

# SOCIAL AND ETHICS COMMITTEE

## Pick n Pay Stores Limited Group

**Members:** Suzanne Ackerman-Berman, Aboubakar Jakoet, David Robins and Annamarie van der Merwe

### The role of the committee and what the committee focused on during the year

The social and ethics committee operates in accordance with the requirements of the Companies Act and King IV and is governed by a Board-approved charter, which is reviewed and approved annually by the Board. It accepts responsibility for the subsidiary companies in the Group.

The committee takes responsibility for monitoring the Group's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relations, and labour and employment. The committee is also responsible for the oversight of organisational ethics, as recommended in by King IV.

Guidelines for the committee include the anti-corruption principles of the Organisation for Economic Co-operation and Development (OECD), the Employment Equity Act, No 55 of 1998, as well as elements of the JSE Socially Responsible Index criteria and the Broad-Based Black Economic Empowerment Act, No 53 of 2003.

The committee met three times during the period to review performance in the following areas, as required by the Companies Act:

- Consumer safety
- Employee welfare and relations
- Ethical business practice
- Responsible sourcing
- Ethical farming practices
- Transformation
- Legislative compliance
- Anti-corruption practices
- Social and environmental responsibility

The committee monitored the Group's activities in relation to relevant policies, legislation and regulation and best practice in corporate governance. In particular, the committee advised on and monitored the Group's response to the social and economic impact of the lockdown occasioned by the global Covid-19 pandemic.

Among other issues, the meetings dealt with key topics such as:

- Reviewing and monitoring the preventive and social distancing measures adopted in the Group to ensure the safety of staff and customers during the Covid-19 pandemic
- Reviewing, monitoring and managing the impact of the Covid-19 pandemic on the health and well-being of staff, ranging from store staff facing daily exposure to the virus, and the impact on office workers required to work from home
- Monitoring and ensuring that the facts were communicated regarding the public perception of food price increases during the Covid-19 pandemic
- Reviewing the social responsibility efforts of the Group during the Covid-19 pandemic, in particular the Feed the Nation Foundation set up in response to rising poverty, concentrating in particular on ensuring that child-headed households received food donations
- The programme to reduce the use of plastics by suppliers, aimed at ensuring that all Pick n Pay packaging is 100% re-usable or recyclable by 2025
- The engagement between retailers and suppliers aimed at achieving a 50% reduction in food waste by 2030
- Updates to the privacy programme to ensure alignment with the POPI Act
- Monitoring with concern the increase in social unrest and violent crime, and taking measures to limit as far as possible any impact on operations, staff and customers
- Amending policies as required to ensure that employee cultural norms were respected and accommodated within a commercial environment
- Addressing issues arising from the ethical practices of suppliers and ensuring responses were aligned to the Group's values
- Addressing diversity targets and barriers to achievement of Employment Equity and disability targets
- Monitoring cyber risks
- Monitoring proposed amendments to the Companies Act relating to the functioning of the social and ethics committee

The committee confirms that no material issues were identified during the period. In accordance with its charter, the committee effectively discharged its statutory duties and responsibilities over the period.

### Focus areas for 2021

Focus areas for 2021 include:

- Ongoing review of the impact of the Covid-19 pandemic on all stakeholders of the Group, including employees, suppliers and customers
- A comprehensive review of the positive impact of charitable donations to communities hard hit by the Covid-19 pandemic
- Continued monitoring of the Group's talent succession and transformation plans and the impact of training programmes to assist in career development and a return on investment in learning and development
- Business continuity planning
- Plastics and related packaging reduction

### Committee membership

As at the end of the 2021 financial period, the committee members include an executive director and three non-executive directors, as well as the Company Secretary, executives responsible for strategy and human resources, senior managers and technical experts on areas of mandate. All levels and areas of expertise across the Group are represented on the committee. Additional advisers attend meetings by invitation, depending on agenda items to be discussed.

**Suzanne Ackerman-Berman**

Chair: Social and ethics committee

27 May 2021

“ The committee's objective is to ensure that high ethical standards are applied in all areas of the business, and to review and approve the policy, strategy and structure for managing the social issues in the Group in accordance with our long standing principle that “doing good is good business”. ”

Suzanne Ackerman-Berman  
Chair: Social and ethics committee