attraction, ensuring the right talent in the right roles. The EVP roadmap includes internal and external socialisation through all social media platforms, aligning with the Employer Brand. In FY2025, the Top Employers Institute certified the group as a Top Employer in South Africa for the second consecutive year, reflecting our sound people practices built on our vision, purpose, values, and DNA.

Associate Profile

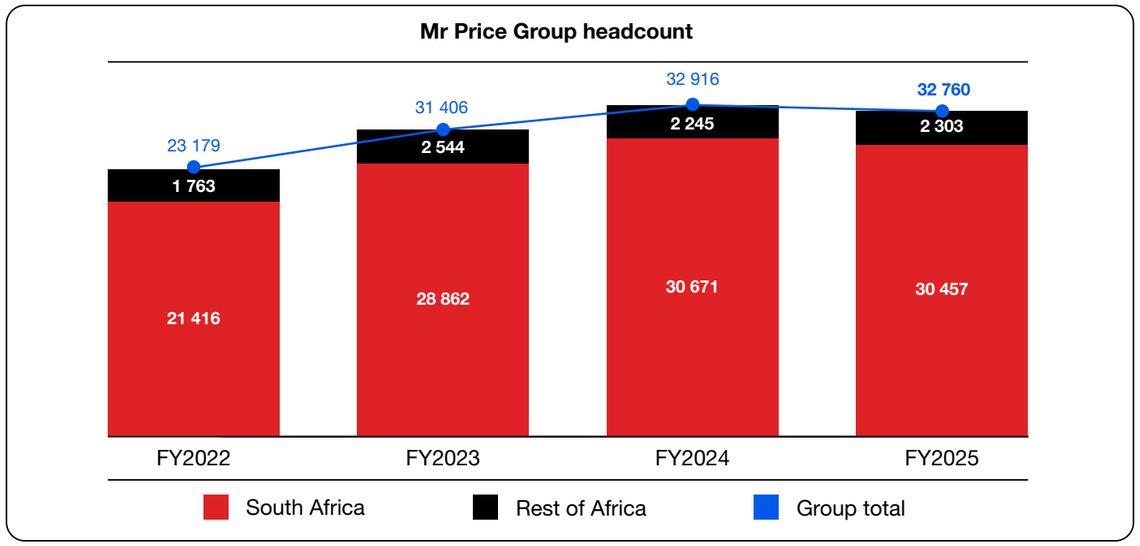
The group has grown by 41.3% in its workforce profile since FY2022 but experienced a 0.5% reduction from FY2024 due to closures of some unprofitable stores. Associate redeployment opportunities were sourced where possible.

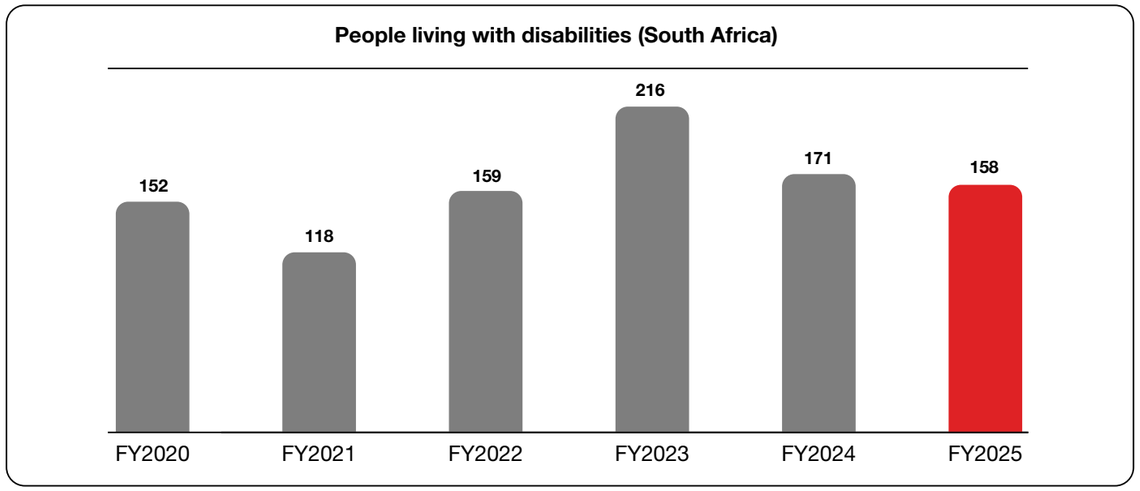
The group's operations comprise of **32 760** associates across nine countries, both fulltime and fixed-term associates.

Workforce by country



Country	FY2025 Workforce
01. South Africa	30 457
02. Namibia	952
03. Botswana	486
04. Eswatini	233
05. Lesotho	215
06. Mozambique	153
07. Kenya	122
08. Zambia	112
09. Ghana	30
Total workforce	**32 760**





Indicator	Mr Price Group Total
Number of jobs created	**32 760**
Temporary staff complement (%)	8.5%
Permanent Staff turnover (%)	19.7%
Permanent staff average length of service	4.4 years
Average associate age	32 years

64.3% Female — FY2024 64.2%

35.7% Male — FY2024 35.8%

Mr Price Group Values

Passion **Value** **Partnership**

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.

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

being fearless is our kinda style

To drive superior growth we need courageous decisions and a bold team.

golden rule everyday

Treat others the way you would like to be treated.

fans? more like family!

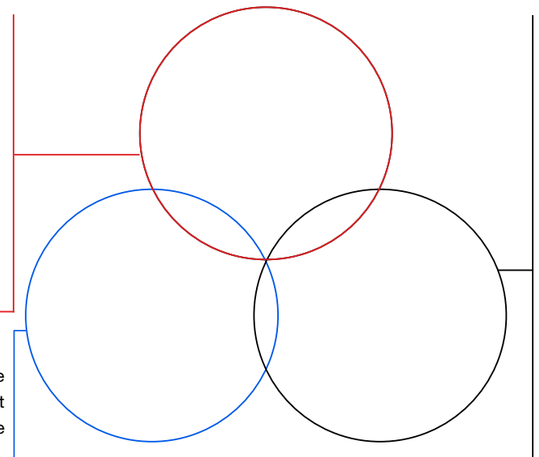
Our customers are at the heart of everything we do – they're our inspiration.

Pay and Benefits

The group initiated its phased approach to transition from a basic plus benefits model to a total cost to company model in the previous financial year, and FY2025 saw the conclusion of this process for support centre staff. This transition provides associates with transparency and increased flexibility in managing their remuneration according to their individual needs. It also aligns the business with market standards, enabling accurate comparisons of the group's remuneration offerings against market benchmarks to ensure external parity. The project was successfully implemented and will go a long way in ensuring that pay and incentives are competitive, enabling the group to attract and retain high performing talent in an environment where competition for talent is ever increasing. As part of the group's total remuneration strategy, several employment benefits are available to associates.

- The group provides access to two medical aid scheme options so that associates can join a scheme of their choice. Voluntary membership is offered to associates, fully payable by the associate.
- An in-house consultant is available for support on queries
- GAP Lifestyle Benefit offered at reduced rate for additional cover against shortfalls

- Associates and their immediate family (spouse and dependant children) are covered under the funeral policy



- The group contributes a fixed 7.5% towards the associate's retirement fund, and, associates have the option to opt for additional voluntary contributions (AVC) in line with their financial needs
- As part of the fund benfits the group also offers disability, group life cover and housing loan benefit to buy a house/land or improve the houses they live in
- In support of the associate's financial journey, financial advice is available through a reputable financial wellbeing consultant from Alexander Forbes

Reward and Recognition

At the heart of the business, is the group's purpose of being Your Value Champion. This is supported by rewarding associates with a total remuneration mix that drives our core values of Passion, Value and Partnership, which are key enablers of the group's success. The group's remuneration policy seeks 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.

The group's remuneration philosophy recognises that its successful years are a direct result of its associates' efforts. Thus, its stance is to generously and equitably reward high performance. Conversely, in years where the group is faced with headwinds, the focus shifts to maintaining fixed costs at reasonable levels with lower or no variable pay awarded to associates. Since performance related incentives form a material part of the remuneration structure, ongoing performance feedback is vital.

The group's performance enablement framework (Connect see page 59) aligns associates with the group strategy and vision through setting of stretching KPIs, clarifying performance expectations, fostering development, and agile feedback. More information is contained in the group's **Remuneration report**.

Associate excellence is further recognised at various levels in the group, where annually each trading division and centres of excellence recognises their best performers. At a group level, the highest achievers nominated by trading divisions and centres of excellence 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, Inclusion and Belonging

The group's people vision is to be a diverse, equitable, and inclusive retailer in Africa, where associates belong. This vision, along with the group's Values and DNA, fosters an environment where all associates feel seen, heard, and valued. In FY2025, the group delivered Unconscious Bias training for leaders to promote respect, inclusivity, and understanding, creating a more adaptable and innovative work environment that supports business goals.

From FY2026 onwards, the group will embark on cascading Unconscious Bias and DEIB sensitisation training to the rest of the associates.

635 leaders completed

73% completion rate

Employment Equity

The group is committed to transformation and complying with the legislation in South Africa and other countries, where its operations are based.

In line with Employment Equity Act ("EEA") and the Department of Employment and Labour (DoEL) sector numerical targets, the group is reviewing its current employment equity plans to ensure that the numerical targets and goals align with sector numerical targets.

Accountability for the group's transformation is governed through various oversight structures and employee affinity groups.
The group's approach to transformation is supported by:

- Accountability driven through KPIs for executive and divisional leadership, aligned with employment equity goals
- Executive leadership participates in implementing and supporting employment equity goals, this is a standing section in quarterly People Board sittings
- A diverse and inclusive employment equity committee as well as representative sub-committees focus on key topics to drive change
- The inclusion of all associates in driving transformation by ensuring that the group is consultative in its transformation strategy

Total workforce profile FY2025 (South Africa)

Occupation Level	Male				Female				Foreign National		Grand Total	Total White	Total ACI Female	Total ACI
	AM	CM	IM	WM	AF	CF	IF	WF	FM	FF				
Top Management	0	0	2	11	1	0	0	6	0	0	20	17	1	3
Senior Management	14	4	15	50	9	4	12	44	0	2	154	94	25	58
Professionally Qualified	174	19	78	109	89	28	79	122	8	6	712	231	196	467
Skilled	1 311	137	152	76	2 133	494	318	271	9	8	4 909	347	2 945	4 545
Semi-skilled	6 286	503	81	12	12 459	1 563	275	39	12	29	21 259	51	14 297	21 167
Unskilled	512	21	0	1	519	8	6	0	15	2	1 084	1	533	1 066
Temporary	958	110	7	1	1043	175	9	4	9	3	2 319	5	1 227	2 302
Grand Total	**9255**	**794**	**335**	**260**	**16 253**	**2 272**	**699**	**486**	**53**	**50**	**30 457**	**746**	**19 224**	**29608**
ACI as % of total	**34.1%**				**63.1%**				0.0%		**97.2%**			

People living with disability FY2025 (South Africa)

Occupation Level	Male				Female				Foreign National		Grand Total	Total White	Total ACI Female	Total ACI
	AM	CM	IM	WM	AF	CF	IF	WF	FM	FF				
Senior Management	0	0	0	1	0	0	0	0	0	0	1	1	0	0
Professionally Qualified	0	0	1	1	0	0	0	1	0	0	3	2	0	1
Skilled	2	0	0	1	3	2	0	0	0	0	8	1	5	7
Semi-skilled	9	2	0	0	15	3	1	0	0	0	30	0	19	30
Unskilled	8	0	0	0	2	0	0	0	0	0	10	0	2	10
Temporary	49	14	3	0	35	5	0	0	0	0	106	0	40	106
Grand Total	68	16	4	3	55	10	1	1	0	0	158	4	66	154
ACI as % of total	55.7%				41.8%				0.0%		97.5%			

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.

The group's code of conduct has key elements related to:

- Child labour
- Forced labour
- Freedom of association
- Collective bargaining
- Excessive working hours
- Reduction of excessive working hours
- Company policy on labour standards
- Risk assessment on labour issues

The group's full code of conduct is available here on the group's **website**.

Broad-Based Black Economic Empowerment

As a proudly South-African, purpose-driven organisation, the group recognises that inclusive economic participation is fundamental to sustainable business success and national development. The group's B-BBEE investments aim to benefit the group and its stakeholders, align with its vision and strategy, and uphold its values. The goal is to empower previously disadvantaged South Africans through inclusive ownership, diverse leadership, skills development, enterprise growth, and community upliftment.

SETS oversees B-BBEE, ensuring strategies align with the group's purpose, are monitored against targets, and supported by senior leadership. Progress is tracked and reported quarterly, with key elements linked to trading division and leadership STIs to drive accountability.
Focused efforts on B-BBEE over the past five years have improved the scorecard from level 8 in 2019 to level 5 in 2024.

The 2024 scorecard and forecast scores for 2025 are reflected below. aBEErate, a SANAS accredited B-BBEE agency, will complete the FY2025 verification by mid-July 2025. The FY2025 scorecard and report will be published on **www.mrpricegroup.com** once issued.

FY2024 Actual and FY2025 Forecast B-BBEE Scorecard

Element	Weighting	FY2024 Achieved	FY2025 Forecast
Ownership*	25 (3.2 sub-min- Net Equity Value)	16.04	16.62
Management control	19	09.75	9.84
Skills development*	20 + 5 bonus (8 sub-min)	15.14	13.78
Preferential procurement*	25 + 2 bonus (10 sub-min)	20.26	21.99
Supplier development*	10 + 1 bonus (4 sub-min)	05.77	5.58
Enterprise development*	5 + 1 bonus (2 sub-min)	05.00	4.40
Socio-economic development	5	05.00	4.33
Total points	**109 (incl. 9 bonus points)**	**76.96**	**76.54**
Compliance level		**Level 5**	**Level 5**
Discounted compliance level		**N/A**	**N/A**

*Sub-minimum elements

Ownership
This B-BBEE scorecard element measures black people's (including black women's) equity stake, reflecting direct economic participation and voting rights.

One of the group's core values of partnership is embodied in the Partner Share Trust, which through the renumeration policy, allows associates to own Mr Price shares. In FY2025, the scheme held 4 446 223 ordinary shares translating to a 1.56% shareholding of the group. It had 14 167 participants, including 14 060 black people and 9 579 black youth. The group's shareholding comprises mandated investments, the Partner Share Trust, and international shareholding.

Management Control and Skills Development
This element assesses black representation in top management and control structures, including the board and executive leadership.
The group has built a strong foundation in talent acquisition and management by identifying and developing essential skills that align with its strategic goals. This is reflected in increased management control points over the years. The group aligns its employment equity plans with its skills development plan, prioritising skills development as central to its transformation strategy (see employment equity on **page 63**).

Enterprise and Supplier Development
This priority element measures support for black-owned and black women-owned businesses within the supply chain and through enterprise development initiatives.

The group prioritises contracts with black-owned, especially black women-owned enterprises (where possible), evidenced by increased points for 51% black-owned and 30% black women-owned suppliers over the past three years. Through its unique and proprietary supplier development programme, the group supports these businesses to meet the necessary standards of scale, integrity, and quality required for inclusion in the group's value chain. The programme provides low-interest loans predominately utilised to finance raw materials which allows them to negotiate better cost price, delivery reliability and speed to market (**see page 78**).

The group partners with Taking Care of Business and Nation Changers for enterprise development. These organisations empower unemployed South Africans through small business opportunities, equipping aspiring entrepreneurs with skills and resources. Their flagship programme redirects excess merchandise, reducing waste and creating self-employment opportunities. The programme equips participants with life skills, entrepreneurial skills and resources to run sustainable businesses. In FY2025, over 425 000 product items were donated.

Preferential Procurement
The group is commited to empowering and growing local, commercially viable small, medium and micro enterprises (SMMEs), giving small suppliers access to its consumer market. The group increased spend on B-BBEE compliant suppliers from 71.84% to 79.97% in FY2025 and continues to maximise points on spending with 30% black women-owned suppliers.

Socio Economic Development
The group's Social Economic Development strategy is primarily delivered through Mr Price Foundation, partnering with communities, NGOs, and educational institutions to drive impactful social initiatives. Focus areas include quality education, job readiness, and youth entrepreneurship, contributing to economic empowerment and community resilience. Further information on Mr Price Foundation programmes are on **page 48 - 50**.

Plastic kimbals have been replaced with elastic kimbals

5.4 SOCIAL VALUE CHAIN DEVELOPMENT

Suppliers are crucial for maintaining a socially and ethically compliant apparel and homeware value chain. The group's continuous improvement approach supports and influences socially responsible and compliant behaviours and is a differentiating factor of the group's ESG strategy, especially as a value retailer. This strategy effectively promotes socially responsible practices and mitigates risks in the complex value chain. Collaboration between the ESG Centre of Excellence, trading divisions, and suppliers supports responsible sourcing and manufacturing.

A social compliance blueprint developed in the reporting period sets out the structure that brings together all elements, including systems, resources, processes, guidelines, standards, and capabilities to enable socially responsible practices.

The group's code of conduct, incorporating the ETI (Ethical Trading Initiative) base code, Responsible Sourcing Framework, and continuous improvement model, supports fair worker treatment and promotes labour rights. The group actively monitors and guides suppliers to uphold adequate social and ethical compliance standards.

Divisional sourcing and merchandise teams, along with the responsible sourcing working group (established in 2015), drive awareness of labour rights and the implementation of responsible social practices. The divisional teams manage supplier relations and compliance improvements, focusing on safe and equitable working environments. These activities are overseen at group level by a central social compliance function in the ESG Centre of Excellence.

5.4.1 RESPONSIBLE SOURCING GUIDE

The group's commitment to responsible sourcing promotes practices that uphold workers' human rights and encourages environmental responsibility within its value chain. The internally developed Responsible Sourcing Framework and Implementation Guide directs associates and suppliers towards responsible buying and sourcing, supporting compliance with national and international regulations and codes of good practice. The guide is dynamic, and regularly updated to reflect industry developments, practical experiences, and legislative changes. During the reporting period, training materials based on the guide were developed to support interactive supplier awareness sessions, ensuring that supplier partners understand and share the group's responsible sourcing vision and effectively address non-compliant practices in the value chain.

5.4.2 HUMAN RIGHTS COMMITMENT

The group's code of conduct, applicable to all associates and partners (including merchandise suppliers), mandates that partners comply with the law at all times. This includes the Constitution of South Africa and the Bill of Rights, which enshrine fundamental human rights. This obligation is contractually enforced through written supplier agreements, requiring merchandise suppliers and their factories to comply with relevant local laws as well as the code of conduct.

Modern slavery, encompassing human rights abuses such as forced, bonded, child, and other exploitative labour practices, can occur within global retail value chains. The prevalence of these abuses is heightened by the vulnerability of migrant labour, unauthorised subcontracting, and limited visibility into the full extent of value chains. Addressing modern slavery is a complex challenge across all sectors. The group continues to focus on country-specific risks as part of its due diligence when making sourcing decisions. During FY2025, no factory audits reported instances of modern slavery.

5.4.3 SUPPLIER COMPLIANCE PROCESS

The group's compliance process for onboarding and maintaining supplier relationships includes visibility, auditing social and ethical compliance practices, monitoring corrective actions to ensure required improvements are implemented, and de-activating suppliers and factories that exceed risk tolerance.

In FY2025, a balanced supplier scorecard was developed to incorporate social compliance into performance measurement, ensuring suppliers are evaluated on both commercial and sustainability practices. The process is illustrated and explained below.

Further details on factory audits can be found on page 69. Following an unannounced factory visit, two production sites were de-activated due to non-compliances that exceeded the group's risk tolerance. Suppliers were consulted in person regarding these sites to reinforce compliance obligations and the discontinuation of these sites.

Onboarding

- New suppliers conclude written supplier agreements in terms of which they are contractually bound to comply with the group's code of conduct and relevant laws
- New suppliers are required to submit a compliance audit before being listed as an active supplier

Continuing obligations

- Existing factories are required to submit a social compliance audit annually.
- Low risk factories may submit a valid audit every two years

Compliance monitoring and remedial action

- Audits are captured, a risk rating is allocated and corrective actions are communicated to suppliers as relevant
- Remediation timelines are assigned
- Remediation activities are monitored and followed up on by sourcing teams
- Audit findings are only closed out once satisfactory evidence of remediation is received
- Ad hoc unannounced factory visits are carried out to ensure corrective actions are implemented and that compliance is maintained between audit cycles

Contractual recourse

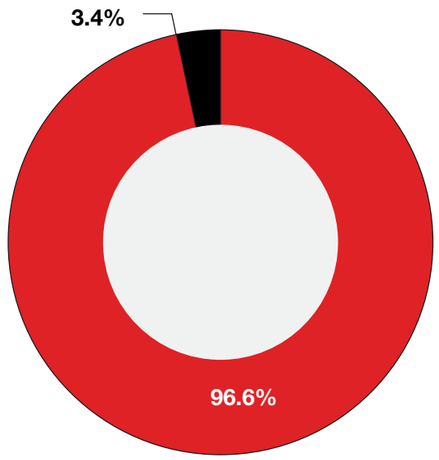
Contractual recourse is enforced, including issuing of penalties, de-listing of factories and even terminating relationships with suppliers, should suppliers fail to ensure remediation of critical factory non-compliances.

5.4.4 FACTORY VISIBILITY AND AUDITS

In FY2025, the group achieved **96.6%** visibility of manufacturing sites and brand assured suppliers, which includes first and second tier suppliers contracted for production. The suppliers are categorised as either direct manufacturing, design/trading houses, local finishers, importer or foreign agents. **1 116** manufacturing sites have been mapped and their location verified. In addition, **92.9% (1 037)** of these sites have been audited and have a valid audit in place. Transitionary 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 yet considered 'disclosed', and make up the balance to 100%.

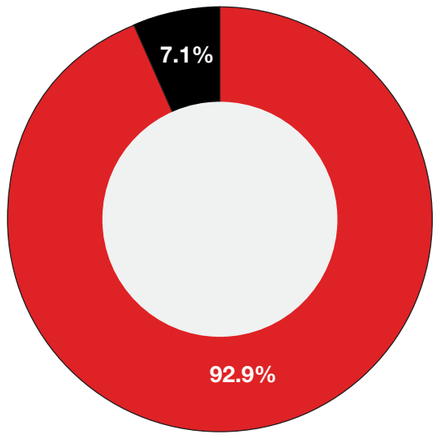
The objective of factory visibility is to enable the effective monitoring of responsible practices in line with the ETI base code and the group's code of conduct. Effective auditing of manufacturing sites enables identification, prevention and mitigation of risks and adverse non-compliances and presents an opportunity for development and improvement. Corrective action and remediation of non-compliances improves social compliance practices that benefit workers. The group's bespoke social compliance process (**see page 68**) allows for audit retention (year-on-year) and the monitoring of risk ratings improvements made by each site. This in turn provides updated site specific risk information that helps to inform appropriate sourcing decisions.

Factories visible



Undisclosed | Disclosed

Factories audited



Not audited | Audited

With the acquisition of Power Fashion, which has a different sourcing model to the historical business, the methodology for factory visibility has been adjusted to accommodate 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 (which are ad hoc opportunist buys), visibility of manufacturing sites is not possible. However, stock buys account for only 1.9% of the group's total product mix, 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 as "brand assured". Branded suppliers are expected to have social and ethical compliance policies in place, which are measured and monitored to meet required standards. A similar approach is planned for Studio 88, where procurement is largely of international branded merchandise which are subject to existing responsible sourcing practices.

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 Ethical Audit

5.4.6 ETHICAL TRADING INITIATIVE

Collective efforts are the best way to address systemic issues affecting workers and labour rights in retail sectors and countries. Since 2013, the group has been an active member of the ETI to better understand high-risk areas and industry best practices for monitoring and understanding workers' rights. This involvement enables the group to incorporate labour rights into purchasing practices and sourcing strategies, managing potential negative impacts in global supply chains. By integrating the ETI base code into the group's code of conduct and adopting a continuous improvement approach with suppliers, the group aims to promote decent work in the value chain.

5.4.7 PRIORITY AREAS

For FY2025, the group's high-risk factories accounted for 18.6% of audited sites. The group's bespoke social compliance system utilises an internal risk rating methodology (using the SMETA non-compliance guidance as the framework) which considers both the audited non-compliance count, as well as the assigned criticality of each type of 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.

The group maintains a substantively high factory audit coverage of **92.9%**, along with robust onboarding processes and strict provision for social compliance in its suppliers' contracts. This enables the business to identify key priority areas and significant issues, which pose the most severe human rights risks or potential impacts to workers. By assessing systemic challenges in various sourcing countries, the group gains further insights into country-specific risks, legislation, and potential violations of workers' rights. This informed approach aids in making considered sourcing decisions. Consequently, the group avoids sourcing from factories in the Xinjiang Uygur Autonomous Region due to high systemic risks.

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 improve remediation timelines of all critical non-compliances.
The salient issues identified by the group includes actual or potential risks to workers were:

- 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 practised
- Freedom of association and collective bargaining are not respected

These issues are not unique to the group and are systemic issues in the complex retail value chain which necessitates the adoption of a continuous improvement approach.

The group's position on these matters is detailed in its 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 remediation of identified issues.

Sourcing map*

Primary sourcing countries | Minority sourcing countries

- 01 South Africa
- 02 Eswatini
- 03 China
- 04 Bangladesh
- 05 India
- 06 Madagascar
- 07 Lesotho
- 08 Botswana
- 09 Mauritius
- 10 Pakistan
- 11 Turkey
- 12 Indonesia
- 13 Mozambique
- 14 Vietnam
- 15 USA
- 16 Thailand
- 17 Portugal
- 18 Poland
- 19 France
- 20 Italy
- 21 Japan
- 22 Phillippines
- 23 Austria
- 24 UK
- 25 Switzerland
- 26 Brazil
- 27 South Sudan

*In no particular order

5.4.8 GRIEVANCE MECHANISMS

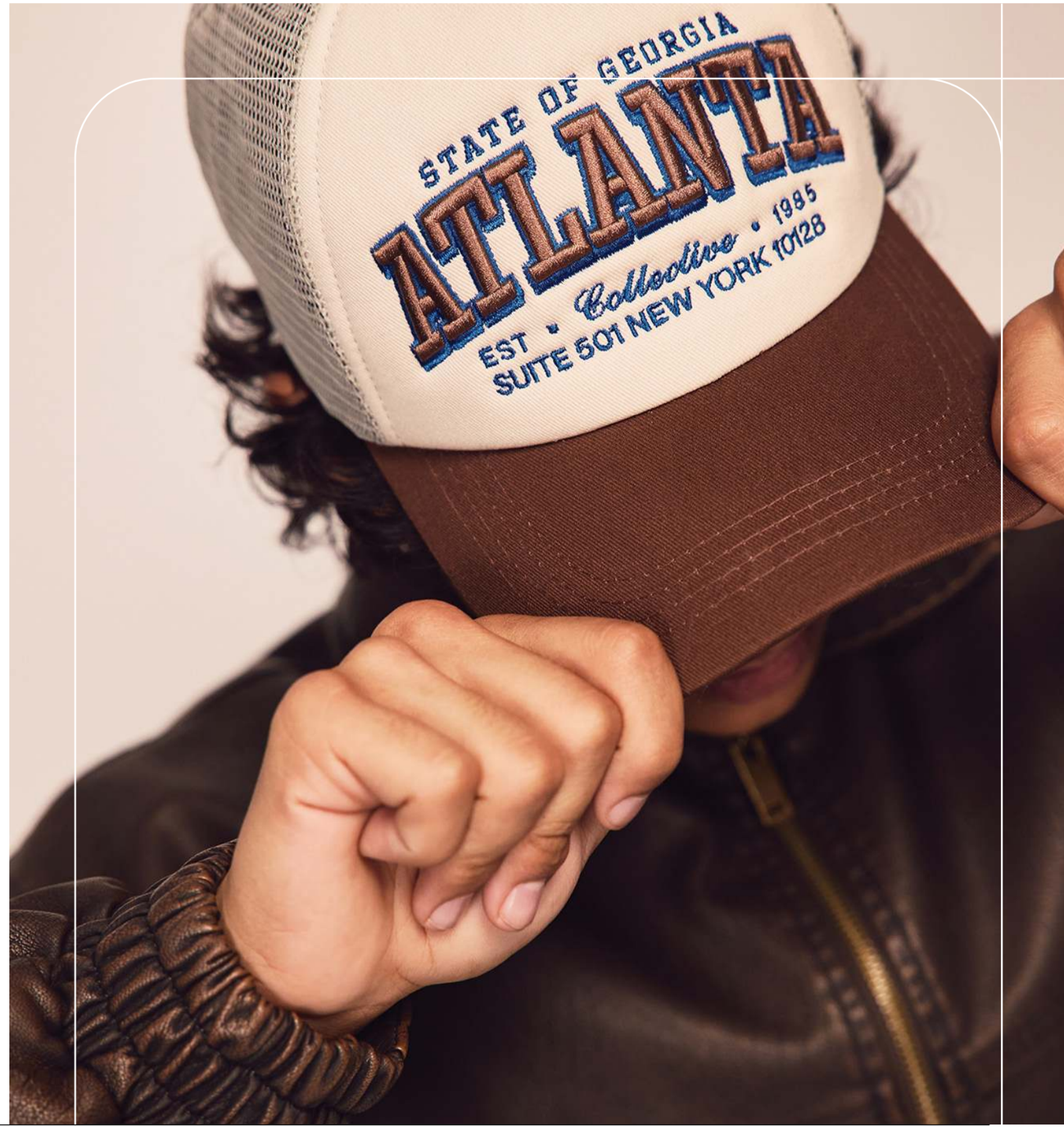
The group promotes the independently managed FairCall hotline facility via its website www.mrpricegroup.com. This confidential service is available to anyone, including factory workers, and enables grievances to be reported safely and anonymously. Social and ethical compliance audits include worker interviews (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 83.

5.4.9 ETHICAL BUYING PRACTICES

The group's commitment to ethical buying practices is deeply ingrained across the organisation, bolstered by comprehensive ethical buying training. The ESG Centre of Excellence centrally manages social compliance, providing guidance and oversight on processes, procedures, and best practices, which are executed by the sourcing and buying teams within the trading divisions. Consideration is given to ETI's Common Framework for Responsible Purchasing Practices and its recommendations. Training programmes equip buying teams with the knowledge to grasp the holistic impacts of purchasing decisions, supporting ongoing cross-functional collaboration among all associates. The group's training academy remains focused on enhancing the understanding of production, sustainable manufacturing processes, and the implications and resultant impacts of procurement decisions particularly in relation to workers.

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

- Buying Ethically — 633 associates
- Introduction to Supply Chain — 388 associates
- Supply Chain Interactive Game — 283 associates
- Critical Path Management — 205 associates
- Introduction to Sustainability — 583 associates



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 economic 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. The group measures supplier social compliance (see page 69) as well as environmental and commercial performance which provides a blended view of performance and assists with a targeted development programme that helps suppliers improve their own KPIs.

Economic value chain development activity is underpinned by a detailed fit for purpose and proprietary supplier grading tool that tracks a balanced scorecard of 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 supports localised production, and set an objective to procure over 100 million units from South Africa by 2030. This was achieved in FY2024 well ahead of time. Localisation opportunities allows for developing in-season trading capabilities, enabling trading divisions to respond to customer demands and supporting job creation and industry skills in South Africa.

To support ongoing localisation, the group collaborates with industry specialists to develop SMMEs with potential to supply products, ensuring a sustainable approach. See page 78 for further detail.

KEY ECONOMIC ACHIEVEMENTS FOR FY2025:

Sustainable Indicator	SDG	FY2025 Actuals
RSA procurement (units)	8 Decent Work and Economic Growth; 10 Reduced Inequalities; 12 Responsible Consumption and Production; 17 Partnerships for the Goals	**127.7m** products manufactured in RSA
% RSA procurement (% of cost price)		**37.4%** of the group's product spend is on RSA manufactured goods
Supplier performance: % of order book A to C grade		**95.4%** of suppliers are graded A-C
Supplier performance: OTIF %		**85.8%** of suppliers delivered orders both on time and in full
Supplier performance: OT %		**90.1%** of suppliers delivered orders on time
Supplier performance: IF %		**94.6%** of suppliers delivered orders in full

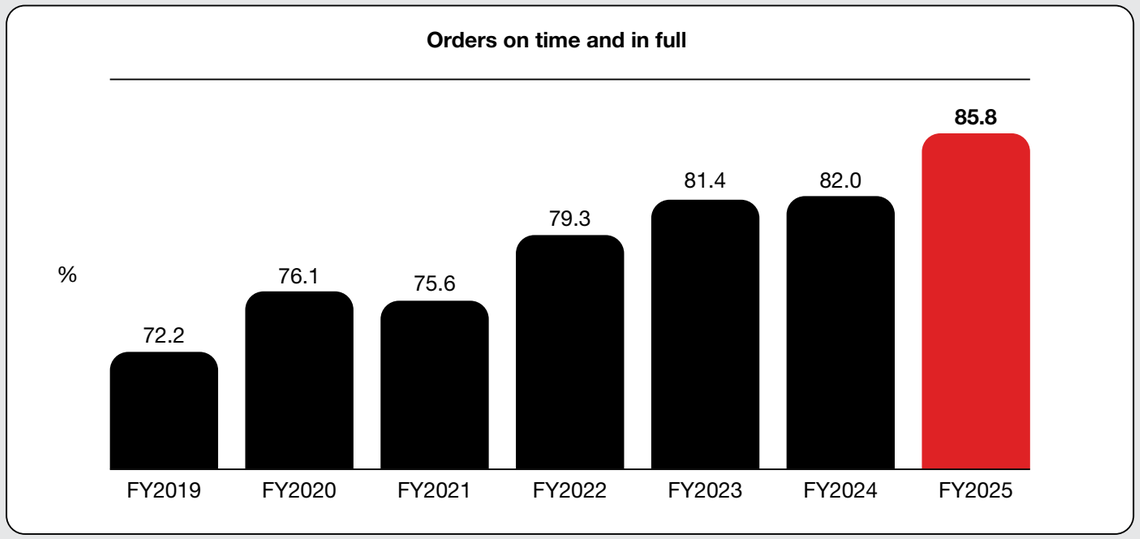
6.1 SUPPLIER GRADING AND PERFORMANCE

The group has a well-defined proprietary supplier grading methodology that includes various 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. In FY2025, additional metrics were developed and integrated into the scorecard methodology with the aim to measure suppliers on a balanced scorecard that includes social and environmental performance measures, in addition to commercial measures.

Regular communication of performance data and direct coaching of suppliers have led to significant OTIF and A to C grade improvements in recent years. Suppliers benefit from increased order volumes, while trading divisions deliver full product offerings to customers as planned.

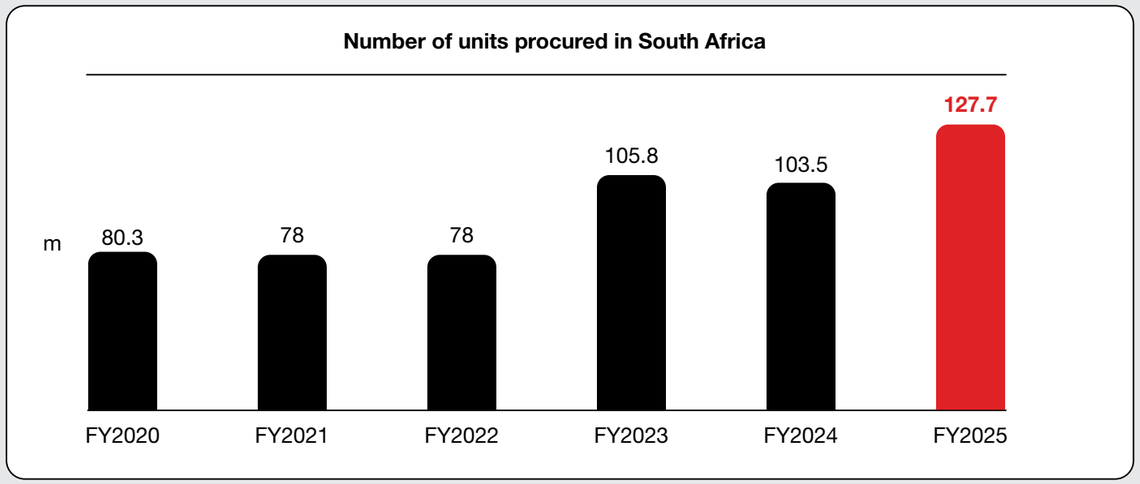
During FY2025, **95.4%** of suppliers achieved A to C grades. This represents a four-year improvement of 3.3% on an already high base.

OTIF is the most critical component of supplier grading as it ensures customers receive the products they want, when they want them. During FY2025, **85.8%** of orders were both on time and in full. This is an increase of 3.8% from FY2024 and an impressive six-year improvement of 13.6%. The group measures "on time" and "in full" separately to identify the root causes of performance issues.



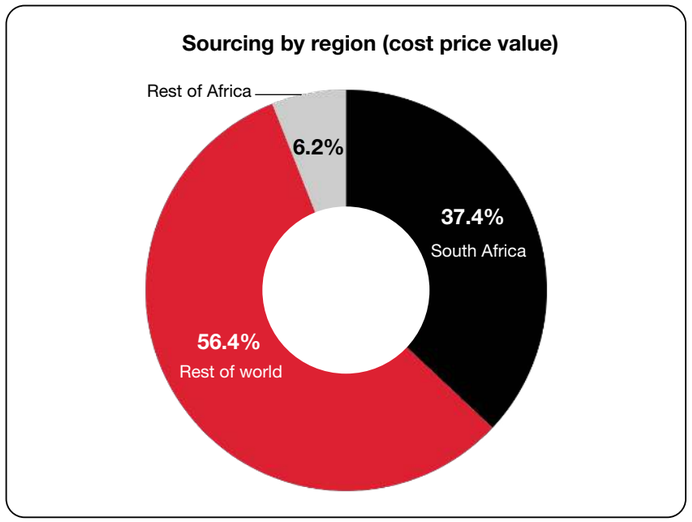
6.2 LOCAL PROCUREMENT

In line with the objective to develop local manufacturing capability, the group is a signatory to and supports the Department of Trade Industry and Competition's Retail-Clothing Textile, Footwear and Leather Master Plan 2030 (Master Plan). As part of this commitment, the group has increased procurement from South African suppliers from 80.3 million units in FY2020 to **127.7 million** units in FY2025, representing meaningful growth of 59% over six years. This procurement, valued at R5.2 billion at cost price, represents **37.4%** of the group's total merchandise spend.



The group procured a further 17.4 million units valued at R867 million from other African sources, equating to over 6.5% of total merchandise spend. In total, 145.2 million units were sourced from Africa, contributing a remarkable R6.1 billion to the economies of the African continent. Sourcing split by spend per region is outlined in the adjacent chart.

While the group remains committed to procuring its largest contribution of products from South Africa and the region, several challenges influence commercial procurement decisions. These include accessing the required capability, quality, technology and skills that meet the needs of the business and its customers. To address these challenges, the group established the Supplier Development Cluster (SDC) in 2022. The SDC aims to identify supplier development opportunities and investments to enhance the competitive advantage of local supply through the design and rollout of a localisation roadmap. In FY2025, the group contributed over R420 000 to the cluster, which is co-funded by participating suppliers and the DTIC's Clothing, Textile, Footwear, and Leather Growth Programme (CTFLGP).



6.3 INDUSTRY PARTNERSHIPS

The group further supports the local industry through its funding of and participation in the KZN CTC, a not-for-profit public/private sector partnership of local manufacturers, government and retailers aimed at boosting the competitiveness of the local industry. Among its numerous 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, the supplier receives expert coaching to unlock trading opportunities. The case study on Argento Trading, a successful Business Accelerator participant, was included in the **2023 Sustainability report**. Argento Trading continues to supply to Mr Price Sport and achieved a unit growth of 1354% between 2023 and 2025.

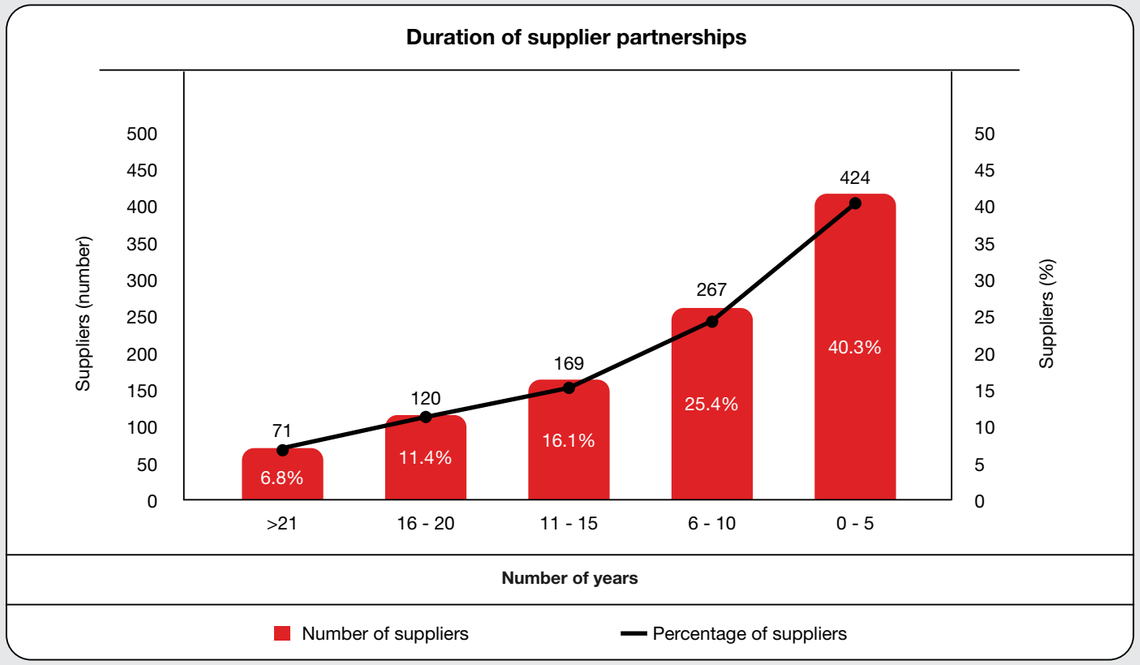
In FY2024, the group secured a partnership with Cotton South Africa to develop a sustainable cotton standard aimed at integrating sustainable farming practices for all cotton producers. In FY2025, the group provided R390 000 for the technology pilot of a digitised assessment and certification platform that will enable the sustainability standard to be verified and traceable.

6.4 VALUE CHAIN SKILLS DEVELOPMENT

As the group continues its localisation efforts, economic growth and employment are fostered within South Africa. In FY2025, through the Accelerator Programme, a small black female-owned enterprise was identified as having potential to become as supplier to the group. An investment of R125 000 was made to develop the capability of this enterprise to become retail ready.

6.5 SUPPLIER PARTNERSHIPS

The group has 1 051 active suppliers (excluding acquired divisions). Over 34% of suppliers (360) have traded with the group for more than 10 years and 71 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 merchandise that surprises and delights customers and provides newness. During FY2025, the group onboarded 26 new suppliers. See page 68 for more on the 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 trading divisions provide direct performance improvement coaching to suppliers with key development requirements. Performance of development suppliers is monitored through measurement of OTIF delivery and grading, as explained on pages 74 and 75.

In FY2025, 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 **R32.9 million**. In addition, a **R6.48 million** loan was provided to enable the procurement of sustainably grown South African cotton from small scale farmers for the group's towelling programme. The group has implemented development loan programmes for the past 13 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 engagement survey is conducted to assess progress. In this reporting period, suppliers awarded the group a score of 84.3% across a variety of metrics, which is consistent with the prior year score.

Based on responses from 108 suppliers representing 63% of the group's order book, the survey highlighted several key partnership strengths. The group's representatives treat suppliers with respect and live up to the group's values of Passion, Value and Partnership. Key areas of improvement are clarity of performance metrics and divisional strategies.

Reusable shopper bags

6.8 CASE STUDY: SUPPLIER DEVELOPMENT CLUSTER

To support growth of local production, the group established and leads the Mr Price Supplier Development Cluster (SDC), a standalone not-for-profit, private-public-partnership co-funded by the DTIC's CTFLGP.

The SDC aims to develop the manufacturing capability of local suppliers and in doing so, grow local procurement and create jobs whilst boosting the speed and agility of the group to provide customers with the wanted fashion product at a price they can afford. The SDC is made up of three group retail divisions, namely Mr Price Apparel, Mr Price Sport, and Miladys, as well as five strategic suppliers, and is governed by an independent board and cluster manager, who oversee the governance and delivery of programmatic content.

SDC Initiatives

1. Localisation roadmaps

Three localisation roadmaps developed for demand-led interventions

2. Divisional sourcing capabilities	3. Supplier productivity improvement	4. Technical skills upgrading	5. Technology demonstration
Speed to market model development & formation	Productivity benchmarking & improvement	Development & placement of scarce CTFL related skills	Industry 4.0 exploration & deployment

The SDC activity is organised around five initiatives, namely:

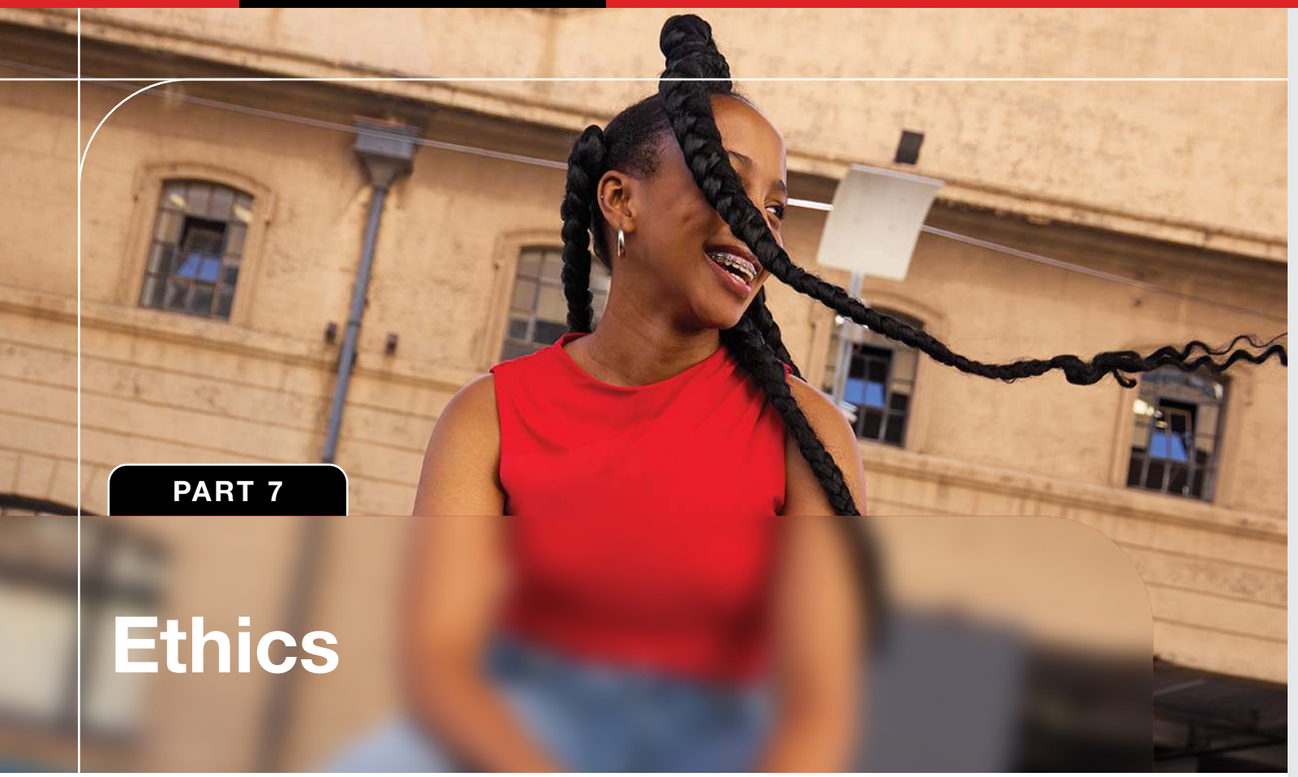
1. Localisation roadmap development:
The SDC's first initiative was an extensive localisation demand mapping exercise, which identified specific product commodities for localisation potential.

2. Divisional sourcing capabilities:
This initiative aims to support the participating retail divisions in the development of a built-for-purpose speed to market model and local capability of products in demand, to leverage the benefit of local supply.

3. Supplier productivity and sustainability development:
The SDC has a productivity improvement programme for the participating suppliers. The ultimate aim to is improve cost competitiveness in line with the needs of the retail divisions, whilst simultaneously unlocking improved profitability for the supplier. Interventions include the development of sustainable practices and processes of participating suppliers.

4. Technical skills upgrading:
In line with supplier needs, the SDC, in partnership with Mr Price Foundation, has established a technical skills upgrading programme through which scarce and specific technical skills are developed (e.g. machinist, work study engineering, maintenance, garment technology, and patternmaking).Mr Price Foundation's involvement is focused on upskilling young people with skills that the industry requires. This is a unique example of collaboration and partnership across both the social and economic elements of the group's sustainability strategy that delivers both youth development and economic value chain development.

5. Technology demonstration:
To ensure strategic suppliers are and remain globally competitive, the SDC provides a platform for the test and demonstration of key technological innovation by participating suppliers. In FY2025, participating suppliers upgraded their technology capabilities with an investment of R3 million which resulted in an improved performance from FY2024 to FY2025 and as a result received additional growth of 617 000 units or 14%.



PART 7

Ethics

7.1 GOVERNANCE AND BUSINESS ETHICS

As a responsible corporate citizen, the group is committed to high standards of governance and ethics, safeguarding the interests of all its stakeholders. The group's core beliefs of Passion, Value and Partnership - form the foundation of its ethical culture and leadership, are embraced by all associates. These beliefs permeate all business activities, from board level to every day store operations. More information on ethical leadership is available in the **Governance report** on **page 8**, and details on the values are on **page 62**.

The board is ultimately responsible for the governance of ethics and delegates ethics oversight to SETS, 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 is publicly available on the group's **website**. The code of conduct is incorporated into associate employment contracts as well as contractual arrangements with suppliers and other service providers.

7.2 GRIEVANCE MECHANISMS

The FairCall hotline independently managed by KPMG, in addition to other internal avenues, 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 and according to a defined escalation and investigation framework. According to this framework, non-ethics matters relating to people issues (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 was one material conflict of interest matter in a trading division which was investigated and appropriate disciplinary action taken. Aligned to this, investigation by KPMG into two secondary matters is ongoing. These do not relate to or involves senior or executive management.

There were no material fraud issues nor human rights violations during FY2025.

SETS 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 support an ethical culture and help associates navigate ethical workplace dilemmas, the group promotes ethics awareness and encourages open communication. Ethics must be institutionalised throughout the group, as it is a collective effort. Online ethics training is available for all associates, including store associates, with guidance from the group compliance and ethics officer and HR leadership. This training raises awareness of the group's code of conduct, and supplementary policies, mitigating the risk of unethical behaviour. At the end of FY2025, **71%** of head office associates and store managers have attended ethics training (excluding Studio 88), with a target to further increase training coverage in FY2026 and FY2027.

Reusable bags available at Sheet Street stores

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, 5 408 associates completed the code of conduct declaration (an increase of 22% from FY2024) and no material conflicts of interest were identified other than the known issue detailed under 7.2.

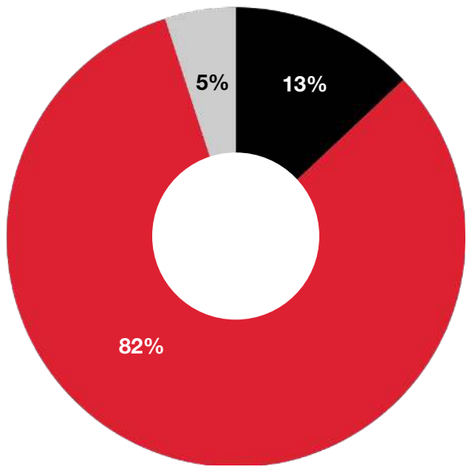
The conflicts of interest system implemented in FY2024 continues to be an integral part of conflicts of interest management within the business. The ongoing ethics training and awareness included awareness and management of conflicts of interest. For conflict of interest management at board level, refer to the **Governance report** on **page 23**.

In the lead up to quarterly reporting to SETS, 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, results of the annual code of conduct declarations and other material ethics issues. Ethics matters are included in the group's organisational health index, which is monitored and reported by the People Centre of Excellence.

Whistleblowing Allegations FY2025

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

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



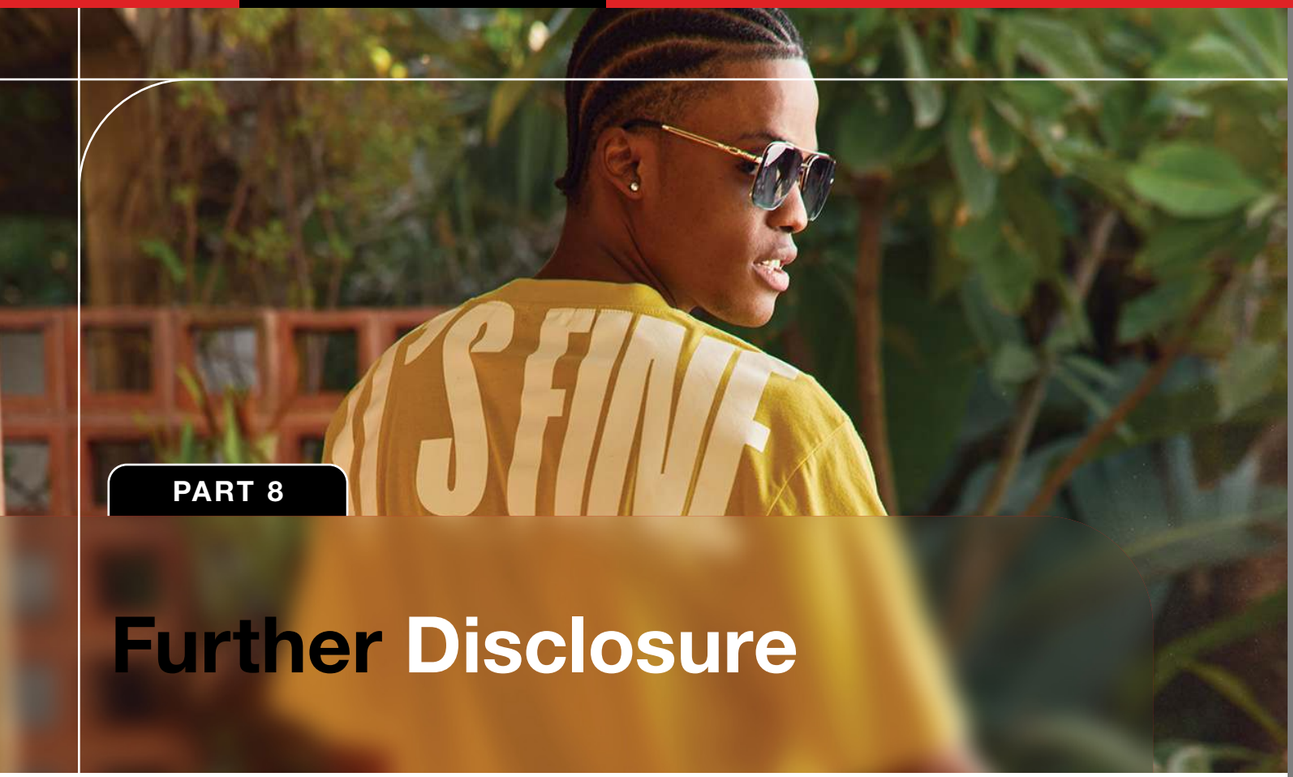
- Three reports included allegations which required preliminary reviews and or forensic investigations performed by KPMG (compared to 10 in FY2024). See further detail under 7.2.

Key Ethics Focus Areas | FY2025

- Continued awareness of code of conduct and other related policies to all associates specifically during ethics training
- Converted ethics training to the online learning platform making it accessible to in-store associates
- Conducted training for HR to manage interests on the conflicts of interest system
- Commenced conflicts of interest internal audit follow up review
- Managed investigation of material conflict of interest matter

Future Focus Areas

- Finalise conversion of anti-bribery and corruption and fraud risk management training to the online learning platform
- Driving increased ethics training by all head office associates, store managers and store associates
- Implement recommendations from conflicts of interest internal audit follow up 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 its stakeholders and continues to its mature data protection compliance with the South African Protection of Personal Information Act (POPIA). The ongoing implementation of further actions to progress the data protection environment continues to be managed by the group compliance function. Being cognisant of the risk of human error in data breaches, ongoing data privacy training is mandatory for all associates across the business. Data protection remains a high compliance priority with a focus on monitoring compliance with POPIA.

One isolated medium risk data protection breach was reported to the regulator during this reporting period, but no feedback has been received to date. 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 FY2025. 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 has been 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 its 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. During the reporting period four allegations of bribery were received via the hotline, two of which have been closed and are unfounded. The balance are still under review.

With the implementation of the fraud risk management framework and financial crime policy and response plan in FY2025, group-wide head office training is planned for FY2026.

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 political parties or candidates during this reporting period.

8.5 FINES AND PENALTIES FOR ESG ISSUES

SETS 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 INSIDER TRADING

SETS is satisfied that there were no instances of insider trading for the reporting period. Details of the group's controls to prevent insider trading can be found in the Governance report.

8.7 FACILITATION PAYMENTS AND GIFTS

The group prohibits the practice of facilitation payments under any circumstances, as stated in the code of conduct. The committee is satisfied that no facilitation payments were reported in FY2025.

The group's code of conduct and gift policy specifies appropriate behaviour around corporate gifts and requires that all gifts are declared and certain gifts and benefits are prohibited.

8.8 PUBLIC POLICY DEVELOPMENT

The group is a signatory to and supports the 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. Additionally, in its role as a youth development organisation, the Mr Price Foundation's leadership regularly engages with the National Planning Commission, WR-SETA, and the National Youth Development Agency to contribute to youth skills development policy matters in South Africa.

The group is also a member of the KwaZulu-Natal Clothing and Textile Cluster (KZN CTC), a multi-stakeholder industry body that develops clothing and textile manufacturing capability and competitiveness through targeted interventions and knowledge sharing. Research data developed through the KZN CTC contributes to insights required for engagement with key stakeholders on policy development. The group Sustainability Director was selected to chair the KZN CTC for a three-year period, which allows the group direct involvement in policy and industry development. Progress has also been made with the establishment of the group's Supplier Development Cluster, a partnership with the DTIC and key suppliers, which enables the group to develop the required capability to increase local procurement. Further details on these initiatives are on page 76 - 80.

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 eThekwini 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.

The group also 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.

8.9 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.

Marketing conducted by the group is:

- Truthful, not misleading, accurate, balanced and substantiated
- Identifiable and clearly distinguishable
- Decent – it promotes and upholds the promotion of human decency and non-discrimination

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. 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.

8.10 PRODUCT SAFETY AND CUSTOMER ASSISTANCE

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 approach 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 FY2025.

Quality process

01	Supplier sends in first sample for approval of product styling and specifications by buyer and QA technologist
02	Supplier contacts in-house fabric technologist or the group's in-house cosmetic chemist for testing requirements for the product that has been briefed to them by the group's buyer
03	All tests that are required for a specific product are outsourced to laboratories that are recommended by the group. These laboratories are aware of the standard requirements and test methods of the group
04	For apparel, testing is conducted using the raw material fabric form that has been manufactured for the bulk production. A sample piece is tested from one roll and the results are used as a representation of the entire bulk. For cosmetics a sample from every batch produced undergoes testing, including stability and microbial tests
05	Once tests are conducted the supplier will then share the laboratory results to the fabric technologist or cosmetic chemist for approval
06	Once the results are approved, the supplier will make up seals (prototype of the bulk) to be sent together with the signed off laboratory reports to the QA technologist and buyer for approval
07	Once approved, the bulk manufacturing will be completed
08	Once bulk manufacturing is completed, the supplier will book a bulk audit with an appointed third-party inspection company. The third party will conduct a bulk inspection to ensure the workmanship meets the required standard
09	If the inspection fails, the supplier is given the opportunity to rectify the defects identified, after which another bulk inspection must be done by the third party to verify that the bulk manufacture has been rectified
10	Once the third party passes the bulk inspection, the supplier can then proceed with delivery to the DC

PRODUCT SAFETY TESTING

Name of Test	Test Method
Phthalates	EN15777:2009
Specific Migration – Bisphenol A (BPA)	EN13130-1:2004
Nickel Release	EN12472 & EN1811 as per REACH
Azo Colourants	EN ISO 14362-1:2017, EN ISO 14362-3:2017
Lead in substrates	CPC-CH-E1001-08.3 and/or CPSC CH-E1002-08.3 (non-metal) as per REACH
Formaldehyde	ISO14184-1:2011

Cosmetics – all suppliers must be certified with ISO 9001 or a GMP Certificate

Name of Test	Reason for Testing
Fragrance Declaration	IFRA certificate must be provided. The International Fragrance Association (IFRA) is a global industry association, its purpose is to ensure consumer safety with regards to fragrances and products containing fragrances. IFRA's Code of Practice carries a set of standards, and these are based on scientific research and a risk-based evaluation that is piloted by a team of experts.
SDS – Safety Data Sheet	Provides information to alert us on the hazards including the environmental hazards and to provide advice on safety precautions. It should also include precautions for normal use, handling, storage, disposal and spill cleanup. The Material Safety Data sheet should be in English.
Stability Test	Stability testing assesses how a products quality changes over time due to factors like temperature and light. It determines the re-test periods and shelf lives for the products.
Preservative Challenge Test	Preservative challenge testing assesses preservative effectiveness over time and product's resistance to microbial contamination during use.
Microbial Test	Microbiological tests on cosmetics detect microbial contamination, presence of bacteria, fungi or yeasts to ensure product safety and quality. The following indicators are tested for: Staphylococcus aureus, E-coli, yeast, mould, and total plate count.

Toys, Cutlery, Utensils and Drinking Equipment

Mechanical and physical properties	EN71 - Part 1
Flammability	EN71 – Part 2
Migration of certain elements	EN71 – Part 3
Child use and care articles – cutlery and feeding utensils	EN 14372
Child use and care articles – drinking equipment	EN 14350

Customer Assistance

In addition to online tools to assist customers to purchase products, numerous other channels are available to customers who need assistance. Online guides include:

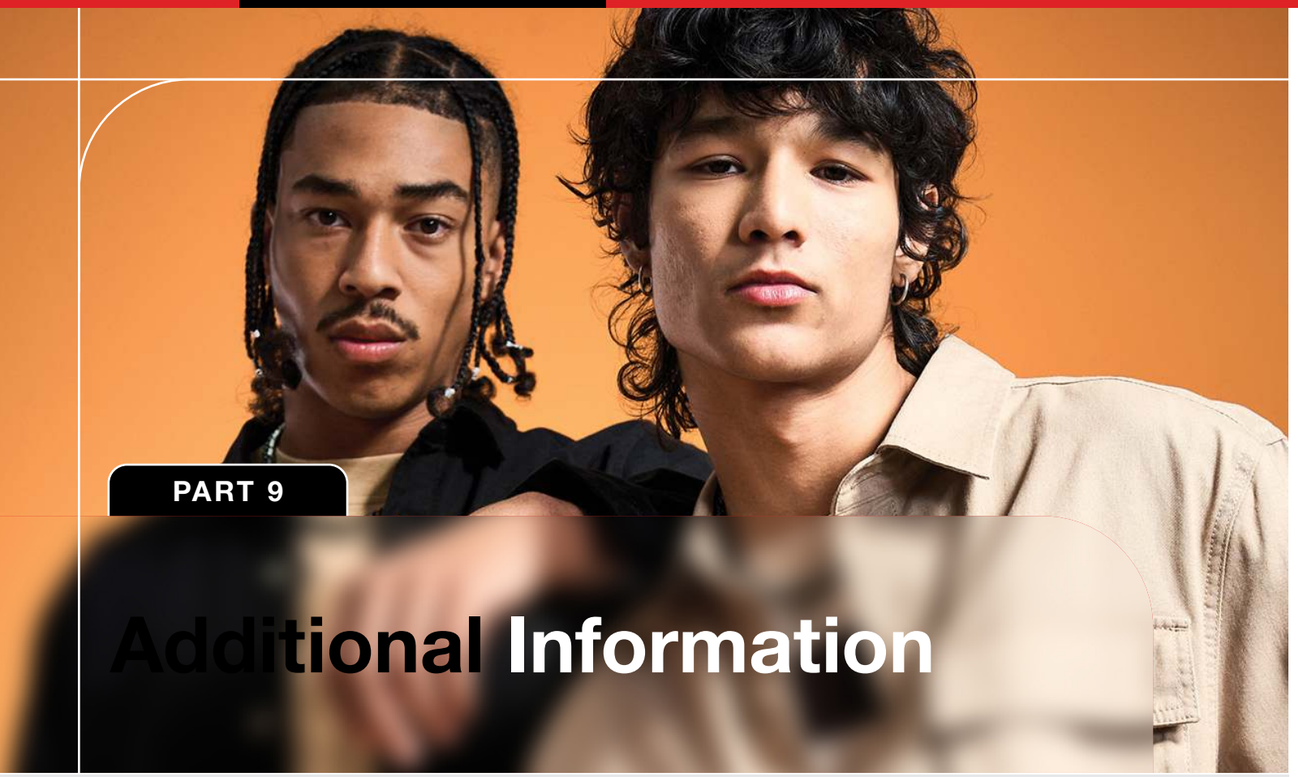
- Size guides
- FAQs
- Delivery and return guides
- How to shop online
- Find your fit guides
- How to get free delivery
- Find a store function
- App based shopping and customer care guides

Customer Contact Channels Include

- Customer call centres
- Dedicated WhatsApp chat lines
- Website contact forms
- Store phone numbers

Contact details of the various trading divisions are on page 98.

Sheet Street bedding product made from 100% recycled polyester



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
- Transfer pricing
- Subsidiary governance
- Side Hustle Policy
- Gift Policy
- Conflict of Interest
- Complaints

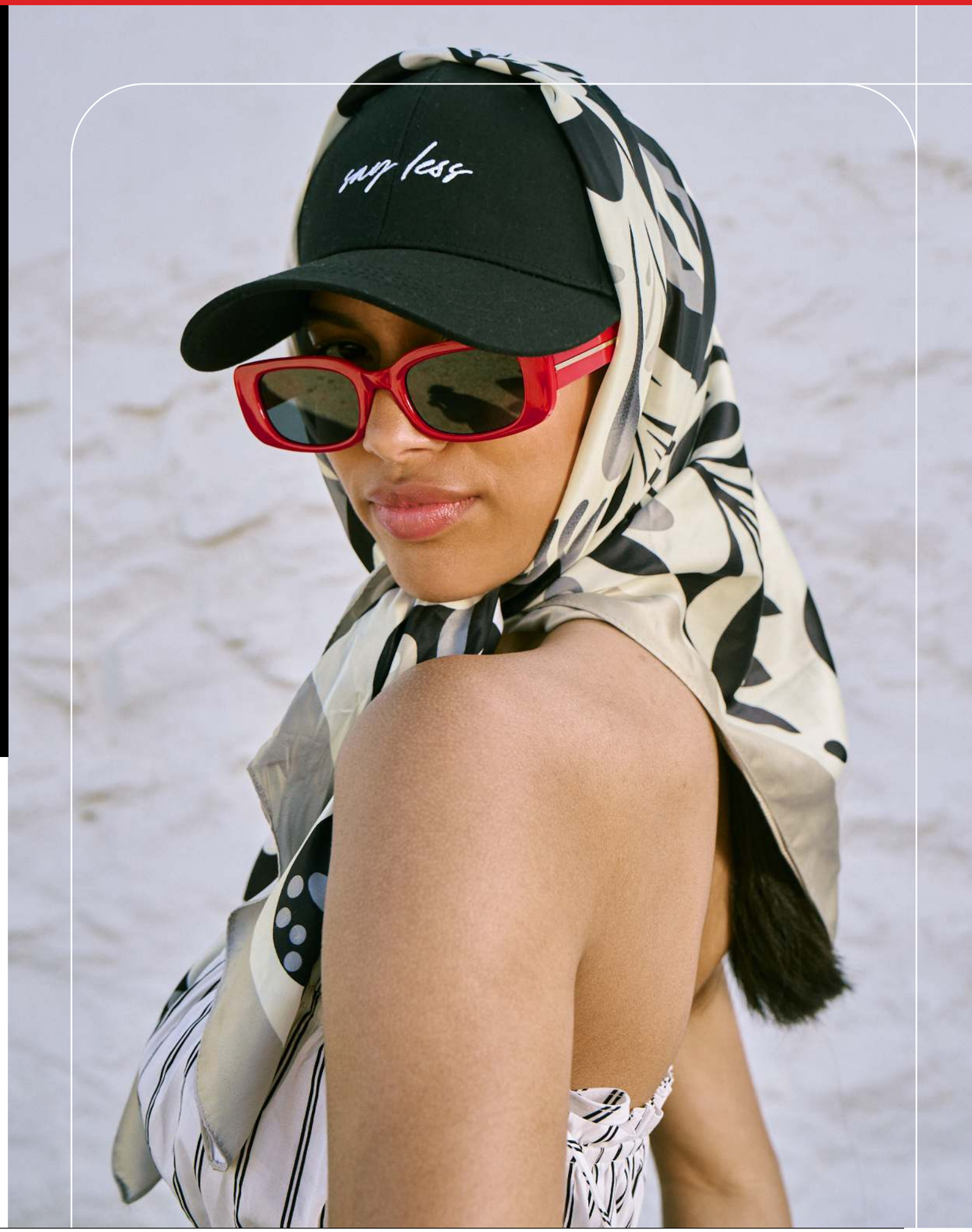
9.2 INDUSTRY ENGAGEMENT AND MEMBERSHIPS

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	R2.81m 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	**R33.1 million**
Taking Care of Business (formerly The Clothing Bank)	South Africa	R 21 140 844
Clothing Box	South Africa	R 7 880 549
Project Rhino	South Africa	R 486 835
Wild Oceans	South Africa	R 784 613

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.

mr price group limited

Administration and Contact Details

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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/kpmgfaircall-report/questionnaire/main/
Customer Care		0800 212 535		
Account Services		0861 066 639		

Company Secretary and Registered Office

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Investor Relations

Matthew Warriner
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Transfer Secretaries

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Address: Private Bag X9000, Saxonwold, 2132
Tel: 011 370 5000
Email: proxy@computershare.co.za

Domicile and Country of Incorporation

Republic of South Africa

Sponsor

Investec Bank Limited

Registration Number

1933/004418/06

Independent Auditors

Deloitte & Touche

Tax number

9285/130/20/0