SHOPRITE HOLDINGS LTD

2025 INTEGRATED REPORT

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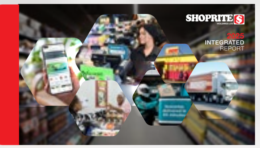
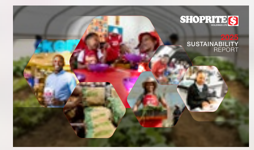
SHOPRITE GROUP'S 2025 REPORTING SUITE



Integrated Report (IR)
Aimed primarily at investors, lenders and other creditors, the report reviews the Group's business model, operating context, material risks and opportunities, governance practices and performance in delivering on our strategy (financial materiality).

Annual Financial Statements (AFS)
Provides a comprehensive review of our financial results, with audited financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) (financial materiality).



Sustainability Report (SR)
Reviews our performance in managing our most significant impacts on people, society and the environment, and in addressing our material sustainability-related risks and opportunities (double materiality).

Available online at www.shopriteholdings.co.za/shareholders-investors.html

Reporting frameworks informing our reports

Our reporting process complies with the following regulatory requirements:

- South African Companies Act, 71 of 2008 (as amended)
- King IV Code on Corporate Governance™ for South Africa, 2016 (King IV)
- The IFRS accounting standards developed and maintained by the International Accounting Standards Board (IASB)

Our reporting has also been informed by the following disclosure standards and frameworks:

- The IFRS sustainability standards recently released by the International Sustainability Standards Board (ISSB): IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures
- The Food Retailers and Distributors Sustainability Accounting Standard issued by the Sustainability Accounting Standards Board (SASB)
- The Global Reporting Initiative (GRI) Sustainability Reporting Standards
- The Johannesburg Stock Exchange (JSE) Sustainability Disclosure Guidance and JSE Climate Disclosure Guidance
- Carbon Disclosure Project (CDP) and the United Nations Sustainable Development Goals (SDGs)

01

OVERVIEW

This section briefly introduces this report and the Group, reviews our history and winning formula (investment case) and summarises our performance for the 2025 financial reporting period.

LOWEST PRICES ON ESSENTIAL GOODS AND SERVICES: A PROMISE KEPT FOR OVER 45 YEARS

When the Shoprite chain opened its doors over 45 years ago, it promised to provide South Africans with access to essential goods and services at the lowest prices, even in the most challenging economic times. Shoprite has upheld this promise, which today remains baked into our 600g brown bread loaf that customers have been able to buy with a single R5 coin since its introduction in April 2016.

Shoprite continues to set the standard in providing affordable, nutrient-dense meals, subsidising more than 1.8 million R5 (equivalent to US$0.27) products each week, offering unmatched value across essential food and hygiene items, while ensuring this is not at the expense of quality, taste, nutrition and dignity.

Independent laboratory tests of burger patties from various major retailers confirmed that Shoprite's popular R5 ox liver burger delivers protein content on par with, or even better than, several standard beef options, with considerably less fat than most standard beef patties that were tested. These tests demonstrate that affordability does not need to come at the expense of nutritional value.

Our purpose and strategy

Shoprite Holdings Limited ('the Shoprite Group', or 'the Group') is an investment holding company headquartered in Cape Town, South Africa. The Group's primary listing is in the Food Retailers and Wholesalers Sector of the Johannesburg Stock Exchange (JSE). The Group has three secondary listings: on the A2X, the Namibian Stock Exchange (NSX) and the Lusaka Stock Exchange (LuSE).

The Group is Africa's largest food retailer, operating 3 478 stores across eight countries. With supermarket retailing as our core business, we operate a clearly segmented brand strategy predominantly in South Africa.

Our purpose

To uplift lives every day by pioneering access to the most affordable goods and services, creating economic opportunity and protecting our planet.

Our values

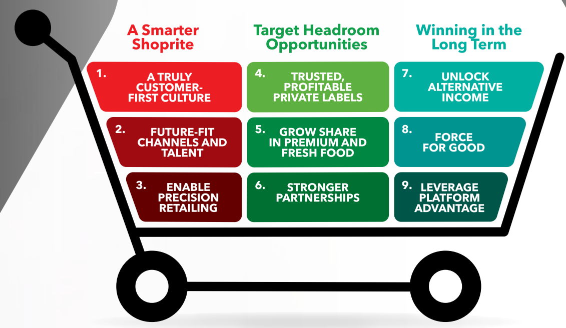
- Doing the right thing
- Saving to share
- Developing local

These guide our behaviour to fulfil our purpose and define how we do business.

Our strategy

To continuously create **a Smarter Shoprite** through advanced analytics and technology to optimise our core retail business and personalise experiences for customers.

We **target headroom opportunities** in growth segments to increase share-of-wallet and leverage our retail platform to **win in the long term.**



Our vision

To be Africa's most profitable omnichannel retailer.

About this report

Report audience and purpose

Our IR is our primary annual report, written for stakeholders with an interest in the Group's capacity to create value over the short, medium and long term. Although the report may be of interest to many stakeholders – including customers, regulators, employees, suppliers, non-governmental organisations (NGOs) and the media – the primary purpose of this report is to inform the decisions of existing and prospective investors, lenders and other creditors relating to the provision of resources to the Group.

Report scope and boundary

The IR covers the Group's operations across our geographic footprint. In identifying those matters that impact the Group's value creation, we have looked beyond the conventional financial reporting boundary to provide for the material interests of our key stakeholders, as well as for the significant impacts, risks and opportunities associated with our own operations and with the activities directly linked to our upstream and downstream value chain.

Our approach to materiality

Informed by the latest developments in global reporting standards and frameworks, we have adopted 'double materiality' across our reporting suite:

Financial materiality: Our IR provides information on those matters that are likely to influence report users' assessment of the Group's future cash flows over the short-term (less than 12 months), medium-term (one to three years) and long-term (beyond three years). Our AFS reflect the effects on company value and cash flow that have already taken place at the time of the financial year-end.

Impact materiality: Our SR provides disclosure on the most significant impacts of our operations and activities on people, society and the environment over the short-, medium- or long-term. This includes impacts caused by the Group's own operations, products or services, as well as the impacts directly linked to the Group's upstream and downstream value chain.

We have also made provision in the SR for financially-material environmental, social and governance (ESG) risks and opportunities impacting the business, thus adopting a 'double materiality' perspective in the SR.

Material matters for IR inclusion were identified from an independently facilitated materiality workshop in 2024 during which Group representatives considered the following:

- **Our business model** – reviewing the Group's revenue streams and cost structure, identifying the most important resources and relationships ('capitals') we depend on for value retention and growth across our value chain
- **Our dependencies and impacts on the capitals** – identifying our most significant dependencies and impacts (positive and negative, direct and indirect) on the capitals
- **Our operating environment** – identifying recent trends in our operating context affecting our performance and reflecting on the outcomes of our latest internal risk assessment process
- **Our stakeholders' interests** – identifying the interests of our stakeholders
- **Our strategy** – reflecting on the robustness of our strategy

We believe that all the information in the IR is material, in that it should be reasonably capable of influencing the decision of any report user wishing to make an informed assessment relating to the provision of resources to the Group.

Our IR is structured in a manner to enable such an assessment by providing information on:

How we create value: Our business (pages 13-14) and business model (pages 15-19)

What impacts value: The most significant trends, risks and opportunities in our operating context (pages 21-31)

How we protect and create value: Performance against our strategy (pages 34-50) and at an operational level (pages 52-66, and our governance approach (page 70)

Forward-looking information

This report contains certain information which may constitute forward-looking statements regarding the Group's operations and its performance prospects. These statements, by their nature, involve an inherent level of uncertainty because they relate to future events and circumstances that may be beyond the Group's control. They do, however, reflect our best judgement and estimates informed by the Group's Board-approved business plans as at the time of publication of this report. Within this context, the Directors advise readers to use caution in the interpretation of any forward-looking statements contained in this report. The Group cannot take responsibility for updating or revising any forward-looking statements except as required by applicable legislation or regulation. Any forward-looking information has not been reviewed or reported on by the Group's external auditors.

Approval and assurance

The Board, supported by the Audit and Risk Committee, believes the report is presented in accordance with the Integrated Reporting Framework and that it presents a balanced and fair account of the Group's performance, governance practices and operating context for the financial year ended 29 June 2025, as well as an accurate reflection of our strategic commitments.

The Audit and Risk Committee is tasked with overseeing the preparation of this report and for reviewing its content, reporting processes and assurance in respect of its integrity. The Board has applied its collective mind to the preparation and presentation of the information in this report. The report was prepared under the guidance and supervision of senior management and was subject to a rigorous internal and external review process before being submitted to the Audit and Risk Committee for its review. The committee, having reviewed the content and assurance processes, recommended the report for approval by the Board.

The Shoprite Holdings Board acknowledge responsibility for the integrity of this IR.
The Board approved this IR on 1 October 2025.

Board Chairman
Wendy Lucas-Bull

Audit and Risk Committee Chairman
Linda de Beer

Independent Non-executive Directors
Peter Cooper, Graham Dempster, Nonkululeko Gobodo, Dawn Marole, Sipho Maseko, Hlengani Mathebula, Paul Norman, Eileen Wilton

Non-executive Director
Christo Wiese

Alternate Non-executive Director
Jacob Wiese

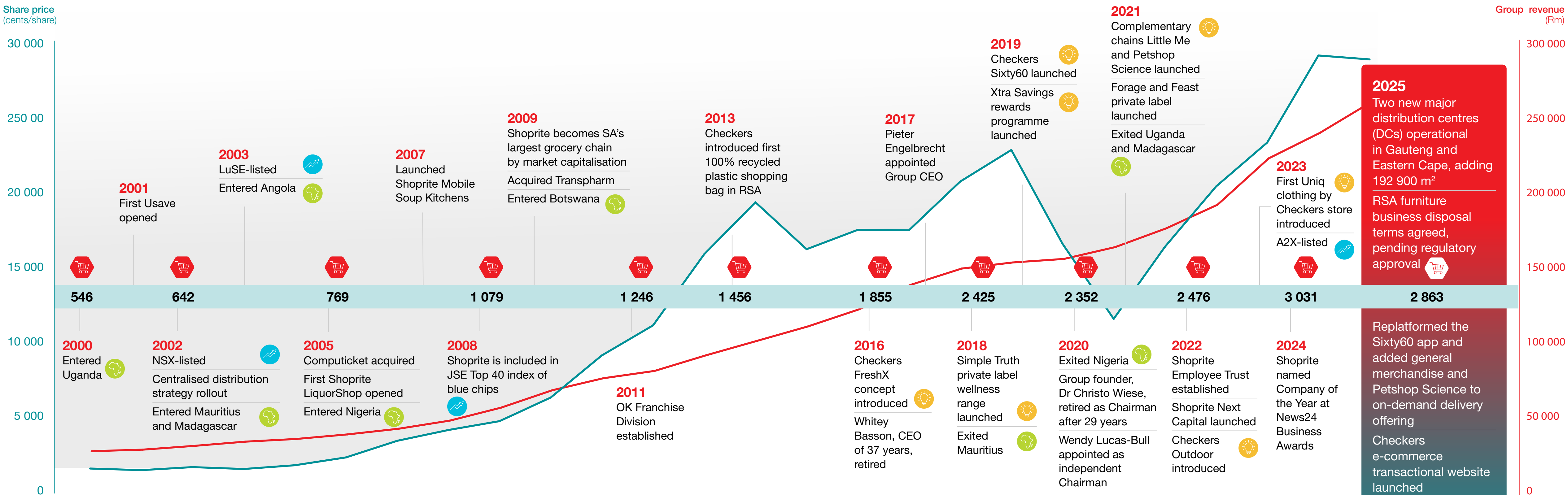
Executive Directors
Pieter Engelbrecht (Chief Executive Officer)
Anton de Bruyn (Chief Financial Officer)

While this IR is not independently assured as a whole, the following data, and the associated underlying processes to support the credibility and integrity of our reporting, were subject to either an internal or external audit:

AFS	External audit (Ernst & Young Inc. (EY))
Sustainability data	External assurance of selected sustainability metrics: renewable energy consumption, waste recycling, sustainable packaging and carbon footprint analysis
Operating and other financial and non-financial data, compliance and risk management	Internal audit (overseen by the Audit and Risk Committee)

Our history

Stores excl. OK Franchise — Share price — Group revenue — Innovation — Stock exchange — Operational activity in Africa



2000 Entered Uganda

2001 First Usave opened

2002 NSX-listed
Centralised distribution strategy rollout
Entered Mauritius and Madagascar

2003 LuSE-listed
Entered Angola

2005 Computicket acquired
First Shoprite LiquorShop opened
Entered Nigeria

2007 Launched Shoprite Mobile Soup Kitchens

2008 Shoprite is included in JSE Top 40 index of blue chips

2009 Shoprite becomes SA's largest grocery chain by market capitalisation
Acquired Transpharm
Entered Botswana

2011 OK Franchise Division established

2013 Checkers introduced first 100% recycled plastic shopping bag in RSA

2016 Checkers FreshX concept introduced
Whitey Basson, CEO of 37 years, retired

2017 Pieter Engelbrecht appointed Group CEO

2018 Simple Truth private label wellness range launched
Exited Mauritius

2019 Checkers Sixty60 launched
Xtra Savings rewards programme launched

2020 Exited Nigeria
Group founder, Dr Christo Wiese, retired as Chairman after 29 years
Wendy Lucas-Bull appointed as independent Chairman

2021 Complementary chains Little Me and Petshop Science launched
Forage and Feast private label launched
Exited Uganda and Madagascar

2022 Shoprite Employee Trust established
Shoprite Next Capital launched
Checkers Outdoor introduced

2023 First Uniq clothing by Checkers store introduced
A2X-listed

2024 Shoprite named Company of the Year at News24 Business Awards

2025
Two new major distribution centres (DCs) operational in Gauteng and Eastern Cape, adding 192 900 m²
RSA furniture business disposal terms agreed, pending regulatory approval
Replatformed the Sixty60 app and added general merchandise and Petshop Science to on-demand delivery offering
Checkers e-commerce transactional website launched
Sixty60 launched in select Shoprite stores
3 153 store point of sale (POS) upgrade completed
Acquired remaining 50% shareholding in Pingo Delivery (Pty) Ltd
Partnerships formed: Discovery Vitality and Standard Bank

The first 20 years

1979
Shoprite Group established in the Western Cape, South Africa, when PEP stores purchased a small grocery company with eight stores from the Rogut family. The grocer, Shoprite, had fewer than 400 staff members and was valued at less than R1.0 million

1986
JSE-listed

1990
Shoprite opened in Windhoek, Namibia, marking the start of its expansion across Africa
Acquired Grand Bazaars

1991
Acquired Checkers

1992
Start of franchising operations

1995
Entered Zambia

1997
Acquired OK Bazaars Group in the legendary R1 deal
Entered Mozambique

1998
Money Market financial services counters launched

1999
Medirite in-store pharmacies launched

Key themes in recent years

2018
SAP implementation enabling future-fit technology and digital innovation

2019
Embarked on Smarter Shoprite strategy, investing in advanced analytics and technology to optimise our core retail business
Xtra Savings rewards programme launched

2020
Launched our precision retail media network, Rainmaker Media, which uses advanced analytics to connect brands to customers

2021
Launched Shoprite^X, our digital innovation unit, as well as adjacent category brands to increase share of wallet

2023
Initiated multi-year supply chain expansion

2024 - 2025
Continued investing in our platform business, leading in digital innovation

Our winning formula

Leveraging scale through smart strategy, industry-leading innovation and operational excellence

The Group's investment case is anchored in the South African food retail sector and premised on our core retail platform. It leverages our three distinct supermarket banners that collectively span the entire consumer demographic of South Africa.

Our customer reach is achieved via our proximity advantage – our extensive store base and on-demand delivery solution – together with our Xtra Savings rewards programme. We pride ourselves on providing customers with the lowest prices, widest range and market-leading availability. Together with our data-led decision making and ongoing product, store and digital innovation, this results in an ecosystem flywheel designed to sustain the Group's growth and market-leading position for years to come.

Distinct multi-brand customer propositions through private label

- Strategic brand segmentation enables customer-centric execution across all market segments
- Private label aligned to each supermarket banner's distinct value proposition, reinforcing trust and building long-term brand loyalty

Team Shoprite

- Committed, resilient and skilled team with a strong culture, compelling employee value proposition and an experienced top management team, with an average tenure of over 17 years

Scale and operational efficiency

- Largest food retail store footprint in South Africa across all income categories, supported by a leading centralised supply chain infrastructure
- Corporate-owned business model with centralised decision-making and expert support functions driving efficiency and timely execution and ensuring consistency in customer experience
- Disciplined cost management and effective use of shared services driving scale benefits

Financial resilience and growth capital

- Highly cash-generative business model generating globally competitive margins
- Low gearing, with borrowings to equity averaging 23.1% for the past five years
- Strict approach to capital allocation, prioritising growth and maintenance capex and dividend payments for shareholders, with share buy-backs under the right circumstances

Unrivalled consumption data, driving our decision-making

- Significant investment in advanced analytics, digital platforms and artificial intelligence (AI) through our Shoprite^{X} digital innovation unit
- Industry-leading customer loyalty programme (Xtra Savings) providing largest consumption data set on the African continent
- Realising opportunities to monetise data through Rainmaker Media (our digital retail media network) and Rex (our customer insights platform for suppliers)
- AI pricing optimisation tool to determine best pricing
- Powerful integrated supply chain solutions to forecast stock needs and combat wastage

Platform business, leading in digital innovation

- Market leading e-commerce offering, Sixty60, now accessible through Checkers' new transactional website
- The Group's largest-ever POS system upgrade has enabled integrated omnichannel functionality
- Shoprite Financial Services in-store and via our Shoprite Money Market app offers low cost banking and delivers value-added services across all channels enabling financial inclusion for customers

Superior supply chain and distribution network

- Vertically integrated supply chain comprising 29 DCs and best-in-class inventory management systems, contributing to industry-leading in-stock levels of 98.2%

Delivering growth in grocery adjacencies and through partnerships

- Expanding our presence in the following adjacent categories where we are under-represented: pharmacies, health and beauty, baby, pet, outdoor and clothing. Doing this either via physical stores, on-demand and/or both
- Strong franchise model, with franchisees able to leverage the Group's buying power, supply chain capabilities, technology, expertise and access to working capital
- Innovative win-win partnerships, including most recently: Discovery Vitality HealthyFood, Standard Bank UCount Rewards and the W23 Global Innovation fund

Our value contribution in 2025

The value created, preserved or eroded for our stakeholders in 2025

Group sale of merchandise	▲ 8.9%	to **R252.7 billion**
Supermarkets RSA sales	▲ 9.5%	to **R213.5 billion**
Total income	▲ 9.4%	to **R65.7 billion**
Total expenses	▲ 7.4%	to **R50.7 billion**
Trading profit	▲ 16.6%	to **R15.0 billion**
EBITDA	▲ 18.8%	to **R23.8 billion**
Diluted headline earnings per share (DHEPS)	▲ 15.8%	to **1 367.2 cps**
Adjusted DHEPS	▲ 16.2%	to **1 410.2 cps**
Total dividend	▲ 9.7%	to **781 cps**
Net new stores	281	
Jobs created	8 723	
RSA market share gains	▲ R8bn	

Providers of capital

- R4.2bn declared in dividends per our dividend policy (2024: R3.9bn)
- Return on equity 26.7% (2024: 26.0%)
- Adjusted return on invested capital (ROIC) 19.4% (WACC: 13.5%)
- Earnings before interest, tax, depreciation and amortisation (EBITDA) R23.8bn (2024: R20.0bn)
- R1.4bn treasury shares
- R944m interest on borrowings

Customers

- 33.7m Xtra Savings rewards members, accessing R16.5bn in instant cash savings
- 1.8m R5 subsidised products (such as bread, deli meals and sanitary pads) sold each week
- 2.3% internal RSA food inflation below official food inflation of 3.7%
- Customer visits ▲ 4.6%
- Average basket size ▲ 4.5%
- 13 260 products experienced deflation this year

Employees

- 8 723 direct new jobs created – largest private sector employer in South Africa
- R20.3bn paid in salaries and benefits to over 168 000 employees
- R281m expensed in favour of eligible employees in South Africa from the Shoprite Employee Trust and equivalent awards granted by subsidiaries in countries outside South Africa
- Over R1bn invested in employee learning and development
- 0 work-related fatalities of permanent employees (2024: 2)

Suppliers

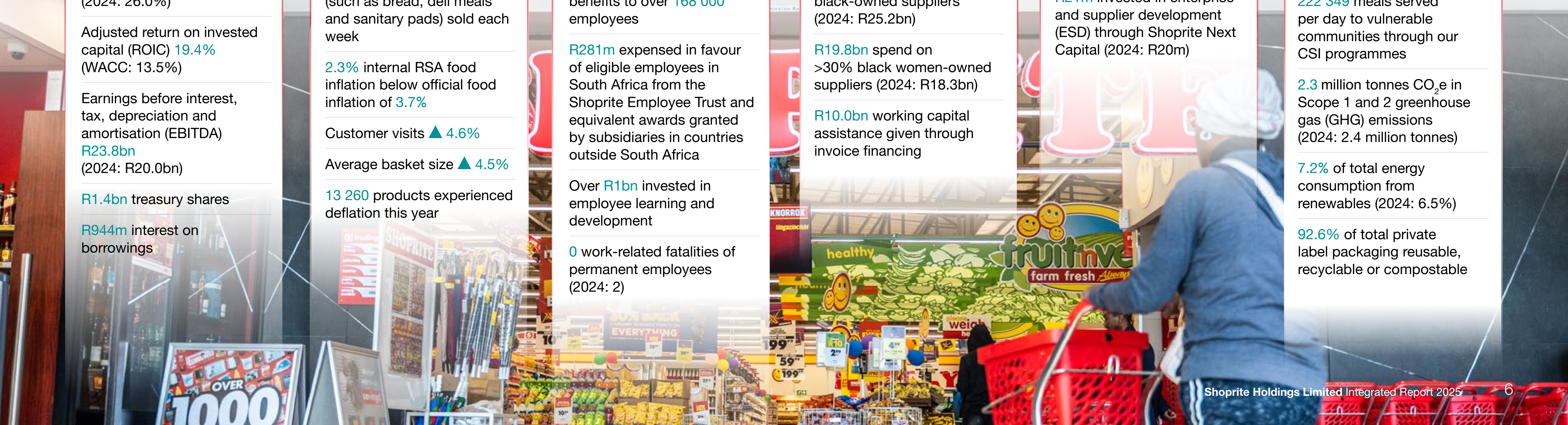
- R162.7bn spend with B-BBEE-verified suppliers (2024: R143.8bn)
- R26.8bn spend on >51% black-owned suppliers (2024: R25.2bn)
- R19.8bn spend on >30% black women-owned suppliers (2024: R18.3bn)
- R10.0bn working capital assistance given through invoice financing

Partners

- 615 total franchise stores
- 131 black-owned franchised stores (2024: 158)
- R21m invested in enterprise and supplier development (ESD) through Shoprite Next Capital (2024: R20m)

Communities and the environment

- R453m corporate social investment (CSI) spend into communities in South Africa (2024: R423m)
- 222 349 meals served per day to vulnerable communities through our CSI programmes
- 2.3 million tonnes CO_2e in Scope 1 and 2 greenhouse gas (GHG) emissions (2024: 2.4 million tonnes)
- 7.2% of total energy consumption from renewables (2024: 6.5%)
- 92.6% of total private label packaging reusable, recyclable or compostable



02

OUR BUSINESS

This section outlines the Group's geographic footprint, brand positioning and customer diversity, presents our ecosystem of value and describes our business model and interdependencies with the six capitals.

CHECKERS NAMED SOUTH AFRICA'S STRONGEST BRAND AND SOUTH AFRICA'S TOP RETAIL BRAND FOR 2025

Checkers was named South Africa's strongest brand in the Brand Finance 2025 South Africa Top 100 Report, up from third in 2024. This accolade is attributed to Checkers' outstanding domestic brand perceptions, including perfect 10-out-of-10 scores in 'brand I love', engagement, consideration, recommendation and 'word of mouth'.

Shoprite and Checkers were ranked in the Top 3 for Top Retail Brands in South Africa by Brand Finance. Checkers was ranked first with a 23% increase in brand value to R23.5 billion. Shoprite ranked third, valued at R20.1 billion. Both brands ranked in the overall Top 10.

Chairman's review

"This has been another commendable year for the Shoprite Group, our sixth successive year of market share growth during which the business continued to fulfil its promise of pioneering access to essential goods and services at the lowest prices."

Wendy Lucas-Bull
Chairman

The Group's 2025 result demonstrates its commitment to a customer-centric strategy and execution excellence. Despite a subdued economic environment, Shoprite delivered strong growth, with sales and trading profit increasing by 8.9% and 16.6% respectively. We also declared R4.2 billion in dividends to shareholders.

With disposable income constrained across most consumer groups, it is pleasing to see the Group's continued price leadership whilst literally 'delivering' to keep food retail more accessible. In addition to maintaining internal food price inflation consistently below South Africa's official food inflation rate, we have maintained market-leading levels of in-store availability on food and grocery items, supported by investment in our supply chain and technology.

Operating context improves, but challenges remain

There have been encouraging developments in South Africa's political economy, including the significant reduction of extreme electricity load-shedding and the formation of the Government of National Unity (GNU) in June last year, with various new ministerial appointments bringing renewed energy into key portfolios. The coalition's early steps to improve governance and combat corruption were welcomed; despite recent evidence of tensions amongst the parties, we believe the GNU has demonstrated accountability and decision making in the public's best interest as demonstrated in this year's budget process. Unfortunately though, ongoing challenges pertaining to safety and security and constraints in terms of institutional capacity require urgent attention.

The state of local government remains a concern with many municipalities falling short in terms of service delivery. Critical infrastructure, particularly roads, rail, ports, water delivery and wastewater management, are in need of significant reinvestment and improved administration.

This environment continues, unfortunately, to hamper multinational investment, affecting production capability and product availability. While the Group maintains high levels of capital investment underscoring our long-term commitment to our operations in South Africa, we face ongoing challenges across the supply chain and in the local agricultural sector, with many local suppliers struggling to consistently meet demand.

At a regional level, in our non-RSA markets, logistical challenges, exchange rate volatility and political turbulence (in Mozambique) prevail. The ongoing difficulty of reaching scale in this context validates the Group's decision to consolidate its regional footprint and to further strengthen investment in our core market in South Africa.

As a Group, Shoprite's core supermarket operations (inclusive of its logistics infrastructure) are corporate-owned, operated by our highly experienced, capable teams who manage world-class operations. Over my five years as Chairman I have come to appreciate the structure and operational strength of the Group as a competitive advantage, one which we continue to invest in to strengthen both our absolute and relative positions.

Customer-centric strategy remains at the forefront of decision making

The Group's results reflect consistent execution of a clear forward-looking strategy that is both globally on point and locally customer centric. It is supported by capital expenditure levels that are comparable with global peers. Shoprite's investment in its store base, data, analytics and digital technology, including the recent rapid rollout of our new point of sale system, continues to improve our customer experience and deliver measurable improvements across our operations.

Our innovation continues to be an important differentiator. This year we have expanded Sixty60's reach to include general merchandise from Checkers Hyper stores, replatformed the Sixty60 app and launched the Checkers e-commerce transactional website. Furthermore, we onboarded Petshop Science, Medirite Plus and select Shoprite stores to our Sixty60 on-demand service. All of these actions align with the Group's long-term platform business growth strategy.

Sustainability and social impact increasingly integrated into our values and execution

The Group's purpose is aligned to making a positive contribution to the country's developmental challenges, from unemployment to food security. We leverage our scale to make food more affordable and more accessible. Our substantial corporate social investment to promote food security includes our fleet of 33 mobile soup kitchens, our contribution to 287 community food gardens and our nutritional support to 138 early childhood development centres.

In addition to being South Africa's largest private sector employer, the Group added 8 723 new jobs this year and continues to stimulate job creation more broadly, with Shoprite Next Capital supporting 87 small, micro and medium-sized enterprises, many of which have scaled successfully.

Chairman's review continued

Embedded in the Group's strategy is its commitment to managing its environmental impact for the benefit of the planet and generations to come.

Around our operations there is much to do in support of the communities in which we operate and the Group has again executed superbly in terms of its sustainability strategy outlined in our 2025 Sustainability Report.

Governance and Board effectiveness

Following a period of transition marked by the retirement of several long-serving Directors we have a settled and balanced Board, well represented in terms of relevant skills and experience. In addition, we have met our Board diversity targets in terms of race and gender.

We continue to deepen our skills in key areas as required, such as improving our collective understanding of sustainability-related issues through dedicated Board training and engagements on specific subjects with relevant Board committees.

This year, we continued to maintain our strong focus on strategic oversight. Our strategic review process benchmarks the Group against global best-in-class peers, and we are pleased to rank among the leaders on key retail operational and performance metrics.

Outlook

South Africa's GDP growth is expected to remain below 2.0% per annum in the near-term, reflecting a challenging operating environment. At the same time, progress in areas such as private sector investment and infrastructure development provides a foundation for future growth, on the assumption that structural economic reforms continue to gain traction.

For Shoprite, our focus remains on navigating these conditions by leveraging our scale, customer-centric approach and operational excellence. Our solution-driven culture, experienced leadership team and solid succession pipeline position us to capture opportunities across formats and channels. Regardless of the broader economic cycle, we remain steadfast in delivering low prices for customers, driving profitable growth and advancing our vision of being Africa's most profitable omnichannel retailer while building long-term shareholder value.

In appreciation

In closing, on behalf of the Board, I would like to express our gratitude to our customers, business partners and loyal shareholders for their continued support - it is your trust in us that drives everything we do.

At a personal level, my sincere thanks to Pieter and his team for their excellent leadership, and to our incredible employees across the Shoprite Group whose service dedication makes all of this possible.

Wendy Lucas-Bull
Chairman

Chief Executive Officer's statement

"I am incredibly pleased with the Group's performance this year, both in absolute terms and relative to the market."

Pieter Engelbrecht
Chief Executive Officer

Group sales	Group trading profit	Customer visits	Products sold	Direct jobs created	Total dividend
▲ 8.9% to **R252.7 billion**	▲ 16.6% to **R15.0 billion**	▲ 4.6%	▲ 4.8% to **7.8 billion**	▲ 8 723 to **168 939 employees**	▲ 9.7% to **781.0 cents per ordinary share**

The Group added R20.6 billion in sales growth, improving our trading margin and gaining market share for the sixth consecutive year. This is a remarkable achievement in a fiercely competitive retail sector, with our South African consumers under significant pressure in a country that has experienced another year of low economic growth. The Group's pleasing performance reflects the incredible dedication of Team Shoprite in ensuring world-class execution of our vision: to be Africa's largest, most affordable, accessible and profitable omnichannel retailer.

The Group's core business, Supermarkets RSA – which houses our principal trading brands Shoprite, Usave, Checkers, Checkers Hyper and LiquorShop – achieved sales growth this year of 9.5%, contributing 84.5% to Group sales. It is important to see the Group's sales growth in context: the R20.6 billion in additional sales this year, from a high base, equates to almost 65% of the growth of the South African formal food retail market. Shoprite has been gaining market share in the formal market consistently for the past six years, and we're still on that path, opening a total of 363 new stores this year across the Group. To maintain this momentum and increase our share of wallet, we've continued to grow our adjacent business units and revenue streams through various adjacencies that complement our customers' daily lives such as pet, pharmacy, health and beauty, baby, outdoor and clothing.

This year saw impressive growth across all our Supermarket RSA banners. In the price-sensitive mid-to-lower-income segment, despite very low price inflation, the Shoprite and Usave brands grew sales by 5.9% to R116.6 billion (inclusive of Shoprite LiquorShop), boosted by strong growth in store openings. In the upper-income segment, Checkers remains the fastest-growing premium grocer in South Africa with sales growth up 13.8% to R95.7 billion (inclusive of Checkers Hyper and Checkers LiquorShop). We achieved record gains this year in the fresh foods category, reflecting our investments in our cold chain and FreshX store upgrades, and our recent Discovery Vitality healthy living partnership. Despite its significant market share growth, the Checkers brand remains underrepresented in the upper-income segment and we believe this offers a valuable opportunity for further expansion.

This year, we added a net 281 stores across our markets and brands, including 184 main banner supermarkets in our core RSA operations, 14 stores in our non-RSA markets, and 71 new format specialist stores in adjacent categories (Petshop Science, Checkers Outdoor, Uniq clothing by Checkers and Little Me). Together with a net seven OK Franchise stores and five new Medirite Plus standalone drug stores, this brings our total continuing operations store footprint to 3 478 across our eight countries of operation. In South Africa, we have a particular focus on extending our reach in underserved communities, opening 38 Usave discount stores this year, bringing the total to 494 stores located within communities, thereby alleviating transport costs.

Extending our reach for customers is of course not limited to Usave. Our iconic on-demand delivery platform, Sixty60, continues to disrupt the South African retail market, growing sales by 47.7% and expanding its reach in general merchandise, selected Shoprite stores and in Petshop Science and Medirite Plus. Our Sixty60 on-demand delivery service is now available in 694 locations, including five 'dark stores', providing us with one-hour delivery access to more than 80% of the addressable online market in South Africa. During the year we acquired the remaining 50% shareholding in Pingo Delivery, giving us ownership of our last-mile logistics expertise and associated intellectual property, as well as control over the entire customer journey. In addition to this, we replatformed an enhanced Sixty60 app and launched, for the first time, a transactional website for Checkers.

Chief Executive Officer's statement continued

Sixty60 has been an incredible success story and the key to our compelling omnichannel platform; in the process of reimagining convenience for customers we have created more than 15 000 direct new jobs for drivers, store-pickers and office staff since launch.

Our Xtra Savings loyalty programme, with 33.7 million members, equates to more than 75% of South Africa's adult population having our savings card in their pocket. With more than 2 700 swipes per minute, the loyalty programme provides us with an unmatched database of consumer purchasing patterns at a very granular level. We have invested significantly in turning this fact-based data into intelligence, using it to inform our product, pricing and promotional activities, as well as our growth in adjacent business categories. Our investment in this data-driven side of the business not only provides us with a material competitive advantage, it also delivers significant value to customers, providing R16.5 billion in cash-back savings at till points this year.

As a result of the Group's strong financial performance and cash generation, the Board approved a final dividend of 496 cents per share, resulting in a full-year dividend of 781 cents per share, representing a 9.7% year-on-year growth in the total dividend per share. In addition to this direct value to shareholders, we continue to provide substantial value to all our stakeholders, by providing affordable and accessible products, creating direct and indirect jobs, engaging thousands of suppliers, and investing in communities and the environment.

Leveraging scale through expert strategy execution

Our ability to provide value across our stakeholder groups, and to sustain the Group's growth in a highly dynamic operating environment, reflects the scale of our retail footprint, the breadth of our multi-brand customer propositions across all market segments, the strength of our supply chain and distribution network, and the quality of our people. These attributes are underpinned by our long-standing investment in product, store and digital innovation, our relentless focus on operational efficiency, and our expert execution. Our experience during COVID highlighted the significant advantages of being a corporate-owned business, as opposed, for example, to being a franchise- or independent operator-led business.

This year, our R8.0 billion capital expenditure included investing in opening 363 new stores, successfully rolling out our new point of sale (POS) system, replatforming our financial services offerings and pharmacare upgrade, and making significant further investment in the latest state-of-the-art equipment and digital technologies to enhance the customer experience and drive operational efficiencies. To maintain our market-leading sales velocity, we follow a revamp cycle to maintain and upgrade our stores, at roughly 300 stores per year. Pleasingly, our return on invested capital (ROIC), adjusted for the impact of IFRS 16, has improved to 19.4% in 2025 (restated 2024: 15.4%).

At Shoprite we benchmark ourselves against international retailers. Globally, we are the largest SAP retail customer by number of transactions, and one of the top retailers in terms of the volume of product moved. This year we maintained our world-class in-stock availability rate of more than 98%, enabling us to reliably meet the demands of our omnichannel operating model. We believe we hold our own in terms of operational disciplines, capital investment and long history of innovation, underpinned by a strong culture of failing fast and moving on. Where necessary, we are willing to make decisions and manage the impacts responsibly. This is exemplified for example in our recent decision to sell the furniture business and to exit underperforming markets in Africa (including this year from Malawi and Ghana), enabling us to focus on growing our platform business in South Africa.

Shoprite: A South African institution

Our core market in South Africa provides a challenging operating context. It has one of the highest rates of inequality globally, as well as worrying levels of poverty and unemployment, compounded by low economic growth and poor delivery of basic services. At a personal level, I am particularly troubled by the country's staggering rate of youth unemployment and by the number of households that are dependent on government grants and that lack adequate access to nutrition. Our most recently commissioned Food Index study found that 21% of the country's children under five are stunted: they're not getting enough protein, which significantly undermines their ability to realise their full potential. Addressing this profound nutritional challenge, and that of youth unemployment, is critical to maintaining social stability and to strengthening the resilience of our business. As the Shoprite Group, we are committed to playing our part, both by making food and other essential items more affordable and accessible, and by stimulating job creation.

Since our establishment 46 years ago, we have promised South Africans to provide them with access to essential goods and services at the lowest prices. In addition to maintaining low prices across all our products, we subsidise more than 1.8 million R5 products every week – including our R5 loaf of 600g brown bread and various nutritious deli meals – as well as selling a R20 meal kit for a family of four, and providing treated water at R1 per litre at many of our stores. Embedded in our selling price inflation of 2.3%, this year we had 13 260 items that experienced deflation. We continue to see a significant uptake of goods on promotion, with 36.4% percent of the basket shopped on promotion.

In addition, we continued to see an increase in our private label sales, with 96% of our customers buying at least one of our private labels. Almost 91% of our grocery private label items are produced locally, playing an important role in stimulating the local economy.

The Shoprite Group remains the largest private sector employer in South Africa, adding 8 723 new direct jobs this year, bringing our total employee base to over 168 000 employees. Many of these roles are first-time jobs, not only providing new employees with the opportunity to rise within the Company, but also giving them essential work experience and training that is critical to enter the wider job market. I am proud of the value we have created for our employees through the Shoprite Employee Trust. Established in 2022, the trust has paid out over R805 million in benefits via cash distributions aligned with our dividend to shareholders, paid twice a year. By 1 October this year, we will have surpassed the R1 billion milestone in respect of cumulative Employee Trust payouts. As things stand this year, 98% of the Trust beneficiaries are black and 69% are black women, reinforcing our commitment to transformation and equitable empowerment in line with South African demographics.

In addition to direct job opportunities, we also create many thousands of indirect jobs, both in and around each of our stores – in roles such as security, cleaning and trolley collecting – as well as spending 98.2% of our total procurement spend on local suppliers and R6.2 billion procured through B-BBEE SMMEs in South Africa.

> "Given the scale of our impact on the total value chain, I can't imagine South Africa without Shoprite. The Shoprite Group is not simply a retailer, it is an institution. We go the extra mile to provide customers with access to affordable products; that's why I think Shoprite is the only retailer in the world that sells a 600g loaf of brown bread for R5, as well as numerous deli meals at the same price (around 27 US cents). I believe that it is our actions to provide access to essential food and hygiene items at the lowest cost that sets Shoprite apart as a business."

Positive outlook in a challenging operating context

This year's strong performance was delivered in the context of another year of low economic growth, placing continued pressure on the country's cash-strapped households. Although we have seen a welcome reduction in electricity load-shedding, we are still subject to regular energy shortages in parts of the country; we also face growing concerns with water security, requiring us to install three days of water reserves at all of our stores. This added cost burden comes on top of the significant expense associated with the country's declining road, rail and port network and its weakened policing and security infrastructure, all of which undermines much needed investment in South Africa's manufacturing capacity.

These challenges define a context to which we have become operationally and strategically accustomed. We have invested in infrastructure to sustain our business. With the Government of National Unity in place, I hope to see improvements in terms of enhanced political stability and policy certainty, improved accountability, and strengthened execution of private sector partnerships, including in renewable energy and transport infrastructure.

South Africa has an enormous amount of potential that can be released to further improve the quality of life of all its people. Our belief in the country and its future is what drives our sustained investment and commitment to growth in the region.

Appreciation

The Group's performance this year reflects the valuable contribution of all our stakeholders: our customers and suppliers, our employees, our Board and management teams, our investors and the communities within which we operate.

I am often asked what defines the evident success of the Shoprite Group. While there are obviously various factors at play, we would not be the successful business we have become, without the incredible base of employees who make up Team Shoprite. To this remarkable team, I express my deep gratitude for their dedication in delivering the extraordinary, year after year: to my Group executive and divisional management teams who continue to lead from the front, inspiring our teams to find innovative solutions and to maintain our legacy of operational excellence; to our Chairman and the Shoprite Holdings Board for their independent oversight and advice that contributes to our continued growth; and to my colleagues across our supply chain, Group services and store base, whose dedication to serve is instrumental in delivering on the Group's purpose.

My final thanks are extended to our many millions of customers who choose the Shoprite Group in the face of strong competition. Our ability to continually grow our customer base reflects their trust in our activities to prioritise price, value, range, availability and proximity.

I look forward to the year ahead, to continuing our efforts to fulfil our purpose and to delivering on our vision to be Africa's most profitable omnichannel retailer.

Pieter Engelbrecht
Chief Executive Officer

Group profile

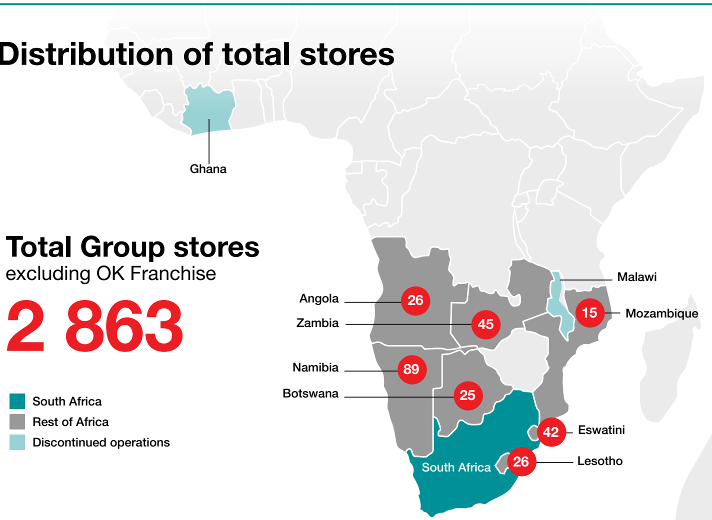
The Shoprite Group is an omnichannel retailer predominantly retailing food and general merchandise with a growing share in related adjacent categories. We are positioned mainly in South Africa where we segment the market with distinct supermarket brands to best serve our customers and meet their daily needs.

Sale of merchandise	Xtra Savings members	Total Group employees	Total Group stores incl. OK Franchise	OK Franchise stores	Growth in customer visits	National distribution centres
R252.7bn	33.7m	168 939	3 478	615	4.6%	29

Distribution of total stores

Total Group stores
excluding OK Franchise

2 863



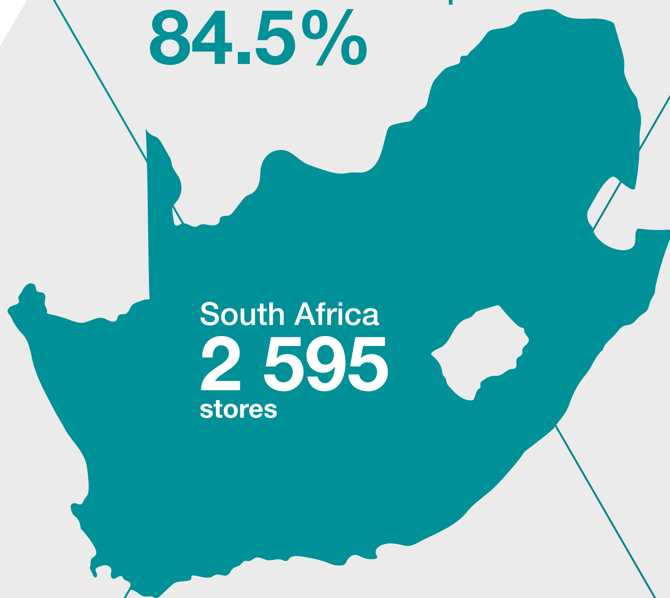
Operating segments

Supermarkets RSA: Shoprite, Usave, Checkers, Checkers Hyper, LiquorShop (Shoprite), LiquorShop (Checkers), Petshop Science, Outdoor, Little Me, UNIQ clothing by Checkers

Supermarkets Non-RSA: Shoprite, Usave, Checkers, LiquorShop (Shoprite), LiquorShop (Checkers)

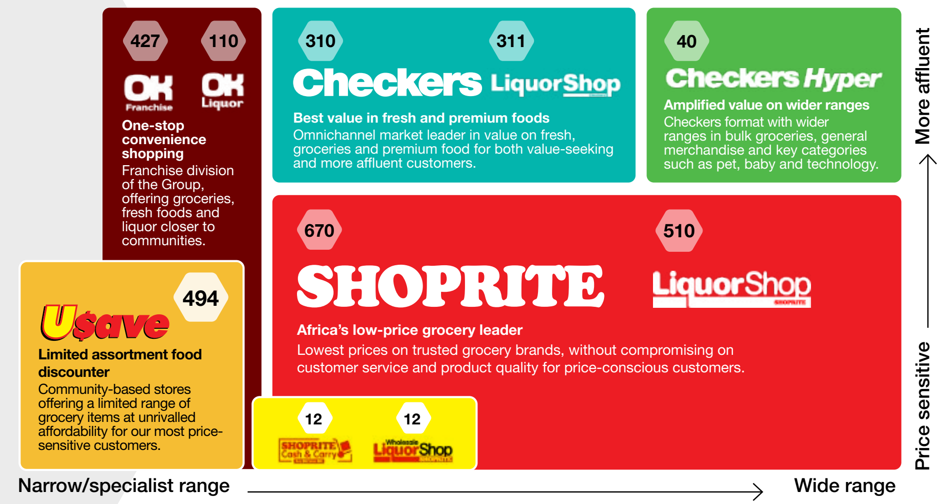
Other operating segments: OK Franchise, Medirite Pharmacy, Transpharm, Computicket

Supermarkets RSA segment sales contribution to Group
84.5%



Supermarkets RSA segment trading profit contribution to Group
91.5%

RSA brand positioning and store numbers



Number of stores

Group profile continued

Our ecosystem of value

Customer and rewards

Our market-leading Xtra Savings rewards programme was launched to improve our understanding of customers' needs and save them time and money through personalisation. This year our more than 33 million members saved over R16 billion. With roughly 2 700 swipes per minute, we have the largest consumer data set on the continent, informing our decision-making on pricing, promotions, ranging and digital communications, providing a highly personalised shopping experience. The programme allows us to predict trends, identify new sales opportunities in under-indexed categories, and assists us – as well as our suppliers, through our Rex platform – to better understand customer behaviour. Our partnership with Discovery Vitality HealthyFood gives our customers the benefit of up to 75% cash back on healthy food items. With our more recent partnership with Standard Bank, UCount Rewards customers can earn up to 40% back when shopping on Sixty60, and up to 30% back in-store.

Advanced analytics and insights

Our data analytics and engineering teams transform purchase data from over one billion transactions per annum, and over 33 million Xtra Savings rewards members, into actionable insights for our business and supplier partners. In addition, our AI pricing optimisation engine is balancing margin and price investment with our powerful end-to-end supply chain ensuring on-shelf availability for customers.

Digital commerce and last-mile logistics

Leveraging the wide network of stores within our core Supermarkets RSA segment, the Group's market-leading 60-minute delivery service, Sixty60, is delivering significant value to both our customers and our business. Sixty60 is now available in 694 locations across South Africa, including selected Shoprite stores, making use of the store network as micro-fulfilment centres. We have recently launched a new Sixty60 app, offering customers over 10 000 larger Checkers Hyper general merchandise products, delivered same-day within an agreed 60-minute time slot, and a new Checkers transactional website. Our ambition is to become 'the everyday store' for customers. Pingo provides the last-mile logistics capabilities with 8 424 independent drivers.

Alternative revenue

We leverage our platform advantage of our 2 863 core retail stores to unlock alternative revenue in retail media, data monetisation and financial services. Rainmaker, our retail media network, enables precision targeting and omnichannel advertising solutions by connecting brands with relevant audiences. Our customer insights platform, Rex, provides supplier partners with actionable insights based on the Group's purchase data to improve their business and unlock new opportunities. Our financial services business delivers accessible financial products and payment solutions, promoting financial inclusion at the lowest cost in the industry for our consumers.

Supplier partnerships and development

In our drive to improve the customer experience, we have supplier partnerships with leading global and local brands – such as Starbucks, Lindt, Krispy Kreme Doughnuts and Kauai – bringing their products to selected Checkers supermarkets and some of these brands directly to homes via our Sixty60 delivery service. We are empowering and supporting local entrepreneurs and suppliers through Shoprite Next Capital and our CredX supply chain finance offering.

Other adjacencies

Given the scale of our core retail platform, and being a preferred food anchor tenant in most shopping mall developments, we are well positioned to open retail stores in adjacent categories, providing our customers with affordable access to a wide selection of products in categories such as baby, outdoor, pet, pharmacy and clothing. Our customers benefit from a one-stop offering with a supermarket at its core and a wide variety of affordable choices in close proximity.

Lighthouse private labels

We leverage the Group's scale to invest in product development and innovation in our private label brand portfolio to differentiate the Group's offering and range. Our private label products provide customers with better choices and value, both through our low-price products (such as our Ubrand entry-level lines), as well as our premium offerings that cater to discerning tastes and emerging lifestyle trends (such as our Simple Truth and Forage and Feast range). Shoprite's Homegrown private label range supports local job creation by offering products that are 100% South African.

Our business model

How we create value

We create stakeholder value through our core retail platform that leverages the Group's scale and efficiencies to make grocery items more affordable and accessible.

Operating predominantly in defensive food retail, we procure, distribute, market and sell groceries and everyday household goods, primarily in South Africa. Our platform thinking and execution underpins our ambition to provide seamless engagement across physical and digital channels, and to leverage our operational capabilities, support services, technology and data to create value for our customers and unlock alternative revenue streams from areas such as financial services, purchase data insights and omnichannel advertising solutions.

For more detail on those trends that impact how we create and preserve value, refer to pages 21-23.

Inputs

Our ability to create value for our stakeholders depends on the quality of our access to the following resources and relationships:

Social and Relationship Capital
A stable operating environment and trusted corporate brand based on positive relationships with key stakeholders.

Human Capital
Our committed, resilient and skilled employees, led by an experienced top management team, with oversight from an independent Board.

Manufactured Capital
Our 2 863 corporate stores, supported by our supply chain network of 29 DCs covering a total of over 900 000m² under roof, and our world-class digital infrastructure, inventory management and logistics capabilities.

Intellectual Capital
Our portfolio of 28 differentiated trusted brands and 4 461 private label products, serving different market segments, and our leading innovative application of data-led tech capabilities, underpinned by a strong company culture and established processes.

Financial Capital
A strong balance sheet and considerable profit and cash generation facilitates access to financial capital (providers of debt and equity).

Natural Capital
Reliable and cost-effective access to energy and water for our stores and DCs, fuel for our distribution fleet, raw materials for our products and packaging (virgin and recycled), within a stable climate system.

More detail on these capital inputs and our activities to sustain these inputs is provided on pages 16-19

Value in

Our business activities

Retail sales: We provide customers with the best price and value on food and general merchandise products, through our clearly segmented bricks and mortar store network, and our Sixty60 platform and new Checkers transactional website.

Supply chain logistics: The Group operates a predominantly centralised, highly efficient and profitable supply chain, with DCs located in most provinces of South Africa. We manage our supply chain end-to-end, with no meaningful logistics outsourced. We have increased our centralised supply chain capacity, particularly in Gauteng and the Eastern Cape, through our strategic partners, namely Retail Logistics Fund (RF) (Pty) Ltd and Equites Property Fund Ltd.

Procurement and private label: We procure products and develop our own private label products to meet forecast consumer demand, using advanced data analytics to predict trends and optimise efficiencies.

Secure, scalable digital infrastructure: We operate various digital platforms through our Shoprite^X digital innovation unit, focusing on precision retailing, frictionless shopping and digital innovation.

Financial services: Through our Money Market platform, customers can access affordable transacting, saving and value-added financial and lifestyle services, integrated into their everyday shopping journey and supported by a secure, scalable digital infrastructure.

Marketing and brand-building: We support our retail activities with our strategic and relevant marketing campaigns and by building brands that customers love.

Centralised corporate activities: Each of the Group's trading banners benefits from our shared centralised Group-level services, including IT strategy and support, digital and tech innovation, marketing, corporate communications and public relations, human resources, Group finance, sustainability, buying, supply chain, properties, and asset and risk management.

Our profit formula

Our ability to create and sustain value depends ultimately on the financial viability of our business. Understanding our revenue streams and cost structure as well as their interdependency with the six capitals is fundamental to sustaining value creation.

Our **revenue** streams

- Product sales from our core supermarket business, supported by other adjacencies
- Alternate revenue from our Shoprite^X Digital Retail Media and Insights businesses
- Investment income from our associates and joint venture partnerships
- Insurance and credit services revenue
- Properties rental income
- Fintech commissions from our Money Market service offerings
- Franchisee fees

Our **revenue** differentiators

- ✔ Corporate-owned food retail supermarket base with a large footprint catering for consumers across all income categories
- ✔ World-class supply chain infrastructure and logistics capability, with expert inventory management managing in-store inventory availability
- ✔ Award-winning digital innovation unit (Shoprite^X) harnessing the value of data science and technology to deliver a frictionless, omnichannel retail experience
- ✔ Pioneering sixty-minute on-demand grocery and general merchandise delivery platform
- ✔ Industry-leading Xtra Savings rewards programme, generating deep customer insights
- ✔ Best-in-class technology platforms
- ✔ Loyal and experienced Shoprite team
- ✔ Focused private label strategy across income groups
- ✔ Money Market Account serving as a digital store of value, attracting funds into the ecosystem and enabling everyday transacting, saving and access to value-added services that drive retention and monetisation
- ✔ Strong and growing franchise model

Our **cost** structure

- Product procurement (cost of goods sold)
- Supply chain costs (distribution, inventory management and logistics)
- Employee salaries and benefits
- Depreciation and amortisation
- Operating costs (repairs and maintenance, security, delivery expenses, cleaning)
- Electricity and water expense
- Capital expenditure on business expansion, business maintenance and replacements
- Insurance, advertising and finance charges
- Lease costs / lease liability finance charges

Our **cost** differentiators

- ✔ Efficiencies of scale, benefitting our buying ability, our distribution and logistics activities and our shared services (IT, human resources, finance, properties, loss prevention and security)
- ✔ Group management of key costs, ensuring strict discipline in optimising business expenses, capital allocation and inventory management
- ✔ Strong governance systems on investments and projects
- ✔ Group's stores are predominately corporate owned, therefore operating costs are for the Group's account (such as leases, employee benefits and depreciation)

Value out

Outputs

See page 14 for more detail

Outcomes

The impact of our activities on our critical resources and relationships is reviewed in more detail on pages 16-19

Our dependencies and impacts on the capitals

The Group's interactions with the resources and relationships on which our business depends have a direct impact on our ability to create value over time. The factors influencing these capital stocks and flows may be within or beyond our control, presenting the Group with the material risks and opportunities that we need to address to preserve or create value.

Social and relationship capital

Strong stakeholder relationships and a stable operating context

Essential inputs (2025)

- Stable operating environment with strong levels of institutional trust
- Trusted company brand, with strong and growing consumer base
- Constructive relationship with government and regulators
- Sustained investor confidence
- Positive supplier relations

Challenges accessing inputs

- High unemployment, low growth and poor public service delivery is weakening social trust
- Challenges with deteriorating and poorly managed infrastructure, as well as high costs associated with maintaining security across our facilities, are impacting our ability to meet stakeholder expectations
- Growing expectations from some stakeholder groups for the business to get more directly engaged in managing its sustainability-related impacts, risks and opportunities

Activities to enhance inputs

- Delivering on our purpose by pioneering access to the most affordable goods and services
- Significant investment in promoting socio-economic transformation
- Strengthening the Group's employee value proposition
- Strong regulatory risk control systems in place to drive compliance
- Regular investor communication
- Proactive supplier engagement with fair trading terms, and investment in local and SMME supplier development
- 98.2% of procurement sourced locally, contributing to local economic development

Further details:
Addressing stakeholder interests IR – pages 24-27
Risk management SR – pages 18-19
Our social impact SR – pages 22-53
Investing in our people SR – pages 28-40
Our environmental impact SR – pages 55-68

Outcomes of our activities

Ongoing contribution to broader socio-economic wellbeing

- Largest private sector employer in RSA with 8 723 new jobs this year, mostly entry-level jobs
- Maintained internal food price inflation consistently below RSA food inflation average
- Distribution of South African Social Security Agency (SASSA) and Social Relief of Distress (SRD) grants
- R146.5 billion procurement from B-BBEE compliant businesses
- R26.8 billion procurement from >51% black-owned businesses and R19.8 billion from >30% black women-owned businesses
- R21 million on ESD through Shoprite Next Capital
- R453 million CSI spend into communities in South Africa focusing on hunger relief and food security, combatting youth unemployment and investing in local entrepreneurship
- Assisting communities during crises through rapid deployment of our mobile soup kitchens and tailored aid such as hygiene packs and blankets
- 90.9% of private label products sourced locally
- 3 349 unemployed youth trained in our Retail Readiness Programme (RRP) and 2 663 trained through the Youth Employment Service (YES) programme

Maintained positive relationship with customers evidenced by:

- R8 billion market share gains this year
- 8.9% growth in sales
- 2.4% member growth in Xtra Savings
- 4.1% growth in Money Market Account holders
- 32 awards for customer and brand excellence
- Checkers rated as RSA's strongest brand[1]

[1] *Brand Finance 2025 South Africa Top 200 Report*

Our dependencies and impacts on the capitals continued

Human capital

Our employees

Essential inputs (2025)[1]

- Over 168 000 employees with the skill, motivation and workplace ethic to deliver exceptional execution
- Experienced top management team
- Independent Board oversight
- Enabling workplace environment with purpose-led culture embedded through Our Shoprite Way

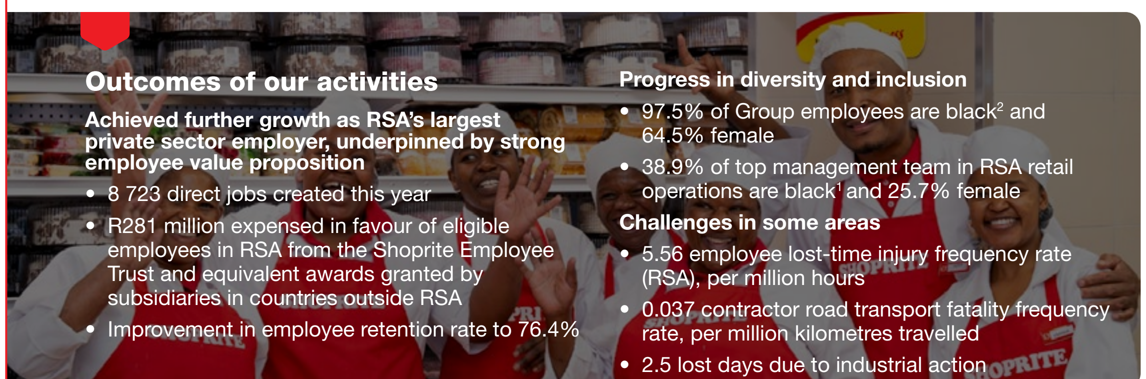
Challenges accessing inputs

- Heightened competition for scarce digital and fast-moving consumer goods (FMCG) skills
- Concerns with employee financial and mental wellbeing impacted by tough socio-economic context
- Changing employee career priorities

Activities to enhance inputs

- People plan to attract, retain and develop a future-fit talent base
- R20.3 billion paid in wages and benefits
- R1.1 billion invested in employee training and development
- Comprehensive bursary programme
- Employee assistance programme offering free, confidential counselling and advisory services to support individuals
- Leadership development interventions
- Continuing focus on diversity, equity and inclusion
- Strengthening our succession and individual development plans
- Payments made through Shoprite Employee Trust

Further details:
Investing in our people SR – pages 28-40



Outcomes of our activities

Achieved further growth as RSA's largest private sector employer, underpinned by strong employee value proposition

- 8 723 direct jobs created this year
- R281 million expensed in favour of eligible employees in RSA from the Shoprite Employee Trust and equivalent awards granted by subsidiaries in countries outside RSA
- Improvement in employee retention rate to 76.4%

Progress in diversity and inclusion

- 97.5% of Group employees are black[2] and 64.5% female
- 38.9% of top management team in RSA retail operations are black[1] and 25.7% female

Challenges in some areas

- 5.56 employee lost-time injury frequency rate (RSA), per million hours
- 0.037 contractor road transport fatality frequency rate, per million kilometres travelled
- 2.5 lost days due to industrial action

1. *Data for all inputs as of 29 June 2025*
2. *Throughout this report, black is defined as in schedule 1 to the Codes of Good Practice on Broad-based Black Economic Empowerment published in terms of section 9(1) of the Broad-based Black Economic Empowerment Act, published in the Government Gazette of the Republic of South Africa*

Manufactured capital

Our stores, DCs and logistics fleet

Essential inputs (2025)[3]

- 2 863 corporate stores (excluding OK Franchise)
- 29 DCs, with over 900 000m^2 capacity (two new major DCs opened this year)
- 1 078 trucks and 1 539 trailers in DC fleet
- Technology infrastructure and support services
- New POS system

Challenges accessing inputs

- Ongoing infrastructure challenges can impede operations
- Potential disruption to information and technology services through network failure and/or cyber attacks
- Impact of extreme weather events
- Status of roads and high accident frequency

Activities to enhance inputs

- R8.0 billion capital expenditure in our stores, technology infrastructure and DCs
- Installation of security measures to protect stores and DCs from social unrest
- Investment in back-up power solutions

Further details:
Group profile IR – page 13
Operational performance IR – page 51

Outcomes of our activities

Growth in store footprint

- 281 net new stores opened

Growth in DCs

- Two new major DCs opened this year, expanding DC floor space with 192 900m^2
- 16 new rooftop solar PV systems installed this year, contributing to 8 399 tonnes reduction in CO_2

Growth in our fleet

- 47 new trailers
- 1 397 solar PV systems on our trailers
- 186 Euro 5 compliant low-emission DC trucks introduced, bringing the total to 49.9% of our fleet
- New kinetic energy trailer introduced

Maintenance of Pingo delivery bikes and added safety features

3. *Data for all inputs as of 29 June 2025*

Our dependencies and impacts on the capitals continued

Innovation and company culture

Intellectual capital

Essential inputs (2025)[1]

- 161 trusted private label brands
- Leading innovative approach, application of technology and embracing AI
- Effective governance, risk management and ethics structures
- Data on customer purchasing behaviour from our Xtra Savings rewards programme

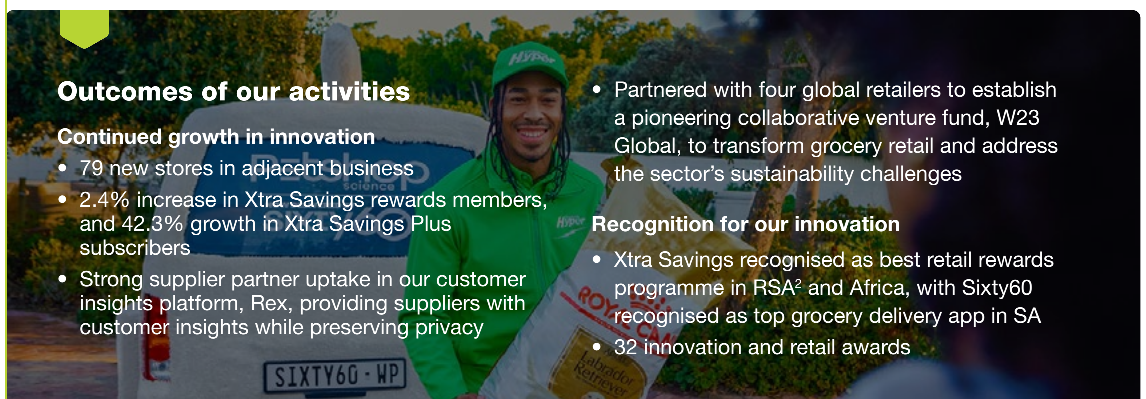
Challenges accessing these inputs

- Heightened competition for scarce technology and digital talent
- Growing cyber risks associated with increased reliance on digital systems and increasing sophistication of cyber crime
- Pace of change in best-of-breed AI tooling

Activities to enhance inputs

- Effective execution of our three-pillar strategy and nine strategic drivers
- Invested in digital transformation through Shoprite[X], strengthening our position as a world-class omnichannel retailer
- Investment in cyber-security measures
- Strengthened regulatory compliance capabilities, including investment in governance, risk and compliance systems to support the growth of our Financial Services businesses

Further details:
Delivering on our strategy
IR – page 32



Outcomes of our activities

Continued growth in innovation

- 79 new stores in adjacent business
- 2.4% increase in Xtra Savings rewards members, and 42.3% growth in Xtra Savings Plus subscribers
- Strong supplier partner uptake in our customer insights platform, Rex, providing suppliers with customer insights while preserving privacy
- Partnered with four global retailers to establish a pioneering collaborative venture fund, W23 Global, to transform grocery retail and address the sector's sustainability challenges

Recognition for our innovation

- Xtra Savings recognised as best retail rewards programme in RSA[2] and Africa, with Sixty60 recognised as top grocery delivery app in SA
- 32 innovation and retail awards

[1] Data for all inputs as of 29 June 2025
[2] South African Loyalty Awards, 2021 - 2024

Financial capital

Financial capital

Essential inputs (2025)[3]

- R34.8 billion in retained earnings
- R30.1 billion in equity
- R7.0 billion borrowings

Challenges accessing these inputs

- Reduced consumer spend due to sustained tough economic conditions
- Low inflation and high real interest rate impact

Activities to enhance inputs

- Effective execution of operational efficiency drive
- Formalised financial controls in place with clear oversight and review mechanisms

Further details:
CFO report
IR – page 52

Outcomes of our activities

- Generated R10.1 billion in free cash flow
- 92% total operations operating cash flow as a percentage of EBITDA
- Share buy-back
- Pingo shareholding purchase
- R4.2 billion declared in dividends, with the total dividend per share increasing 9.7% year-on-year to 781 cents per share (2024: 712 cents per share)
- R944 million paid in net interest on borrowings
- 26.7% return on equity
- Adjusted ROIC of 19.4% exceeds weighted average cost of capital of 13.5%
- R4.2 billion paid in finance charges on IFRS 16 lease liabilities

[3] Data for all inputs as of 29 June 2025

Our dependencies and impacts on the capitals continued

Natural capital

Natural resource inputs

Essential inputs (2025)[1]

- 2 770 331 Megawatt-hour (MWh) total energy consumed
- 151 234 MWh renewable energy consumed
- 62 537 110 litres diesel consumed
- 4 181 668 kilolitre (Kl) municipal water consumed
- Paper, cardboard and plastics for packaging

Challenges accessing these inputs

- Challenges with state-managed infrastructure impacting energy and water security
- Extreme weather events and supply chain disruptions impacting availability and cost of certain key inputs

Activities to enhance inputs

- Climate mitigation measure such as LED lighting, solar PV in stores and trailers, reverse logistics and refrigeration efficiencies
- Smart energy and water metering
- Upgraded fleet with 186 Euro 5 compliant trucks
- Various innovations to reduce waste and increase use of more sustainable packaging
- Backup power generation and backup water supply

Further details:
Our environmental impact
SR – pages 55-68

Outcomes of our activities

Further progress in mitigating impacts

- 11.5% reduction in Scope 1 and 2 GHG emissions intensity per square metre (gross leasable area)
- 7.2% of total electricity consumed from renewables, resulting in a reduction of 137 026 tonnes CO_2e
- 6.7% reduction in water use intensity per m^2 gross leasable area
- 63 950 tonnes of cardboard diverted from landfills this year
- 14 961 tonnes plastic waste diverted from landfill
- 2 598 tCO_2 saved per hundred kilometres from backhauling practices

External recognition

- 'A-' leadership rating in CDP Climate Change and Water Security Disclosures

1. *Data for all inputs as of 29 June 2025*

03

OUR OPERATING CONTEXT

This section reviews key trends in our operating context, summarises our approach to engaging our stakeholders and addressing their interests and describes our core risks and our approach to mitigating these risks.

EXTENDING SIXTY60'S ON-DEMAND GROCERY DELIVERY TO OUR SHOPRITE CUSTOMERS

Following a successful pilot, this year we launched Sixty60 to more Shoprite customers to extend the convenience and time- and cost-savings of our on-demand grocery delivery service to even more South Africans.

We celebrated the launch at Shoprite Protea Glen (Soweto) together with the legendary South African singer and songwriter, Yvonne Chaka Chaka, who commemorated her 60th birthday with the delivery of essential food items to elderly residents in Soweto, where her career began.

Our operating environment

We have identified three broad trends in our operating environment that are material to our business. While these trends reflect a relatively demanding context, the Group has demonstrated its ability to respond effectively to each, with our customer focus and record of effective execution underpinning our continued growth, resilience and success.

TREND 1 Subdued but improving GDP growth outlook expected over medium term

This financial year was defined by a complex global backdrop, including strong capital inflows into the US driven by economic resilience and post-election US exceptionalism. More recently we have seen heightened market volatility and renewed geopolitical tensions, including conflict in the Middle East and ongoing uncertainty surrounding global trade relations.

South Africa: Macro outlook improving year-on-year but remains challenging

- The 2025 GDP growth outlook for South Africa, while better than the prior year, remains subdued with estimates ranging from 0.9% to 1.4% for the year. In July 2025, South Africa's inflation rate measured 3.5%[1], the highest rate in ten months. Although scope exists for the South African Reserve Bank to further reduce interest rates, economists expect that any rate cuts will be limited, leaving real interest rates at elevated levels. There is uncertainty regarding the impact of the new US tariff regime on the economy.
- Stats SA reported improved retail sales during the financial year, with notable growth at times; however, these periods often reported against a negative base. Household consumption expenditure growth has improved year-on-year and is expected to increase by 1.8% in 2025 compared to 1.0% in 2024. While an almost doubling in the growth rate, in absolute terms it remains low, and without a meaningful increase in employment, real wages and/or other stimuli, household spending is expected to remain subdued for the short to medium term.
- South Africa continues to face significant structural challenges, including infrastructure and service delivery constraints, as well as high levels of unemployment that perpetuate inequality. The country's official unemployment rate sits at 33.2%[2], with 50% of households receiving government support in the form of monthly social grants. We look to the new GNU's medium-term development plan to address these challenges and stimulate growth and investment.

Rest of Africa: Challenging conditions support continued geographic consolidation

- Operating conditions across our Africa operations remain difficult, with high inflation, currency volatility and high youth unemployment contributing to sustained customer affordability challenges.
- Several markets have experienced climate-related impacts on agricultural productivity, with implications for broader economic activity. Our Zambian operations, for example, which are dependent on hydropower, have been impacted by droughts, with resulting energy supply shortages requiring increased diesel use.
- We continue to reduce the countries in which we operate with Ghana and Malawi now classified as discontinued.

Impacts of constrained spending power

- In the context of subdued economic growth and high unemployment, households remain under significant pressure. Constrained customers are switching to lower-priced products and demonstrating greater reliance on promotional items and bulk purchasing.
- Food security remains a concern across the region, including South Africa, which has particularly high levels of youth malnutrition for a middle-income country. Shoprite's latest Food Security Index found that food insecurity in South Africa is at its highest levels in over a decade, with 21% of the country's children under five years of age stunted through malnutrition, reflecting deep challenges regarding food affordability and access.

Our response

- **The Group is well placed as a defensive food-retail company, with a strong track record of pioneering access to the most affordable goods and services**
- **Demonstrated sustained commitment to delivering value to customers:**
  - **Internal food price inflation has been consistently below the official food inflation rate**
  - **13 260 products in our RSA supermarkets experienced deflation during the year**
  - **Subsidised 1.8 million R5 products every week (including 600g bread and deli meals) as well as our R20 meal kit for a family of four**
  - **Expanded our portfolio of 434 affordable Ubrand private label products**
  - **Provided safe, reverse-osmosis, treated water to customers at R1 per litre in many of our Shoprite, Checkers and Usave Stores** (see SR page 61)
  - **Market-leading customer loyalty programme (Xtra Savings) delivering instant discounts in every aisle, equating to R16.5 billion in instant savings at till point for customers this year**
- **Investment in advanced analytics – and access to high volume of customer purchase data – strengthens our ability to apply competitive pricing and promotional strategies**
- **Enhanced the accessibility, affordability and convenience of essential food and groceries by expanding the reach of our stores and online shopping and delivery service**
- **Retained our position as South Africa's largest private sector employer, adding 8 723 new jobs this year**
- **Continued to stimulate economic opportunities by spending R6.2 billion on SMMEs, R26.8 billion on >51% black-owned, and R19.8 billion on >30% black women-owned suppliers**
- **Advanced financial inclusion through low-cost money market bank account, allowing customers to transact for free within our ecosystem and offering various value-added financial services**
- **Extensive CSI programmes promoting food security, youth employment and SMME development. Our efforts to improve food security include our fleet of mobile soup kitchens, surplus food donations programme, development of food gardens and serving almost 2 million meals to children in the 138 early childhood development centres (ECDs) that we support**

1. *Stats SA; Consumer Price Index (2025)*
2. *Stats SA; Quarterly Labour Force Survey (Q2: 2025)*

Our operating environment continued

TREND 2

A dynamic and evolving competitor landscape

After an extended period where the formal (or 'measured') segment of the South African food retail sector was dominated by four major 'bricks and mortar' retail groups – Shoprite Holdings, Pick n Pay (including Boxer, now listed separately), Spar and Woolworths Foods – the segment has evolved with the growth in e-commerce. This includes growth both in 'pure-play' e-commerce retailers (such as Naspers' Takealot, and more recently Amazon entering the market), as well as on-demand delivery offerings pioneered by Checkers' Sixty60, with various competitors following suit.

The result of this group of operators vying for growth in a low-growth economy, with low-selling price inflation, is a highly competitive and increasingly promotionally-driven trading environment. Several themes continue to influence this competitive landscape, including the following:

- ***Continued growth in online grocery and food retail***, with the e-commerce grocery retail market projected to reach $464.3 million by 2025, and US$1 370 million by 2029 as part of a broader trend toward digital shopping and omnichannel retailing[1].
- ***Large retailers increasing their presence in the lower end of the grocery market*** in townships, rural areas and underserved neighbourhoods.
- ***Evolving consumer preferences and changing lifestyles,*** with growing demand for better and more affordable products, more convenience, and healthier and more sustainably produced and packaged food options, as well as strengthened demand for premium pet food, home entertaining and financial services.

Our response

- **The Group competes effectively across all income categories, delivering low-cost essentials at Usave, lowest price and range at Shoprite, and convenience, value and quality at Checkers**
- **Checkers FreshX store upgrades/conversions numbered 37 stores this year bringing the total to 152 stores (44% of the Checkers store base) in this format**
- **Extended the reach of our market-leading Sixty60 e-commerce platform, adding 155 locations, expanding it to include general merchandise from Checkers Hypers, delivery of speciality products from select Medirite Plus and Petshop Science stores, launching Shoprite Sixty60, and developing a new Sixty60 app and transactional website**
- **Added two major new DCs to our supply chain network contributing to our volume growth and industry-leading in-stock levels of 98.2% across our stores**
- **Grew portfolio of private label brands, including for price-conscious customers (Ubrand) and our premium private label range, meeting growing consumer demand for affordable, healthier and more sustainably produced food and grocery products**
- **Market share growth in fresh fruit and veg sector, boosted by Discovery Vitality partnership and further investment in state-of-the-art Checkers FreshX supermarkets**
- **Leveraging our platform advantage and customer data to enter various non-grocery business sectors seen as a strong long-term play, opening new stores in premium pet products, pharmacies, clothing, baby and outdoor**

1. *ECDB (2025) Grocery market in South Africa*

Our operating environment continued

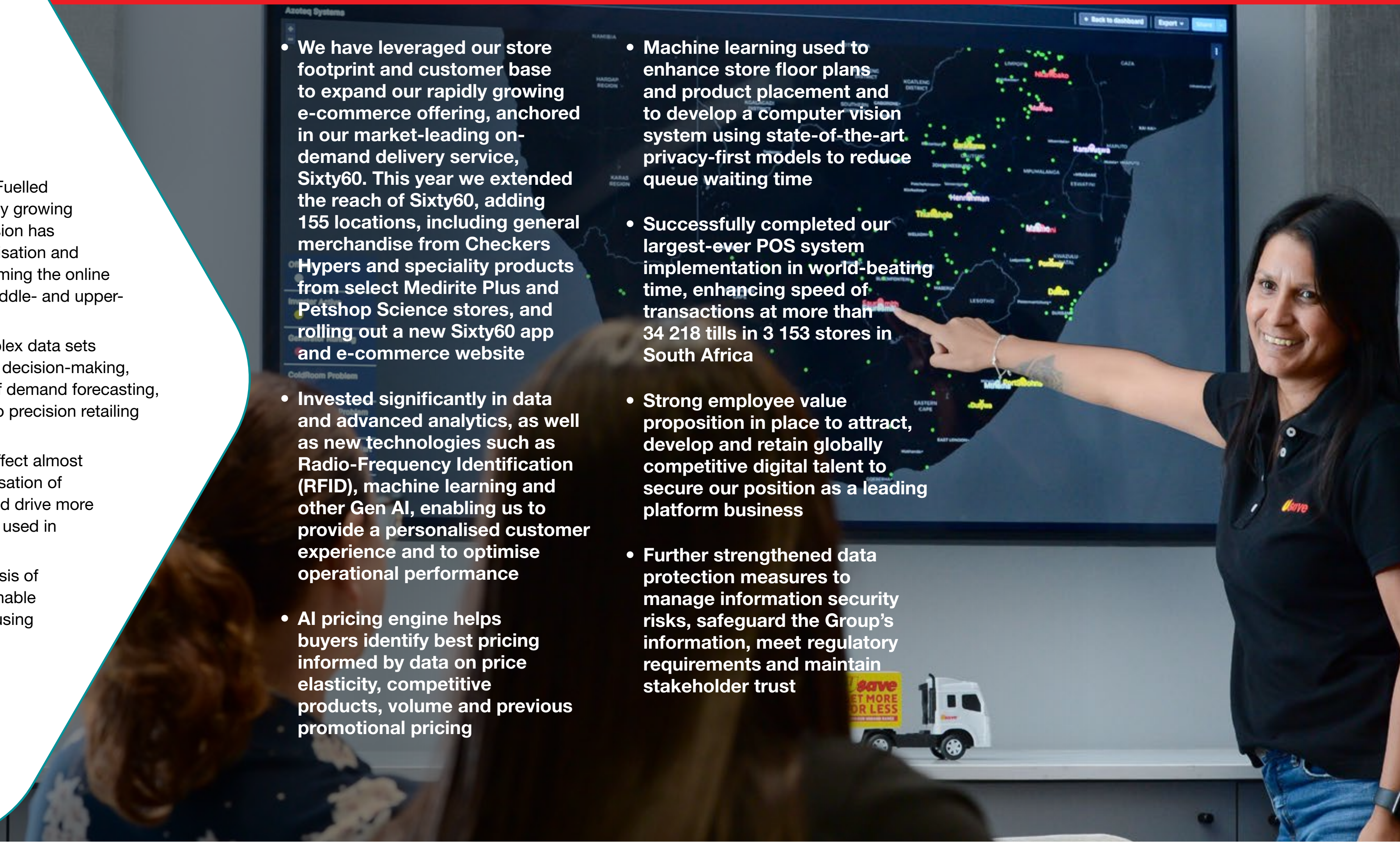
TREND 3 E-commerce and the rise of digital technologies and AI

Digital technologies are revolutionising food retail globally with data enabling smarter decision-making and technology transforming shopping experiences. Retailers who most effectively embrace these innovations will be best positioned in terms of competitiveness and longer term growth.

Ways in which digital technologies are transforming the sector locally and globally include:

- **Rapid expansion in e-commerce on-demand food retail offerings:** Fuelled initially by adoption during the Covid-19 pandemic and more recently by growing customer demand for a seamless omnichannel experience, this expansion has been accelerated by AI-enabled predictive analytics, mobile-first optimisation and more streamlined logistics and delivery infrastructures that are transforming the online shopping experience. While this adoption is currently mostly among middle- and upper-income groups, uptake is rapidly increasing across all income groups.
- **Big data and predictive analytics:** This is being used to analyse complex data sets and provide real-time actionable insights, enabling retailers to enhance decision-making, reduce operational costs and improve the accuracy and optimisation of demand forecasting, inventory, warehouse operations and logistics, all of which contribute to precision retailing and more personalised customer experiences.
- **Advancements in large language models and agentic AI:** This will affect almost every aspect of retail, with AI being used in-store to improve the optimisation of tasks, increase productivity, enhance the personalisation of content, and drive more effective customer promotions. Generative AI is also increasingly being used in many personalisation and customer support applications.
- **Aiding more sustainable practices:** This includes improving the analysis of energy and water consumption data, using blockchain technology to enable end-to-end traceability and enhanced supply chain transparency, and using AI-enabled algorithms to optimise logistics.
- **Social media platforms:** These are increasingly being used as marketing and sales channels, with brands leveraging these platforms to facilitate direct consumer engagement and sales through features such as shoppable posts and social storefronts.

Our response



- **We have leveraged our store footprint and customer base to expand our rapidly growing e-commerce offering, anchored in our market-leading on-demand delivery service, Sixty60. This year we extended the reach of Sixty60, adding 155 locations, including general merchandise from Checkers Hypers and speciality products from select Medirite Plus and Petshop Science stores, and rolling out a new Sixty60 app and e-commerce website**
- **Invested significantly in data and advanced analytics, as well as new technologies such as Radio-Frequency Identification (RFID), machine learning and other Gen AI, enabling us to provide a personalised customer experience and to optimise operational performance**
- **AI pricing engine helps buyers identify best pricing informed by data on price elasticity, competitive products, volume and previous promotional pricing**
- **Machine learning used to enhance store floor plans and product placement and to develop a computer vision system using state-of-the-art privacy-first models to reduce queue waiting time**
- **Successfully completed our largest-ever POS system implementation in world-beating time, enhancing speed of transactions at more than 34 218 tills in 3 153 stores in South Africa**
- **Strong employee value proposition in place to attract, develop and retain globally competitive digital talent to secure our position as a leading platform business**
- **Further strengthened data protection measures to manage information security risks, safeguard the Group's information, meet regulatory requirements and maintain stakeholder trust**

[1] *ECDB (2025) Grocery market in South Africa*

Our stakeholders' interests

The Shoprite Group's purpose is to uplift lives every day. To deliver on this purpose, we need to understand and be responsive to the stakeholders who are affected by the Group's activities, as well those who have a direct bearing on our ability to create value and deliver on our purpose.

We are committed to engaging proactively with our stakeholders – no matter how divergent and dynamic their interests may be – in a manner that appreciates the significant value that positive and trust-founded relationships bring both to our stakeholders and the Group.

The following pages list those stakeholder groups that may be most affected by our activities or that may have a material impact on our prospects. For each stakeholder group, we briefly outline their inter-relationship with the Group, our approach to engaging with them, their principal interests relating to our business activities, and our response to their interests.

We recognise that in many instances there will be a diversity of perspectives and interests within a specific stakeholder group. Nevertheless, we believe that the interests listed below present a sufficiently accurate reflection of each group's most significant interests and expectations of the Group's decisions and activities.

We acknowledge that there may be some strongly diverging priority expectations between different stakeholder groups. Our task is to find the right balance between such competing expectations in a manner that is aligned with the broader interests of society and that delivers long term value for the Group.

Customers

Drive our revenue growth through their purchases and brand loyalty. Meeting their needs is at the heart of our business.

How we engage customers

- Daily in-store and online interactions
- Dedicated customer helpline
- Xtra Savings rewards programme
- Mass market and direct communication
- Promotional activities and competitions
- Social media and online presence across various platforms
- Information on our packaging
- In-store and field agents who support access to Financial Services, helping to simplify and humanise the customer experience

What is important to customers

- Product affordability and value
- Convenience and accessibility
- Range and choice of products, meeting the needs of different customer groups
- A convenient omnichannel shopping experience
- Availability of compelling rewards and promotions
- Access to simple, low-cost financial services that support everyday needs
- Protection of data privacy, health and safety
- Availability of healthy nutritious food
- Showing leadership on social and environmental matters
- Responsible marketing and communication
- Relevant personalised deals and communications

Addressing customers' interests

- Maintain our food price selling inflation below official food inflation and shield our most price-sensitive customers through subsidised core offerings
- Maintain on-shelf availability of 99.1% for fast moving products, a function of our distribution and inventory management capabilities, together with our investment in advanced analytics
- Xtra Savings rewards programme delivering R16.5 billion in savings this year
- Comprehensive health and safety risk system for stores and products, including food safety compliance with industry and regulatory standards, regular product testing and assurance processes
- Healthy, nutritious food products such as our Simple Truth range
- Superior in-store experiences with FreshX store formats and in-store food theatre
- Usave and Checkers Foods stores closer to customers' homes, as well as our Sixty60 home delivery, providing improved accessibility and transport cost savings
- Enhanced in-store Money Market counters and the Money Market app provide customers with convenient and accessible financial services
- Partnerships with Discovery Vitality and Standard Bank UCount Rewards providing additional customer value
- Adherence to our position on responsible marketing (see SR page 27)

Our stakeholders' interests continued

Employees and trade unions

Provide the skills, experience and innovation crucial to delivering our strategy; we offer employment opportunities and invest in personal and professional development.

How we engage employees

- SiyaRinga, an internal direct digital communications platform
- #OurShoprite newspaper
- Online information channels
- Direct engagement on operational issues through our People and Operations teams
- Social media presence (such as the Group's LinkedIn page and the @weactforchange platform)
- Formal engagement with trade union bodies
- Targeted campaigns as and when required on specific topics

What is important to employees

- Talent development
- Career growth
- Competitive remuneration and benefits
- Employee inclusivity
- Fair labour practices
- Safety, security and wellbeing
- Job creation opportunities
- Work-life balance
- Recognition and feedback
- Cross-functional teamwork, collaboration and engagement

Addressing employee interests

- Created 8 723 new jobs this year
- Focused on talent development: 17 897 employees promoted this year
- Maintained a compelling employee value proposition
- Digital bulk recruitment platform (HireRite) deployed to match job seekers with local opportunities
- Comprehensive in-house and external upskilling programmes
- Good progress on our diversity, equity and inclusion focus areas
- Remuneration aligned with market benchmarks
- Active engagement with relevant trade unions (31.1% bargaining unit workforce is unionised)
- Secure whistleblowing facility in place for confidential reporting of potentially unethical, unlawful or unsafe conduct or practices
- Access to a comprehensive employee wellness programme

Shareholders, investors and financiers

Provide the financial capital necessary for our long-term growth, enabled by our financial performance and capital allocation framework.

How we engage investors

- Stock Exchange News Service (SENS) announcements via JSE, including first-quarter Annual General Meeting (AGM) update, interim and year-end operational results presentations, and full results commentaries
- One-on-one and Group investor meetings with Group Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief of Strategy and Innovation, and Head of Investor Relations
- Store and site visits with fund managers and analysts
- Executive management attendance at domestic and offshore fund manager conferences
- Board Chairman and Remuneration Committee Chairman pre-AGM engagements with shareholders
- Annual and interim reports
- Shoprite Holdings' website for Group publications and pertinent documents and policies

What is important to investors

- Consistent execution of market-leading growth strategy
- Sustaining leading sales growth and improving Group returns
- Growth opportunities arising from investment in technology and data analytics
- Cost management
- Risk management and business continuity capabilities
- Fair and responsible remuneration of employees, gender equality, competitive remuneration and retention of talent
- Strong internal controls over financial reporting
- Prudent balance sheet and cash flow management
- Capital allocation framework management, including declaration of dividends
- ESG-related risk and opportunity management
- Integrity, effectiveness and composition of our Board

Addressing investor interests

- Regular and open engagement with investors, fund managers and analysts on our strategy, performance and prospects
- Continued delivery of sector-leading sales and profitable market share growth, with improving shareholder returns and dividends
- Clear strategy with nine growth drivers aimed at unlocking new revenue opportunities by leveraging our scale, network and data to be Africa's most profitable omnichannel retailer
- Structured risk management systems in place, including identification and management of sustainability-related impacts, risks and opportunities
- Fair, responsible and competitive remuneration policies and performance
- Robust independent governance, risk and compliance oversight mechanisms
- Strong sustainability/ESG performance and disclosures against international standards and frameworks

Our stakeholders' interests continued

Government and regulators

Shape the legislative and socio-economic conditions and priorities that frame the context for our activities and that require our compliance.

How we engage government and regulators

- Direct engagement on policy and regulations, as well as indirect engagement through industry associations and business forums, such as the Consumer Goods Council of South Africa (CGCSA)
- Interaction through a formal risk-based regulatory compliance process
- Regulatory authority reporting when required

What is important to government and regulators

- Compliance with legislative requirements, including health and safety standards
- Delivering on Broad-based Black Economic Empowerment (B-BBEE)
- Composition, integrity and effectiveness of the Board
- Boosting employment opportunities
- Economic development and growth of township economies
- Tax compliance and fiscal contribution
- Protection of consumer interests and promotion of fair competition
- Environmental and social responsibility
- Facilitating food security
- Information security, including protecting personal information against cyber security risks
- Management and disclosure of sustainability-related risks and opportunities

Addressing government and regulator interests

- Centralised regulatory compliance management through the Group Compliance Manager and Group Legal department
- Significant contribution to job creation as the country's largest private sector employer
- Partner with local suppliers to develop local economies, including through South African Homegrown private label
- Fair, responsible and competitive remuneration policies
- Progress on our diversity and inclusion targets
- Continued investment in our CSI programmes focusing on hunger relief and food security, addressing youth unemployment, and promoting local entrepreneurship
- Transparent communication on tax policy and payment
- Compliance with tax legislation and contributions via corporate tax, customs duties and statutory levies to support government fiscal capacity
- Structured risk management systems
- Significant investment in transformation and socio-economic development by supporting black-owned and black women-owned suppliers, as well as youth development and employment creation activities
- Strong ESG performance and disclosures against local and international standards and frameworks

Suppliers

Underpin our retail operations by providing products and services; they rely on us for fair trading terms and market access.

How we engage suppliers

- One-on-one supplier/buyer relationships with onboarding process
- Regular supplier operational service delivery reviews
- Annual supplier awards programme
- Annual Shoprite Supplier Sustainability Survey
- Integrated enterprise risk planning (ERP) platform to manage contractual arrangements and transactions
- Active engagement through our ESD programmes and Shoprite Next Capital
- Supplier Code of Conduct
- Online supplier registration portal

What is important to suppliers

- Fair contractual terms and timely payment
- Clear and effective communication on expectations
- ESD commitment to support and grow SMMEs
- Approach to applying regulatory standards
- Promoting a culture that offers protection from unethical and corrupt behaviour

Addressing supplier interests

- Regular engagement to agree to mutually acceptable contract terms
- Our customer insights platform (Rex) enables suppliers to adapt their sales and marketing strategies to optimise their sales in our stores and online based on consumer shifts in behaviour
- With Rainmaker Media, suppliers can run highly targeted omnichannel marketing campaigns based on rich insights, reaching their customers through our extensive retail media network, and measuring the impact of those campaigns directly on sales uplift
- In RSA, as a Level 4 B-BBEE contributor, Shoprite Checkers (Pty) Ltd procures preferentially from local, black-owned and black women-owned enterprises, and we provide financial assistance to emerging SMMEs through Shoprite Next Capital
- Five-year localisation strategy to expand private label with preference to local suppliers, evidenced with our South African Homegrown private label
- Shoprite Next Capital established to capacitate and grow SMMEs

Our stakeholders' interests continued

Communities

Influence our operating environment by hosting our stores, DCs and customers; we contribute to these communities through our product and service offerings and our CSI programmes.

How we engage communities

- Regular press releases and social media posts
- Developing SMMEs through Shoprite Next Capital
- A dedicated CSI team engages with community members and structures through our community programmes

What is important to communities

- Stimulate economic activity to support and sustain community enterprise development
- Promotion of food security and hunger relief
- Youth skills development and employment
- Commitment to transformation B-BBEE
- Evidence of effective environmental stewardship

Addressing community interests

- Our purpose-led CSI strategy promotes food security, youth employment and SMME development, leveraging our scale for impact and building on our core contribution (job creation and affordable, accessible groceries)
- Programme in place on ESD and community investment
- Mobile soup kitchens delivering meals in South Africa, Namibia, Zambia, Angola, Eswatini and Lesotho
- Supporting community food gardens across RSA, Lesotho and Namibia, and ECDs in RSA and Lesotho
- Surplus food donations
- Nutritional support for children at ECDs
- Collaboration with our suppliers and partner organisations to assist our network of beneficiaries
- Supporting activities such as the Youth Employment Services (YES) programme
- Disaster relief to communities during disasters, such as climate-related floods, fires and droughts

Non-governmental organisations (NGOs)

Continue our focus on social and environmental practices, while we support their objectives through ethical business conduct, as well as social and environmental sustainability programmes and partnerships.

How we engage NGOs

- News section on website, supported by media releases and interviews
- Dedicated sustainability team that engages with NGOs
- Dedicated CSI team engaging with community members and structures through our community programmes
- Direct participation with and through industry bodies on various sustainability programmes
- Report on our sustainability management and performance through our annual SR and periodic press releases

What is important to NGOs

The specific interest relating to our performance will vary with each NGO, but may include:

- Our performance relating to human rights, social justice, consumer protection, health, nutrition and environmental issues
- Regular transparent reporting on sustainability performance and other regulatory prescribed matters
- Timely access to management
- Fair treatment of stakeholders

Addressing NGO interests

- Delivering on our purpose of uplifting lives every day by pioneering access to the most affordable goods and services (maintained internal food price inflation consistently below RSA food inflation average), creating economic opportunity (as the largest private sector employer in RSA with a large supplier base), and protecting our planet (mitigating our most significant environmental impacts)
- Media analysis to identify and anticipate NGO interests
- Striving to be accessible and address queries in a timely manner
- Participating with the World Wide Fund for Nature (WWF) in the Southern African Sustainable Seafood Initiative (SASSI)

Risk management

Our Enterprise Risk Management (ERM) framework

The underlying premise of Shoprite's ERM framework is that the Group exists to provide sustainable value. Given the high levels of uncertainty and increasing complexity in our operating environment, management's imperative is to determine how much uncertainty we are willing to accept as we strive to grow and protect stakeholder value.

Our ERM framework empowers management to navigate this uncertainty and strengthens our ability to grow value through strategies and response measures that strike an optimal balance between risk and reward.

Aligned with the ISO 31000:2018 international standard, and adhering to widely recognised best practices, our ERM framework is tailored to meet our specific needs. It is facilitated through MetricStream, an electronic risk-based solution that is engineered to automate certain risk functions, offer clear insights into risks and controls, and foster collaboration among risk and control stakeholders in a cohesive and efficient manner.

Governance of risks and opportunities

Board of Directors
Is responsible for overseeing the Group's risk governance and management processes and for setting the direction in how we approach and address risks and opportunities.

Audit and Risk Committee
The Board has mandated the Audit and Risk Committee (ARC) to provide oversight of the Group's ERM activities, review and approve the ERM framework, oversee independent evaluation of the effectiveness of the ERM process and monitor that corrective actions are taken.

Management
Is responsible for designing, implementing and monitoring the process of risk management and integrating it into the Group's day-to-day activities.

ERM function
To facilitate implementation of our ERM framework and risk management practices, we have established an ERM function under the leadership of the CFO. The ERM function is managed by a Group Risk Manager, who receives support from the Group leadership team, a Management Risk Forum (MRF), internal audit, risk owners and various external service providers.

The ERM function team is responsible for maintaining the ERM framework and implementing necessary changes to effectively manage risks across the Group. The ERM function and the MRF continuously monitor and review any changes within the Group that could affect the framework's relevance. The MRF considers any resulting improvements to the ERM framework. Relevant employees receive scheduled training on the ERM framework through an internal online programme. Additionally, the ERM framework is subject to an annual leadership attestation.

The Group has adopted the lines-of-assurance model as the basis for risk governance and oversight structures. This approach summarises accountability and responsibility in terms of strategy execution and risk-taking, oversight of risk, and independent assurance, and it highlights the different role players' responsibilities for internal controls and risk management.

Risk governance

First line of defence

- IT management and cyber security processes
- Regional management
- Divisional management
- Distribution centre managers
- Store managers

- Risk management and monitoring of risks at business unit and functional level
- Achieving business objectives
- Risks are identified and monitored, and operational losses tracked, quantified and reported at business unit and functional level through risk registers, which include management and control activities

Second line of defence

- Group risk
- Group compliance
- Group health and safety
- Group food governance
- Group insurance
- Group security and loss prevention
- Group information security
- IT governance and compliance
- Group sustainability

- Monitoring and advisory function on control and action plans
- Providing an overview of risk compliance to the Executive Committee and the ARC

Third line of defence

Group internal audit executive

Our combined assurance approach mitigates risks by integrating and aligning assurance across the lines of defence. The Group assurance process comprises, among other things, a combination of independent internal (Internal Audit) and external assurance (independent specialist service providers) that assess adequacy, effectiveness and compliance with controls in the Group

Internal audit

The internal audit department follows a risk-based audit approach linked to the Group's core risks, loss events and leadership requests

Fourth line of defence

- Approved inspection authorities
- Food safety store inspections and certification
- Building and fire engineering assurance
- Occupational health and safety advisory and support
- External legal counsel and general compliance advisory
- External auditing firms
- Payment card data security compliance
- Penetration testing
- Project technical assurance providers
- Regulatory licensing and compliance
- Specialist software
- Exchange control licensing and compliance

Our risk governance is part of our day-to-day operations and standard reporting practices and includes:

Oversight of the core enterprise risks by the **ARC.**

The MRF, which meets monthly, considers Group emerging risks, Group loss events, relevant business unit risks and risk acceptances, and it provides guidance on mitigating controls including corrective and preventative actions.

Regular meetings including weekly management meetings chaired by the CEO where risk is reported and mitigation is discussed.

Various **operational and control steering committees,** special crisis and continuity control forums and Executive sessions (mostly chaired by the CEO) to control and manage unexpected events such as Covid-19, the social unrest in 2021 and the KwaZulu-Natal floods in April 2022.

Risk management continued

Our core risks

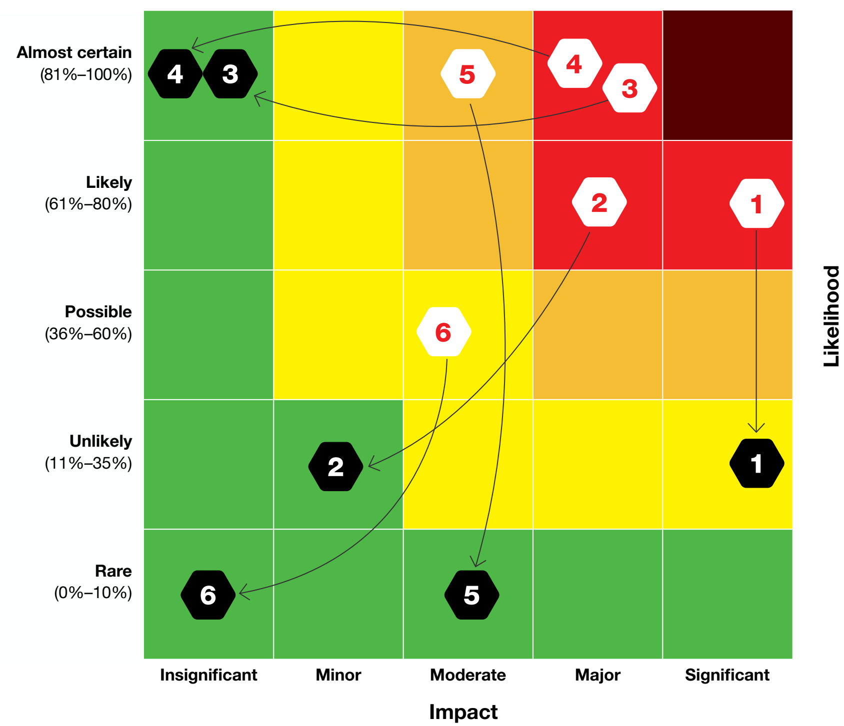
Through our ERM process, we have prioritised the following six core risks for the Group as a whole:

1. Information security including cyber risk
2. Non-compliance with laws and regulations
3. Unavailability of key technology systems
4. Breakdowns and interruptions in DCs and logistics chain
5. Stock losses (shrinkage and waste)
6. Weak internal controls over financial reporting

The following risk map shows the inherent and residual risk rating for each of these core risks.

This rating is informed by an assessment of the respective impact and likelihood of each risk, the effectiveness of our control measures, and our risk appetite and tolerance for each risk.

Shoprite Group core risk distribution



Inherent risk rating | Residual risk rating

Sustainability-related risks

Through our ERM process, we have identified and prioritised the following financially material sustainability-related risks:

- Disruption in service delivery (such as water and electricity) as a result of infrastructural inadequacies and/or extreme weather events
- Physical impacts of climate change on assets, services and product availability
- Non-compliance with sustainability-related legislation
- Inability to appropriately identify, assess and address material sustainability-related impacts and/or risks
- Food security threats and exposure to social unrest
- Reputational risk associated with misrepresentation of sustainability response measures

Trending risks

In addition to these core risks, we have identified the following:

- Climate change and increasing incidence of extreme weather events
- Failing public infrastructure impacting electricity supply and the quality and availability of water

Risk management continued

The following table describes each of our core risks, summarises the principal mitigation measures in place, and reviews the control effectiveness and year-on-year trend in the risk rating and control measures for each risk.

1 Information security including cyber risk

Control effectiveness: PARTIALLY EFFECTIVE

Inherent risk: Critical
Residual risk: Medium
Risk trend

Risk description

The Group may be exposed to an act or omission that results in breaches in information and/or information security. Given increasing levels of digital connectivity and growing sophistication in cyber crime, there is greater likelihood of more frequent and severe cyber incidents. Exposure to these risks can compromise the integrity of information and technology resources, resulting in sensitive data and/or intellectual property breaches, as well as potentially significant disruptions to operations. Additionally, there is a risk of not being able to access information, which could further exacerbate these challenges and hinder effective response efforts.

Mitigating actions

- Strong control and review mechanisms for the development and implementation of technology solutions and technology product and service sourcing, supported by rigorous security testing processes and compliance assurance measures
- Regular solution patching to address known security vulnerabilities
- In-store audits of technology systems
- Maintenance of a comprehensive Information Security Management Systems Framework based on the requirements of ISO 27001, overseen by an Information Security Management Systems Steerco
- IT incident management oversight and reporting on service levels, and problem management review of root cause analyses
- Round-the-clock specialised monitoring of systems
- Oversight by the Tech Procurement and Tech Supplier and Service Level Management functions
- Minimum of bi-annual solution and data centre resilience testing
- Steering Committee reviews of project and programme progress

2 Non-compliance with laws and regulations

Control effectiveness: SUBSTANTIALLY EFFECTIVE

Inherent risk: Critical
Residual risk: Low
Risk trend

Risk description

Non-compliance with relevant laws and regulations – such as the Consumer Protection Act, Competition Act, Health and Safety Regulations, Financial Intelligence Centre Act, Companies Act, Basic Conditions of Employment Act, Employment Equity Act, Labour Relations Act, National Environmental Management Act and Protection of Personal Information Act (POPIA) – can result in penalties, litigation costs, business disruption and damage to reputation.

Mitigating actions

- Group Compliance Manager and Legal Department oversee compliance with the regulatory requirements in 13 industries and 8 countries, supported by specialist third-party input to interpret applicable laws and assist in engaging as needed with regulatory authorities
- Regulatory alert system in place to identify and communicate regulatory alerts to key stakeholders
- Weekly feedback to divisions on any breaches and/or notices that require action
- All potential legal matters escalated to the Group Compliance and Group Legal Departments for input and assistance
- Use of technology to aid business understanding and verification of key regulatory compliance
- Compliance officers appointed in business units
- Legal compliance training provided to relevant employees
- Annual attestation of compliance with statutory and other legal requirements
- Monitoring of key compliance obligations

3 Unavailability of key technology systems

Control effectiveness: SUBSTANTIALLY EFFECTIVE

Inherent risk: Critical
Residual risk: Low
Risk trend

Risk description

Key technology systems may be offline resulting in disruption to normal business operations. This may be a result of service provider failures, failures in internet and cloud services, crashed servers or unscheduled disruption in telecoms, hardware or software services.

Mitigating actions

- Comprehensive controls and independent assessments, review and approval functions in place with assigned responsibilities and compliance assurance mechanisms
- Regular independent third-party audits of components within the Group's technology infrastructure, store technology systems and data centres
- IT incident management oversight and reporting on compliance with the agreed service levels
- IT problem management review and root cause analysis
- Continuous monitoring by a specialised monitoring function
- Proactive software code testing to identify code deficiencies
- Use of specialist third parties to perform security testing and other security assurance activities
- Documented disaster recovery plans in place for key systems
- Implementing back-up systems to maintain business continuity

(See also mitigating actions relating to cyber risks).

Risk management continued

4 Breakdowns and interruptions in DCs and logistics chain

Control effectiveness: SUBSTANTIALLY EFFECTIVE

Inherent risk: Critical
Residual risk: Low
Risk trend

Risk description

Certain external or internal events and incidents may result in disruptions to the availability and integrity of our DCs and logistics activities. Potential incidents include climate related disasters, fires, riots and vandalism, structural failure and significant internal safety-related incidents. Our supply chain is facing increasing risks associated with declining road, rail and port infrastructure, resulting in disruptions in supply and increasing supply chain costs.

Mitigating actions

- Business continuity planning, impact assessments and review cycles
- Implementation and maintenance of control systems on supply chain assets
- Loss prevention 'command centre'
- Continual review of systems availability and key operational metrics, with on-going maintenance schedules and programmes on all assets
- Installation and maintenance of monitoring equipment, including CCTV platforms, ammonia leakage detection, vessels under pressure and fire prevention and detection, to name a few
- Continual monitoring of security incidents and maintenance of security controls that include specialised security systems and riot walls at strategic distribution parks
- Driver fatigue systems in place, and implementation of electronic locks on all trailers
- Various capabilities exist that aid the supply chain operations with compliance to relevant regulatory requirements

5 Stock losses (shrinkage and waste)

Control effectiveness: SUBSTANTIALLY EFFECTIVE

Inherent risk: High
Residual risk: Low
Risk trend

Risk description

Stock losses may be above tolerable thresholds owing to inadequate physical security controls over inventory, failure to rotate stock, breaks in the cold chain, equipment failure and related challenges.

Mitigating actions

- Comprehensive implementation and maintenance of loss prevention and security programmes
- Regular management involvement and effective use of the SAP ERP system to monitor and manage stock losses
- Physical security controls in place, including monitoring and management of alarm systems, CCTV, electronic article surveillance (EAS), 24/7 fleet surveillance, remote fleet locking systems and related systems
- Monthly internal reporting on shrinkage trends for investigation, with data analytics used to identify and address outliers
- Monthly Security Council meetings chaired by CEO
- Data analytics to develop dashboarding and weekly insights into high-risk shrinkage areas
- Regular cycle and ad-hoc stock counts conducted to identify discrepancies early, investigate variances and strengthen controls against theft, shrinkage and process errors

6 Weak internal controls over financial reporting

Control effectiveness: FULLY EFFECTIVE

Inherent risk: Medium
Residual risk: Low
Risk trend

Risk description

The risk of management and other financial reports being materially incomplete, inaccurate, or not being prepared on a timely basis, can result in regulatory penalties, reduced investor confidence and reputational concerns.

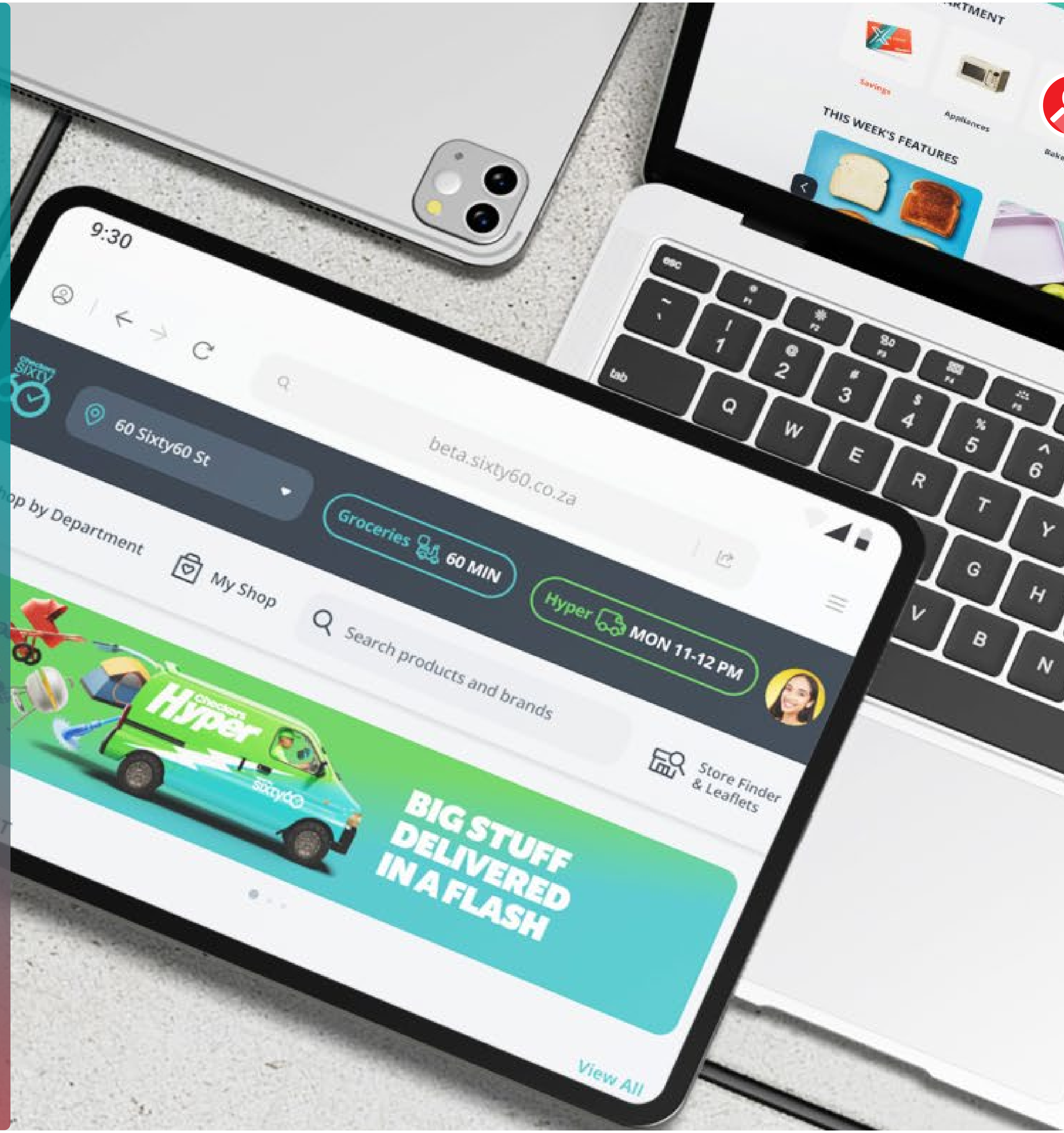
Mitigating actions

- Internal financial controls formalised, implemented and controlled
- Bi-annual assessments undertaken of internal financial controls
- Bi-annual attestations of internal financial controls
- Oversight and consolidation of IT and project spend across the Group
- Monthly divisional meetings to review and confirm results at a business unit level and monthly reporting by CFO and executive team
- Monthly analytical reviews to determine that the first line of assurance activities is performed
- External auditors provide an independent and objective assessment of the risks of material misstatement of the financial statements by obtaining an understanding of internal controls relevant to the audit

04

DELIVERING ON OUR STRATEGY

This section describes our strategic growth drivers and reviews our progress in delivering on our strategy.



NEW CHECKERS ONLINE PRESENCE

Having defended our position as South Africa's No.1 online grocery delivery service, Checkers rolled out a new Sixty60 app in November 2024 with a slick new design and enhanced security features, as well as offering shoppers in eligible areas same-day delivery (within precise 60-minute time slots) of more than 10 000 general merchandise products from Checkers Hyper stores. The entire on-demand tech stack was replatformed to ensure scalability and more delivery types from all the Group's retail banners.

In May this year, Checkers launched a new transactional website, an important milestone as customers are now able to browse and buy both groceries and general merchandise products from a single destination at same in-store prices, bringing the convenience of Sixty60 to millions more shoppers with a seamless experience on any device and with access to all Xtra Savings deals. The sign-up process for new users is quick and easy, with the added benefit of being automatically signed up to the Checkers Xtra Savings rewards programme, unlocking exclusive deals and premium rewards for a personalised shopping experience. The new web channel was an important part of our journey to become 'the everyday store' online and improve the discoverability of the general merchandise online and on Google.

Our strategic growth drivers

Our aim is to create **a Smarter Shoprite** through advanced analytics and technology to optimise our core retail business and personalise experiences for customers.

We have three strategic pillars

We will **target headroom opportunities** in growth segments to increase share-of-wallet, and we will leverage our retail platform to **win in the long term** as we move from owning shelves to owning ecosystems.

01 A Smarter Shoprite

Smarter decisions.
Fewer mistakes.
Optimised for customers.

02 Target headroom opportunities

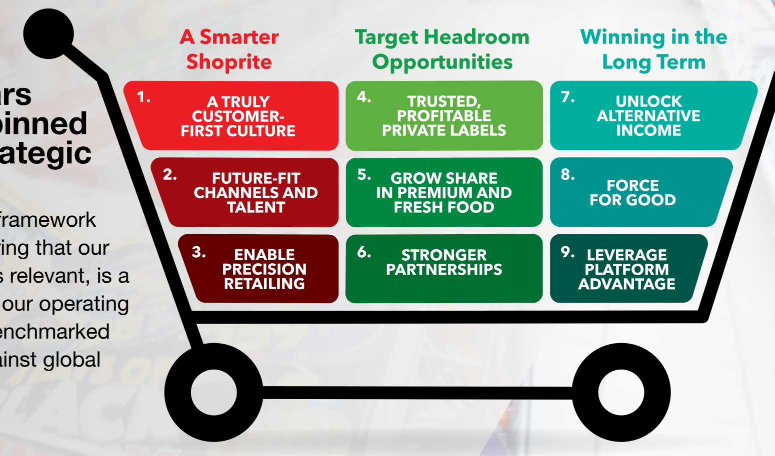
We focus on closing the opportunity gaps in food retail adjacencies where we have headroom for revenue growth.

03 Winning in the long term

Our platform strategy will amplify our ability to provide operational excellence and outstanding customer experiences at scale creating a long-term flywheel effect.

These pillars are underpinned by nine strategic drivers

that provide our framework for growth, ensuring that our business remains relevant, is a force for good in our operating context and is benchmarked best-in-class against global retail practices.



A Smarter Shoprite

Smarter decisions. Fewer mistakes. Optimised for customers.

1 A truly customer-first culture

Customer-centric decision-making is driving our competitive retail edge. It keeps us obsessed with what our customers want from our core business activities. **Customer data** powers decision-making at all levels of the organisation and drives continuous improvement. **Personalisation** is ultimately how customers experience a more seamless shopping experience.

8.9%
Sales growth
to R252.7 billion

4.6%
Growth in customer visits

2.4%
Growth in Xtra Savings members

R8bn
Market share gains
(RSA market share)[1]

SHOPRITE[X]

Our overarching ambition is to be the market leader in making grocery retail more affordable and more accessible to our customers. Doing this effectively requires a customer-centric culture at the core of our business. Our ability to deliver on this ambition has been significantly enhanced by the digital transformation activities undertaken by Shoprite[X], our digital innovation unit, underpinned by our award-winning customer rewards programme, Xtra Savings.

Customer-first culture fuelled by data from our Xtra Savings rewards programme

Through our investment in advanced analytics, we have been able to deliver on our ambition of 'precision retailing' as a means of delivering a truly customer-first culture. Launched in 2019, our Xtra Savings rewards programme has extended its lead as South Africa's largest retail rewards programme, with more than 33 million members saving a combined R16.5 billion on their grocery bills this year alone. The sales contribution from members remains world-class, contributing over 88.8% for the reporting period, evidence of a highly engaged customer base.

With roughly 2 700 swipes per minute, we have the largest consumption data set on the continent, providing invaluable insights on customers' purchase preferences, and on when and where they shop in-store and online.

This allows us to create a more personalised shopping experience, measure the efficiency of our promotional investments, and deliver valuable operational and environmental efficiencies.

The rewards programme encompasses fully digital onboarding, personalised offers, instant savings and discounts, using analytics as well as AI to understand and meet consumers' needs and ultimately make groceries more affordable and accessible. The advanced analytics capabilities created in Shoprite[X] optimise pricing, promotions and assortment, and enable the Group to be agile in our response to changing patterns in demand, identify growth opportunities early and cross-sell into logical adjacencies. Rex, our customer insights platform, offers our business and suppliers an insights-as-a-service view on our more than 33 million Xtra Savings customers.

Following last year's national launch of Xtra Savings Plus, SA's first grocery subscription, we have seen pleasing growth this year. Offering unlimited free Sixty60 deliveries, as well as additional in-store discounts and double personalised offers, the subscription plan gives customers the best bundle of value the Group has to offer.

Further details on how we are harnessing AI to improve the customer experience are reviewed under our strategic driver: Enable precision retailing *page 39)*

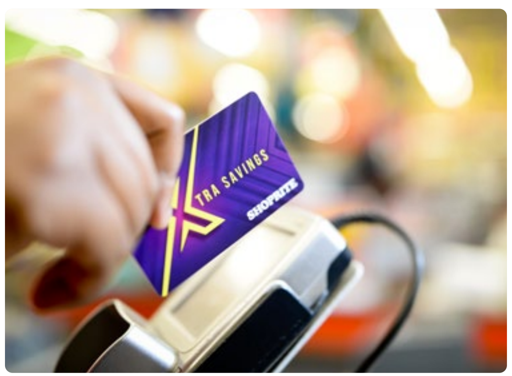
[1] *Value of above-market share growth. Source: NielsenIQ, 52 weeks, June 2025 incl. liquor. Rest of Market universe includes Pick n Pay, Boxer, Spar, Clicks, Woolworths, Dis-Chem, Food Lover's Market, Game, PEP, KitKat and OK Foods.*

A Smarter Shoprite continued

Our market-leading Xtra Savings rewards programme

South Africa's largest retail rewards programme with over 33 million members, providing access to a vast pool of customer data.

- Offers instant discounts in every aisle, focusing on immediate savings rather than points accumulation, including highly personalised promotions
- Includes perks such as free airtime and combo deal savings automatically applied at checkout
- Integrated across Shoprite and Checkers physical stores and our digital platforms
- Best rewards programme in South Africa four years in a row (SA Loyalty Awards)
- Best rewards programme in Africa two years in a row (International Loyalty Awards)
- Best Loyalty Marketing Campaign Worldwide for Checkers + Discovery Vitality HealthyFood Benefit with Jamie Oliver (2025 International Loyalty Awards)
- Highly Commended for Best Food and Non-Food Retail Loyalty Programme, globally
- Offers Xtra Savings Plus subscription, which includes benefits such as unlimited free deliveries via the Sixty60 app



Delivering affordability through low-price leadership

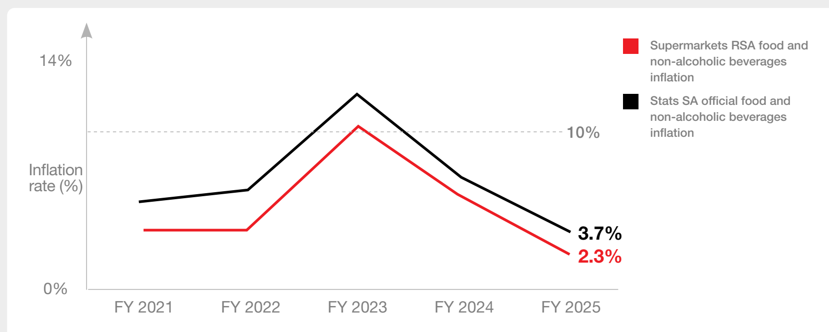
Driving affordability for consumers has been an underlying obsession that forms part of the Shoprite Group's DNA. As South Africa's leading low-cost retailer, we are acutely aware of the extent of economic pressure facing South African households, as well as the severity of the country's nutritional crisis and the scale of the intervention needed. This appreciation fuels our drive to help our most price-sensitive customers put food on the table.

This year we have continued to deliver on our commitment to pioneer access to the most affordable goods and services, benefitting significantly from the enhanced efficiencies associated with the improved customer insights generated through Shopriteˣ.

- Our internal food price inflation of 2.3% remains below the official food inflation rate of 3.7%.
- We have continued to subsidise more than 1.8 million R5 products every week, underscoring our consistent and ongoing commitment to affordability and accessibility, without compromising on quality. Our permanent range of low-cost essentials available nationwide include a R5 loaf of 600g bread, R5 deli meals, R5 sanitary pads, R1 per litre of purified water, and a R20 meal kit for a family of four. Despite input costs tripling in the past nine years, the price of our artisanal bread has remained unchanged since 2016.
- Through smarter promotions, informed by our data-driven appreciation of consumer purchasing patterns and price sensitivities, we have provided customers with R16.5 billion in cash savings this year and the contribution of promotional sales rose to 36.4% of total sales, up from 35.4% in the prior year, reflecting customers' increasing deal-seeking behaviour.
- We have further expanded the reach of our Usave stores with 38 new stores in South Africa, increasing access to our affordable products. Our low price Ubrand private label products delivered 21.4% sales growth, highlighting the demand for low-cost quality products.
- Despite the profound cost of living pressures on low-income consumers, sales growth in our Usave discount stores increased by 5.7%, where our R379 Commodity Combo and our R1 snacking options have helped drive volumes and improve price perception.
- We have continued to see strong uptake in Shoprite's Money Market Account, the most affordable entry-level bank account in South Africa. Since its launch in 2020, the account now provides more than 4 million previously unbanked or under-banked customers with access to basic transactional banking, making an important contribution to improved levels of financial inclusion.

Supermarkets RSA internal food inflation vs Official food inflation

- Supermarkets RSA internal food inflation contained to 2.3% (vs FY 2024: 6.0%), below official food inflation at 3.7%
- 13 260 items in deflation for the full year



Addressing South Africa's food insecurity challenge

A recent research report that the Shoprite Group commissioned as part of its commitment to UN SDG 2 Zero Hunger, found that food security in South Africa is at its lowest point in over a decade. Developed by two economists from the University of Stellenbosch, The South African Food Security Index 2024, released in October 2024, evaluates specific dimensions of food security – food availability, access, utilisation and overall stability – from 2012 to 2023. The study found that 21% of South African children under five years old are stunted through malnutrition, a rate that is much higher than the country's economic peers, comparing more closely to lower middle-income countries such as Zimbabwe. Addressing the challenge of food insecurity is crucial to alleviating poverty, boosting children's cognitive and physical development and building social stability, all of which, in turn, is fundamental to maintaining the resilience of our business.

The Shoprite Group is committed to harnessing the benefits of its scale and technologies to address this urgent challenge by making food and groceries more affordable and more accessible to the consumer.

See Sustainability Report 2025 for more details on the Group's food security efforts.

A Smarter Shoprite continued

Accessibility: enhancing product availability with one-stop shopping

Meeting customer needs is not only about affordability; it is also about enhancing accessibility. It's about providing our customers with a one-stop-shopping experience, bringing the relevant products closer to them by expanding our store penetration and brand portfolio, and delivering an effective omnichannel experience that merges the best of stores and digital.

As part of our commitment to enhancing consumer accessibility, we are using our investment in technology to identify the preferences of each of the store's targeted consumer groups, allowing us to accurately forecast and replenish stock, coordinate logistics for promotional and non-promotional stock, and handle seasonal inventory needs such as back-to-school orders. Aided by our world-class DCs and inventory management systems, this has helped us achieve industry-leading in-stock levels of 98.2% across our stores for the past three years, ensuring that the core basket demands of our consumers are always satisfied in our stores and online.

We are building on this strengthened availability of basket items by bringing new products and services into our physical stores, providing a one-stop-shop experience.

An example of this is the establishment of our in-store Money Market counter. Available in Shoprite, Usave, Shoprite Cash and Carry, Checkers and some franchise outlets, the Money Market counter is a one-stop financial services hub where customers can pay bills, receive government grant pay-outs, send vouchers and cash, and buy airtime, data and pre-paid electricity. We now offer funeral and pet insurance in-store in partnership with OUTsurance, and in several of our Shoprite and Checkers stores customers can collect their monthly medicine prescriptions from the Medirite counters. Many Medirite pharmacies are located in previously disadvantaged communities where affordable pharmacy services were not always readily available.

In addition to improving product availability in stores and developing one-stop-shopping services to overcome high transport costs for customers, we are expanding our closer-to-home store formats to grow penetration. As reviewed on page 37, we have recently expanded our Sixty60 e-commerce offering to include selected Shoprite stores as well as general merchandise items from Checkers Hypers. Providing a seamless omnichannel customer experience across categories and banners enables us to lead in making grocery retail more affordable and accessible to consumers.

Recognition for delivering on our customer-first culture

Our success in delivering a truly customer-first culture is revealed in our performance across various metrics:

- **Achieved our sixth year of consecutive market share gains, totalling over R8 billion.**
- **Xtra Savings remains South Africa and Africa's No. 1 Rewards programme, adding 2.6 million members this year**
- **Checkers remains South Africa's fastest-growing premium grocer for the fifth consecutive year**
- **Checkers named South Africa's strongest brand in Brand Finance 2025 South Africa Top 100 Report and ranked South Africa's top retail brand in terms of brand value**

A Smarter Shoprite continued

2 Develop future-fit channels and talent

We are taking our people on the journey to embrace the opportunity that AI and other digital innovations present to remain fit-for-the-future. Our expanded store penetration and leading brand portfolio caters to a wide range of customer needs, and together with our digital commerce platform, forms the foundation for seamless omnichannel customer experiences. Our ongoing investment in digital and smaller store formats ensures that we win the race for reach.

26.8% Growth in active digital customers

7 million Total Sixty60 app downloads since launch

R18.9bn Sixty60 revenue (+ 47.7%)

4.5% Basket growth

4.6% Growth in customer visits

The Shoprite Group invests significantly in building profitable omnichannel customer relationships, as we strive to win the race for space and reach through our compelling digital and closer-to-home store formats.

Our expanding network of stores and brands allows us to meet the needs of our rapidly growing online customer base by using our retail stores as micro-fulfilment hubs for our Sixty60 on-demand grocery and general merchandise delivery service. Our proximity advantage provides unparalleled speed of delivery for customers and at a lower cost-to-serve than central online fulfilment centres.

100 million Orders delivered since launch

Sixty60 expanding its reach and delivering exceptional growth

Sixty60, the Group's market-leading 60-minute on-demand delivery service, has continued its exceptional sales growth momentum. With 155 locations added this year, Sixty60 is now available in 694 locations across South Africa, including five 'dark stores' aimed at further enhancing our capacity to serve consumers with speed.

Having defended our position as South Africa's No.1 on-demand grocery delivery service, last year we added new general merchandise ranges and larger delivery vans, allowing customers to shop for over 10 000 larger Checkers Hyper products, promising same-day delivery within a precise 60-minute time slot. With a new fleet of Hyper delivery vans, Sixty60's product offering extends beyond groceries to include larger items, ranging from outdoor gear to appliances, baby products, kitchen and home electronics, gardening and pool equipment, all on one digital platform.

Sixty60 recently introduced 5 000 additional premium products for delivery in Cape Town, including 100 new brands such as Apple, Dyson, Harmon Kardon, Samsung, Smeg and Thule. We are adopting a phased approach as we extend access to these online exclusive premium ranges nationally.

During the first-half of the year, we acquired the remaining 50% shareholding in Pingo Delivery, the company that powers the last-mile logistics behind Sixty60. The acquisition allows Shoprite to gain full ownership over critical last-mile logistics expertise and associated intellectual property, as well as gain control over the end-to-end customer experience, from the point they start their shop to the moment it is delivered to their front door.

In an exciting development, this year we expanded the reach of our Sixty60 offering to select Shoprite supermarkets. Leveraging the Group's growing network of Checkers, Checkers Hyper, Checkers LiquorShop and selected Shoprite, Shoprite LiquorShop, Medirite Plus and Petshop Science stores, Sixty60 provides millions of customers countrywide with the convenience of home delivery, saving time and transport costs. Customers also enjoy a personalised, frictionless experience with Pingo Delivery providing the last-mile logistics capabilities with more than 8 400 independent drivers, supported by our growing Sixty60 staff of in-store pickers and Home Office support.

The Sixty60 offering is continually being improved with technology that helps us to streamline picking processes and dynamically define optimal delivery areas. Through this continuously improving service, we are building a compelling omnichannel offering that results in stronger customer lifetime value, with omnichannel customers being 3.8 times more valuable than traditional in-store only customers.

New Sixty60 app, offering larger merchandise and premium products

Following months of testing, we rolled out the new Sixty60 website and app to millions of shoppers across the country in November 2024. The app has a refined layout and user interface, as well as multi-factor authentication to enhance security. In addition to the existing wide range of groceries and essentials, the app offers shoppers in eligible areas delivery of more than 10 000 general merchandise products from Checkers Hyper stores for same-day delivery, within precise 60-minute time slots. Checkers Sixty60 has recently introduced 5 000 additional premium online exclusive products for delivery in Cape Town, including 100 new brands such as Apple and Dyson, with more being added in the coming months.

1.8 million downloads of the Sixty60 app this year

7 million downloads since launch

Developing future-fit talent

SHOPRITE^{X}

To maintain the Group's differentiation as a digitally driven knowledge-based platform company, and to facilitate our transition to an omnichannel retailer, we are investing significantly in enhancing the technical capabilities and succession planning of our workforce, as well as deepening skills and readiness across the workforce in using digital tools.

Following the establishment of Shoprite^{X}, our digital innovation unit, we have been bringing in-house the best of tech, data science and digital talent, with a focus on driving customer personalisation and digital commerce, and to accelerate our various data monetisation efforts (reviewed on page 45). This team, which includes scarce digital talent such as data scientists and software engineers, brought the award-winning Xtra Savings rewards programme and the Checkers Sixty60 on-demand delivery platform to the market. These teams are embracing Agentic AI to increase productivity and design for change.

With heightened competition for scarce digital retail skills, we have been exploring various external avenues to attract globally competitive digital talent, recognising that agility in skill acquisition is a critical competitive advantage. In addition to external recruitment, we have placed a very strong focus on developing these critical skills internally. In 2023 we launched our Tech Academy to develop skills across software development, cyber security, data analytics and system applications, with structured learning paths, mentorship and practical exposure. To date we have trained 77 apprentices and currently employ 44 data scientists within the Group.

In recognition of our ongoing efforts to develop and nurture future-fit talent, the Shoprite Group was named the 2024 Employer of Choice in the retail category by the South African Graduate Employers Association (SAGEA) Employer Awards. In addition, we were voted the GradStar Students' Choice Award winner in the retail category for the fourth consecutive year. These accolades - with six awards received over the past four years, including two from SAGEA and four from GradStar - reflect the positive impact of our bursary programmes on enhancing our appeal to top graduate talent. Through these activities, we continue to build a strong employer brand and remain an employer of choice for talent across a variety of relevant academic disciplines.

A more detailed review of our People strategy is provided in our Sustainability Report 2025

Expanding our store penetration and leading brand portfolio

With the aim of winning the race for space and digital reach, we have continued to invest in expanding our store penetration and our brand portfolio that already caters to all income levels. This year, the Group opened 363 new stores across all brands and formats, with very encouraging growth in our new store formats.

In our core retail platform, our closer-to-home expansions have taken place at both ends of the consumer market.

In the lower- to mid-income consumer segment, we have further expanded our store penetration, opening 43 Shoprite stores and 38 Usave stores across the country. We have grown our reach in the previously unserved rural areas of South Africa through our Usave eKasi stores. Constructed out of containers, these provide rural customers with more convenient access to basic consumer products, including our cost-effective Ubrand products. With reduced transport costs, consumers have more money to spend on essential food items.

In our premium Checkers and Checkers Hypers stores – the fastest-growing retailer for the fourth successive year – we have been working to further enhance the in-store experience.

- Our state-of-the-art Checkers FreshX supermarket store, which prioritises premium fresh food and convenience, offers an easy-to-navigate layout that takes customers through a world-class selection of premium products and specialist in-store service departments (see page 41). We have partnered with various global and local brand leaders – such as Krispy Kreme Doughnuts, Starbucks Coffee, Lindt and Kauai – bringing their quality products directly to selected Checkers supermarkets.
- Our larger-format Checkers Hyper stores also include a wine section, an outdoor section, a Little Me baby section, a pet shop, a TechX store, a pharmacy, and (at selected Hypers) a pool shop and a ToolX.
- We have developed a closer-to-home Checkers Foods format, with an expanded fresh food offering and premium convenience ranges at affordable prices in smaller neighbourhood-based retail outlets.

In addition to expanding the reach and enhancing the experience of our core retail stores, we have been leveraging our platform advantage to open a variety of non-grocery businesses in adjacent categories, including: Petshop Science, Checkers Little Me, Checkers Outdoor, Medirite Plus and Uniq clothing by Checkers.

Expanding our store penetration and brand portfolio

In FY 2025, we opened the following new stores

Our core retail platform – Supermarkets RSA

- 29 Checkers
- 43 Shoprite
- 81 LiquorShop (total)
- 3 Checkers Hyper
- 38 Usave

Other adjacencies

- 60 Petshop Science
- 8 Checkers Outdoor
- 5 Medirite Plus
- 1 Checkers Little Me
- 10 Uniq clothing by Checkers

A Smarter Shoprite continued

3 Enable precision retailing

Investments into advanced analytics on our digital transformation journey ensure agility in a fast-changing environment. **Customer insights** are improving our business processes and helping our supplier partners improve products and services for customers more than ever before. **Smarter pricing, promotions, forecasting and ranging** are the outcomes that keep us ahead.

8.9%
Sales growth

16.6%
Increase in trading profit

Where previously retail success derived primarily from the quality of a company's trading practices, today it's increasingly about harnessing and managing data, with advanced analytics a significant differentiator. Our substantial investment in data, AI and cloud has enabled us to deliver precision retailing and provide personalised customer experiences, through optimum pricing, smarter promotions, improved forecasting and product assortment.

Our improved access to actionable customer insights at scale is of direct benefit both to:

- **The Shoprite Group** – informing trend predictions, enabling effective decision-making on pricing and promotions, improving on-shelf availability and reducing waste.
- **Our suppliers** – using analytics and customer insights accessible through our Rex platform to adapt their sales and marketing strategies and enhance the sales performance of their products in our stores and online, as well as leveraging our Rainmaker Retail Media Network for precision targeting.

We are leveraging technology and AI in various customer-facing and operational aspects of our business:

- This year, we successfully completed our largest-ever POS system implementation in a world-beating time, significantly enhancing the efficiency and speed of transactions at more than 34 000 till points in 3 153 of our stores. The new user-friendly interface improves cashier transaction speed, improves financial oversight and reporting and facilitates seamless customer refunds directly at the POS, providing a better customer experience across all of our stores.
- To further improve the in-store customer experience, we apply machine learning to enhance our store floor plans and product placement. Recently, we have developed a computer vision system (QMON) that uses state-of-the-art privacy-first models to monitor and reduce queue-waiting time.
- Our AI pricing engine manages 83 000 item relationships and iterates millions of options for optimal price recommendations, helping buyers identify the best pricing informed by data on price elasticity, competitive products, volume and previous promotional pricing.
- This year, Shoprite introduced an innovative digital solution for its Cash & Carry stores, marking the wholesale brand's first venture into e-commerce. Bulk-buying customers can now browse and purchase a wide range of goods at highly competitive prices through a B2B online shopping platform, with free delivery within a 50km radius. The new system streamlines the purchasing and fulfilment process for in-store sales agents, allowing them to access customer and product information and to build and fulfil orders more efficiently, providing valuable support to spaza shops and smaller retail businesses.
- To optimise Sixty60's customer experience, the Group utilises various AI applications to improve capacity management and to optimise the delivery path followed by Sixty60 drivers when delivering an order to ensure that deliveries take place within a 60-minute timeframe.
- Following the successful deployment last year of a powerful end-to-end supply chain software solution – to replenish stock, forecast future stock needs, and maintain the integrity of our cold chain – we have continued to expand the AI and machine learning capability of this investment into multiple other perishable food categories building on the continued success of improved on-shelf availability and reduced wastage on all perishable categories managed by the platform.

Smart technology at Usave reduces food spoilage and boosts energy efficiency, helping keep prices low

In response to rising energy costs and unreliable electricity supply affecting rural and peri-urban areas, Usave has partnered with South African tech company Azoteq to deploy SmartSense™ technology across 202 stores, with plans in place to equip all stores with this technology. The system monitors power consumption, tracks temperatures in cold storage, freezer rooms and sales floors, and provides real-time alerts to prevent food spoilage. During power outages, equipment switches automatically between grid power, battery backup and generators. Stores also simulate outages during peak tariff periods, switching to battery power when electricity costs are highest. This proactive approach has delivered 0% stock loss across equipped stores, saved over 80 000 hours of generator runtime and fuel consumption, and prevented costly equipment failures while enabling Usave to maintain its promise of lowest prices to customers.

Target headroom opportunities

We focus on closing the opportunity gaps where we have headroom for revenue growth.

4 Trusted, profitable private labels

Our **scale** allows us to build a meaningful **private label brand portfolio** and route to market. We **develop and distribute** products more efficiently, offering unrivalled choice and affordability creating win-win **partnerships with suppliers**. We have established leadership positions in both our value and premium-tier private label brands. Through our product innovation capability, we are able to develop new **convenience foods** to serve our customers' changing needs.

6.6%
Sales growth in private label

20.5%
of Supermarket RSA sales (excl.liquor sales)

We are leveraging the Group's scale to invest in product development and innovation and build a private label brand portfolio that differentiates the Group from its peers. Our private label products provide customers with better choice and value, both through our low-price ranges and through our premium offerings informed by consumer preferences around health, wellness and sustainability.

Growing and broadening our private-label brand portfolio

Our private label sales increased by 6.6% this year, contributing 20.5% to RSA supermarket sales (excluding Liquor), up from 12% seven years ago. We have continued to see a significant increase in the value of our private label brands. Four years ago, we had 184 private label brands worth more than R20.9 billion in revenue annually; currently we have 161 private labels that are worth R35.3 billion, highlighting how these brands are becoming more of a national brand in their own right.

We have continued to see encouraging uptake this year in our premium private label range, developed to meet growing consumer demand for affordable, healthier and more sustainably produced food and grocery products.

- Checkers' premium private label range, **Forage and Feast**, achieved 16.4% sales growth this year. Since its launch in November 2020, Forage and Feast has established itself as the benchmark for premium supermarket food products, expanding its offerings to include several hundred products across 44 different categories. Endorsed by South Africa's first Michelin star chef, Jan Hendrik van der Westhuizen, the range is responsibly sourced from the best suppliers and artisans and focuses on quality food, seasonality, taste and convenience.
- This year, our **Simple Truth** private label range of wellness foods and bio-degradable, naturally-derived cleaning products delivered sales growth of 24.6%.
- Our **Lovies** baby brand continues to grow, reflecting the impact of our consumer engagement efforts and highlighting the benefits of leading quality at better value.
- Our 14 **HealthFirst** private label pharmacy products have shown a steady average volume growth month-on-month since their launch. As a home brand not directly associated with a specific corporate identity, HealthFirst is being accepted into independent pharmacies as a competitive private label brand, bringing sought-after quality and profitability to this market segment.
- For our price-conscious customer, we are continuing to expand our **Ubrand** private label, offering products similar to leading brands but at a lower price point, mainly through our expanding network of Usave and Usave eKasi stores. We currently have 434 Ubrand entry-level private label lines, delivering 21.4% sales growth.
- We expanded into telecoms with **K'nect mobile**, our own SIM card offering that delivers affordable, high-quality mobile services to customers, further deepening loyalty and broadening our own label ecosystem beyond groceries.

National championship wins for Shoprite and Checkers' private label dairy products

Shoprite and Checkers' private label products scooped first place in seven categories at the SA Dairy Championships in April 2025.

This included top honours for first-time entrant Forage and Feast Double Cream Yoghurt Green Melon & Mint (produced by Lactalis). An additional 13 products from the Checkers Housebrand, Shoprite Ritebrand and Usave Ubrand ranges were acknowledged with second- and third-place awards.

Target headroom opportunities continued

5 Grow share in premium and fresh food

Higher-income customers are increasingly looking for value without compromising on quality and freshness. We are serving this market segment in South Africa through an **enhanced range of premium, convenience, and fresh foods.**

We delivered a pleasing 1.6% market share growth in fruit and vegetables this year, reflecting effective execution of our strategy to compete head-on in the more affluent grocery sector. Through this strategy we have targeted higher-income customers who seek value without compromising on quality and freshness, place a strong emphasis on health and wellbeing, and increasingly have expectations regarding product sourcing, ethical supply chains, fair labour rights, animal welfare and environmental responsibility.

1.6%
Market share growth in fruit and vegetables

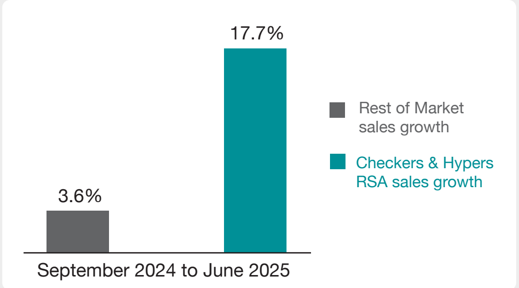
While retaining our industry-leading value position, we have been making meaningful gains in the more affluent consumer segment in South Africa through our differentiated offerings in premium, convenience and responsibly produced fresh food, backed up by exceptional customer service, market-leading on-shelf availability and innovations in the cold chain. This year's record market share growth in this sector was boosted by our Discovery Vitality HealthyFood partnership, underpinned by continuing growth in our high-end state-of-the-art Checkers FreshX supermarkets.

First launched in 2017, these distinctly formatted stores focus on establishing a 'fresh food theatre' for customers. They prioritise premium fresh food and convenience and offer an easy-to-navigate layout that takes customers through a world-class selection of premium products and specialist in-store service departments, such as a meat market, a wine cellar with an extensive range of global wines, a bakery with artisanal breads, a quality coffee bar and a sit-down sushi counter, in addition to fresh fruit and vegetables.

Many of these stores offer partnerships with brand leaders, such as Kauai, Starbucks Coffee, Krispy Kreme Doughnuts and our in-store, speciality Lindt counter.

We have 152 FreshX supermarkets countrywide, adding 37 stores this year. At year end, approximately 44% of our Checkers supermarket stores are FreshX stores, either through existing stores being refurbished to provide the FreshX superior retail experience, or through the construction of new stores featuring the FreshX concept. Currently we have a total of 12 Checkers Foods stores, which offer an expanded fresh food range and premium convenience ranges in smaller neighbourhood-based retail outlets.

Fruit and vegetables sales growth vs Rest of Market



[1] *Source NielsenIQ: Sept 2024 - June 2025 Fruit & Veg. Rest of Market universe includes Pick n Pay, Boxer, Spar, Clicks, Woolworths, Dis-Chem, Food Lover's Market, Game, PEP, KitKat and OK Foods.*

Target headroom opportunities continued

6 Stronger partnerships

We are building broad and diverse relationships with our **franchised stores**, SMMEs and businesses through **Shoprite Next Capital** and our supply chain finance offer **CredX**. We are collaborating with our **suppliers and partners** to provide better choices and product innovation through our store footprint and customer base with the aim of targeting headroom opportunities.

615
Total franchise stores

87
SMMEs supported

Developing stronger franchisees

We see our OK franchisees as key partners in the Shoprite Group's business. Our aim is to align the franchise operations within the Group's integrated technology landscape to enable the consistent, scalable and customer-driven retail experience, powered by the proven capabilities of the Group's digital systems across all touch points.

We are working closely with our franchisees to provide access to our technology products, services and expertise to encourage their success in a particularly tough operating environment, leveraging the Group's strong buying power and supply chain capabilities. We have been providing our franchised stores with training and support through a new training school, expanded our e-learning platform, and developed best-practice standard operating guidelines. We are leveraging our access to quality consumer data to provide guidance to franchisees regarding the different product ranges to minimise the likelihood of them being left with costly, obsolete stock on their shelves, and we have been advancing our analytics abilities to deliver improved efficiencies. We have increased our focus on incorporating private label brands into our offering, providing franchisees with higher margins, increased profitability and improving consumer perceptions on our pricing.

We currently have 537 OK Franchise stores in South Africa and 78 stores in neighbouring countries. In South Africa, 131 are black-owned, making an important contribution to our drive for socio-economic transformation in the country. We have seen pleasing growth in our OK Express forecourt stores, opening 20 new stores and bringing the total to 126 countrywide.

Our future focus is to further expand the footprint of our brand, leveraging the Group's existing ecosystem of products, such as Money Market counters, Xtra Savings and data analytics, to advance precision retailing to the advantage of franchisees, as well as opening more of the OK Franchise division's new OK Urban upmarket franchise concept.

Supplier and partner collaborations

Aligned with our commitment to delivering a superior customer experience, we have entered supplier partnerships with various leading global and local brands – including Krispy Kreme Doughnuts, Kauai, Lindt and Starbucks Coffee – bringing their products to selected Checkers supermarkets, as well as direct to homes via our Sixty60 online platform (for Krispy Kreme and Lindt). These partnerships have contributed to the continued growth of Checkers' share in the premium grocery sector.

This year we launched two significant new partnerships:

- In September 2024, we joined forces with world-renowned chef and healthy eating advocate Jamie Oliver to launch our HealthyFood partnership with Discovery Vitality. Under the new partnership, Vitality members are rewarded for choosing any of the more than 2 500 HealthyFood products available in Checkers, Checkers Hyper and Checkers Foods stores nationwide, as well as delivered via Sixty60.
- In April 2025, we launched our partnership with Africa's largest bank, Standard Bank, offering their customers up to 40% back in UCount Rewards points when shopping on Sixty60, as well as up to 30% back when shopping at Shoprite and Checkers supermarkets nationwide, with the ability to redeem these points against purchases in our stores as well.

We have made progress this year in the pioneering partnership established last year with four leading global retailers. W23 Global is an innovation fund that plans to invest US$125 million over five years in the world's most innovative startups and scale-ups with the potential to transform grocery retail and address the sector's sustainability challenges. Each retailer is an equal funder and partner in W23 Global, with each company's CEO sitting on the investment committee. By participating in this partnership, the Shoprite Group aims to find the most innovative, affordable and environmentally responsible solutions that will help retail partners better serve customers.

Target headroom opportunities continued

Supporting SMMEs through Shoprite Next Capital

Recognising the challenges that many small suppliers face in securing funding and scaling operations, we established Shoprite Next Capital in June 2022 to empower and grow commercially viable local SMMEs. Our approach is to seek out and support entrepreneurs who offer a unique product and who operate a commercially viable small-scale business with an annual turnover of R5 million or less.

Chosen entrepreneurs receive comprehensive support, including marketing opportunities, working capital at the lowest industry rates and assistance with packaging and labelling. We also offer data sharing, tailored training and onboarding, as well as strategies for product and market expansion. In addition to this service, Shoprite Checkers provides an interest-free credit facility to wholesalers/traders purchasing from Shoprite Cash & Carry.

During the 2025 financial year, Shoprite Next Capital supported 87 SMMEs, with over R11 million in loans to selected small businesses, assessed on innovation, quality and value. This brings the total loan value to more than R45 million since its launch.

For further details on SMMEs supported by Shoprite Next Capital see our Sustainability Report 2025

Providing suppliers access to affordable working capital through CredX

Established in September 2022, CredX is our supplier invoice discounting solution, developed to provide Shoprite suppliers with access to fast, affordable working capital.

By enabling early payment on approved invoices at highly competitive rates, CredX helps suppliers improve cash flow, reduce dependency on expensive external financing and reinvest in their operations. As part of our broader supplier development strategy, CredX is helping to strengthen supplier sustainability and scale, ensuring that smaller businesses can grow alongside Shoprite while contributing to inclusive economic participation.

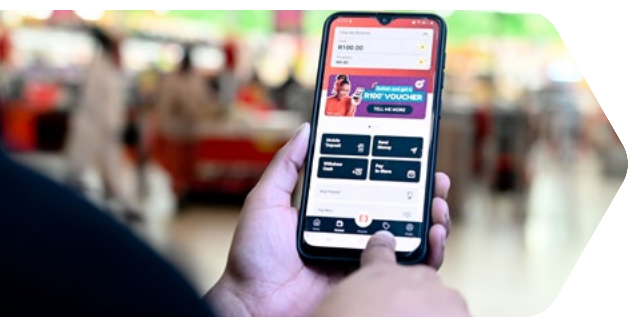
Winning in the long term

Technology will amplify our ability to continue providing operational excellence and outstanding customer experiences at scale.

7 Unlock alternative revenue

Our platform of over 33 million Xtra Savings members in South Africa – combined with investments in data analytics, retail media channels and digital commerce – gives us the opportunity to unlock **alternative revenue**. Customer data powers the design of products that customers love and allows us to make better, more affordable options available to customers in **new adjacent categories**. In addition, it creates revenue opportunities in retail media through Rainmaker Media, insights and data monetisation, data ecosystems and financial services.

To deliver growth into the long term, we are leveraging our platform advantage of customers and more than 2 863 core retail stores to unlock alternative revenue in the retail media, data monetisation and financial services space.



Realising opportunities in inclusive financial services

As part of our commitment to pioneering access to the most affordable goods and services, we have been building and rolling out low-cost digital and financial services, focusing on the unbanked and under-banked population. Through these services, we have become a one-stop shop for customers who can conveniently undertake various financial transactions, both in-store and online. The direct income generated for the Group through these services is largely in the form of commissions, with additional benefits in terms of increasing store footfall and brand loyalty.

We have various financial services offerings:

- Our in-store **Money Market counter** is a one-stop financial services hub, available in Shoprite, Usave, Shoprite Cash and Carry, Checkers and some franchise outlets. Through this service, customers can conveniently pay bills, receive government grant payouts, send vouchers and cash and buy airtime, data and pre-paid electricity.
- Shoprite's **Money Market Account** is a transactional bank account, the first of its kind offered by a South African retailer. In addition to providing most of the services available from our in-store Money Market counters, the bank account can be accessed via the Shoprite app or via a USSD (unstructured supplementary service data) code sent to the customer's cellphone to deposit or withdraw cash. Customers pay a flat R5 fee for cash withdrawals; while all other transactions are free, and there are no monthly fees, making it the most affordable entry-level bank account in South Africa. Since its launch in 2020, the account has rapidly added functionality and customers, providing more than four million banked and unbanked customers with access to basic transactional banking. This year, we achieved 4.1% growth in the number of active customers, with the account seeing 653 231 transactions per month at financial year-end. From September 2023, SASSA grant beneficiaries have been able to switch their payments to a Shoprite Money Market Account, free of charge with no obligations to sign up for any additional services.
- Shoprite Send offers a fast, affordable, and convenient way to send money across borders, supported by the largest payout network on the continent.
- In partnership with OUTsurance, we offer accessible and affordable insurance products, including funeral cover and pet insurance.

Winning in the long term continued

Rex

Monetising customer insights and unlocking value through data ecosystems

In 2022, the Group launched its own customer insights platform, Rex, which shares our rich, anonymised customer insights with our suppliers while preserving privacy. It allows for a single view of customers to be able to better serve them, improve joint planning and decision-making, and support our ambition of becoming Africa's most customer-centric retailer. This offering was made possible by Shoprite^{X} successfully developing its own intellectual property for core retail optimisation models, taking command of our customer analytics future. Shoprite^{X} data analytics support the Group's investment into AI-led pricing and promotion engines, which is being executed by the national buying team for smarter category management decisions. Shoprite^{X} has also begun unlocking revenue through data collaboration with ecosystem partners in various industries such as financial services.

rainmaker MEDIA

Delivering omnichannel advertising solutions

Rainmaker Media unlocks higher-margin, data-driven alternative income powered by rich customer data from our award winning Xtra Savings rewards programme. Through Rainmaker Media, we have created an additional revenue stream by connecting our suppliers' brands with relevant customers through precision targeting and omnichannel advertising solutions.

Using our first-party customer data, as well as strong partnerships with platforms such as Meta and Google, we can provide our clients with fully integrated 360-degree campaigns from customer online search through to shelf edge and point of purchase decision-making. Precision targeting capabilities ensure that only relevant, customer-centric approaches to personalised ads are delivered, measuring return on ad spend for advertisers that is best-in-class.

XTRA SAVINGS plus

Subscription revenue

Last year we launched Xtra Savings Plus, South Africa's first grocery subscription plan that gives customers unlimited free deliveries from Checkers Sixty60 (with a minimum spend), 10% off one in-store shop per month, and double personalised offers in-app and in-store. By year-end, subscription income and online sales from subscribers doubled during the year, enabling us to maximise loyalty from our most valuable customers. This subscriber profile represents the more affluent market segment with a markedly higher average order value than the Checkers Sixty60 average. Following the purchase this year of the remaining 50% shareholding in Pingo, this income is classified as part of sale of merchandise, whilst for the prior year it remains classified as part of alternative revenue.

Winning in the long term continued

8 Force for good

The work we do uplifting lives in our **communities**, contributing to hunger relief, fighting waste, **protecting our planet** by taking action to reduce our carbon footprint and our use of water, as well as our role as the **largest private-sector employer** in South Africa, all contribute to the long-term sustainability of people, the planet and our business. Our practice of **good governance**, which includes embedding an ethical culture, maintaining effective control and achieving compliance and legitimacy, positions the Group to win in the long term.

8 723 New jobs created across Group	**3.6%** Reduction in Scope 1 and 2 GHG emissions
0 Permanent employee fatalities	**17.2%** Increase in recycled plastic
R146.5bn Spend on B-BBEE compliant suppliers	**7.2%** Electricity from renewables
R26.8bn Spend on >51% black-owned suppliers	**6.7%** Reduction in water-use intensity
27.7m Shoprite R5 in-house loaves sold	**92.6%** Total private label packaging reusable, recyclable or compostable

The Group's purpose is to 'uplift lives every day by pioneering access to the most affordable goods and services, creating economic opportunities and protecting our planet.' Our purpose is underpinned by the recognition that our ability to win in the long term depends ultimately on the wellbeing of the communities and ecosystems that we depend on.

A detailed review of the Group's contribution to this purpose – and of our performance in managing our impact on people, communities and the environment – is provided in our Sustainability Report. A brief overview of our sustainability-related activities, and our activities in acting as a 'force for good', is presented in this section.

For more information see our Sustainability Report 2025

Sustainability governance

Managing sustainability-related impacts, risks and opportunities

The Shoprite Group Board is responsible for overseeing the Group's approach to monitoring and managing our sustainability-related impacts, risks and opportunities. The Board has mandated the Social and Ethics Committee (SEC) to monitor and review the Group's sustainability strategy, policies and performance and the Group's ethics culture (see page 72). The SEC works together with the ARC to oversee management of the Group's sustainability-related risks (see page 29). The ARC is responsible for overseeing the integrity of the Group's risk and compliance management practices, its information security and cyber risk systems, and its integrated and sustainability reporting process.

The Group's management team is responsible for the design, implementation and monitoring of our sustainability strategy and risk management processes, and for integrating these into the Group's day-to-day activities. We have a Chief Sustainability Officer, supported by a dedicated sustainability team, who reports to the Deputy CEO and the SEC, and an ERM function under the leadership of the CFO.

Embedding an ethical culture and respecting human rights

Ethical behaviour is enforced across the company through our disciplinary code, with any incidents of unethical behaviour investigated and actions taken as needed. We have a zero-tolerance policy towards unethical behaviour and offer a toll-free, independently managed, anonymous hotline for reporting any unethical actions (see page 74). We provide relevant ethics-related training to executives and employees, including specifically on anti-bribery, corruption and fraud, as well as competition and consumer protection requirements. The Group embraces the 10 principles of the UN Global Compact that aligns with key global standards on human rights and anti-corruption, and we strive to integrate these into our operations.

Our Human Rights Policy confirms our commitment to respect human rights across our operations and supply chain; we use our risk assessment framework to identify human rights risks, and we have systems in place to monitor and evaluate the effectiveness of our mitigation plans.

Our social impact

Customer centricity

Customer-centric decision-making is at the heart of the Group's leadership in the South African retail sector. As outlined on pages 35-36, the Group has a long-standing track record in driving affordability and accessibility for consumers across all income levels. Given the extent of economic pressures facing South African households, and the severity of the country's nutritional crisis, we have placed particular emphasis on low-income households leveraging our buying power and world-class distribution and inventory management systems to deliver the lowest possible prices. We have consistently maintained our internal food price inflation below the official food inflation rate, subsidised 532 471 R5 bread loaves every week, and continued to provide R5 deli meals and R99 essentials bulk combos of food staples such as maize meal, flour, rice and oil. Our Homegrown private label range now includes a 350g one-pot Pasta & Me meal that feeds a family of four for R20. This is produced by Pasta & Me, a black women-owned SMME.

We have improved accessibility for customers by ensuring market-leading levels of in-store availability of core grocery items, expanding our closer-to-home store formats and advancing our digital commerce platform. In the lower-income segment, our smaller-format no-frills brand, Usave, offers basic products at the lowest possible price. Our Usave eKasi stores, constructed out of containers, are providing customers in previously unserved rural areas of South Africa with more convenient access to basic consumer products.

In the upper-income segment, our more recent premium private label ranges, such as our Forage and Feast line, prioritise responsible sourcing and recyclable packaging, while our Better for our Planet campaign is raising consumer awareness on sustainability. We offer various plant-based products, as well as various dairy-free options and free-range eggs and chicken, at our Checkers FreshX meat markets. We have been expanding our private label health range to meet growing consumer demands on health and nutrition, with our Simple Truth brand meeting the demand for healthier and environmentally friendly products, and Oh My Goodness! specifically catering to children's nutritional needs.

Investing in our people

Our People plan focuses on attracting, developing and retaining the best talent and on fostering an inclusive organisational culture that delivers the best customer service, reinforcing the Group's position as the employer of choice in the retail sector and enabling us to deliver effectively on the Group's strategy and purpose. This year, we created 8 723 new jobs, maintaining our position as South Africa's largest private sector employer. We continue to provide meaningful opportunities for career advancement, promoting 17 897 employees, supported by our R96 million investment in skills and leadership development, through which 183 717 employees received training.

We implement an employment equity (EE) policy to advance diversity throughout our business and actively promote underrepresented groups in executive and senior management roles. Over the past four years, we have integrated metrics into long-term incentives (LTIs) for leaders focusing on meeting EE targets, particularly at the top management level. The Shoprite Employee Trust, established by Shoprite Checkers with 40 million shares in 2022, rewards all qualifying South African employees (those who have served over 24 months and who do not receive other LTIs) with annual distributions based on dividends from Shoprite Holdings. In 2025, 98.4% of the beneficiaries within the Trust were black and 69.0% black women, reinforcing our commitment to transformation and equitable empowerment. Employees outside South Africa receive a cash equivalent bonus.

In South Africa, 29.5% of our employees are trade union members, with 43.8% of our workforce unionised across our other markets in Africa. In May 2024, we reached an agreement with our largest union, the South African Commercial Catering and Allied Workers Union (SACCAWU), resolving non-wage-related matters that had been in dispute for several years. This opens the path for enhanced engagement on issues of mutual and long-term interest.

Building an inclusive and responsible supplier base

As Africa's largest FMCG retailer, we recognise our responsibility in promoting sustainable, inclusive supply chains. We contribute to strengthening local economies and fostering meaningful economic transformation, using our scale and geographic reach to support small, local suppliers to join the retail sector. This year, we grew our procurement spend on black-owned businesses by 1.9% to R146.5 billion, with our spending on black women-owned suppliers rising 8.6% to R19.8 billion. Since its launch in June 2022, our dedicated ESD division, Shoprite Next Capital, has provided over R21 million in loans – as well as additional support such as marketing opportunities, data sharing and tailored training – helping local entrepreneurs to develop viable small-scale businesses.

Our Supplier Code of Conduct outlines the ethical, social and environmental standards that apply to all current and prospective suppliers, including their subcontractors and others in our value chain, across the countries where we operate. The Code requires adherence to relevant local laws and the UN Global Compact's 10 principles, and encompasses expectations for safe working conditions, fair treatment of employees, ethical business practices, environmental stewardship, animal welfare and the transparent reporting of environmental impact. We carry out an annual supplier sustainability survey to review suppliers' environmental efforts, with a particular focus on climate change, responsible water stewardship and sustainable packaging.

Enhancing community livelihoods

Our CSI programmes seek to positively impact vulnerable communities to promote food security, youth employment, education and local entrepreneurship. This year we invested R470 million in CSI activities across these focus areas. This included donating R258 million worth of surplus food and goods to beneficiary organisations across Africa, serving an average of 222 349 meals per day to vulnerable communities through our fleet of 33 mobile soup kitchens across South Africa, Namibia, Zambia, Angola and Lesotho, and supporting 287 community food gardens across South Africa, Lesotho and Namibia. We support 138 ECD centres in South Africa and one in Lesotho, providing 2 million nutritious meals to children and offering practitioner training to enhance educational environments. This year, in collaboration with government and organised labour, we facilitated the training of 6 012 unemployed youth through the RRP and YES programme, with a total investment of over R1.2 billion since inception.

Our environmental impact

Climate change and energy

We have continued to progress towards our medium- and long-term science-based targets for reducing GHG emissions and increasing renewable energy use. This year, we achieved an 11.5% reduction in emissions intensity (metric tonnes of CO_2e per square metre) on the 2019/2020 base year, primarily through our LED lighting replacements, solar PV installations, renewable electricity procurement and improvements in refrigeration systems and supply chain logistics. The addition of a net 281 stores and the expansion of DC floor space has led to the rise in absolute Scope 2 emissions, due to increased energy consumption. By installing rooftop solar PV systems at our stores and on our trailers, and by wheeling renewable electricity, renewable energy now makes up 7.2% of our total energy consumption. We are working to reduce our absolute Scope 3 GHG emissions from the use of sold products by 25% by 2030, with various efforts underway to provide customers with lower electricity consumption products and appliances.

Water security and wastewater

Operating across countries with acute water security challenges and growing demands for water access, we recognise the critical importance of responsible water stewardship, particularly given our dependence on a reliable water supply for food preparation, hygiene and raw material availability. To strengthen operational resilience, we have installed 2 205 backup water tanks and 2 276 water pumps across 72.3% of our facilities. We have boreholes at 204 sites to source groundwater, accounting for 3.8% of our total water withdrawal. This year we added 243 smart water loggers to our operations, bringing the total to 796. We have made further significant progress in reducing our water use intensity, achieving 100% of our goal to reduce intensity by 20% by 2030, on a 2020 base year.

Waste and recycling

This year, we successfully diverted 93 278.8 tonnes of waste from landfills; this includes 84.8 tonnes of electronic waste and 19 338.5 tonnes of organic waste. Plastic recycling increased by 17.2%, while cardboard recycling increased by 8.1%.

As a primary signatory of the CGCSA's Voluntary Agreement on Food Loss and Waste, we are collaborating with farmers, retailers and consumers to reduce food waste. Surplus food fit for human consumption is provided to registered organisations, while non-edible items are repurposed for animal feed and composting. This year, we converted 1 911 tonnes of food into feed for approximately 10 000 cattle daily.

Sustainable packaging

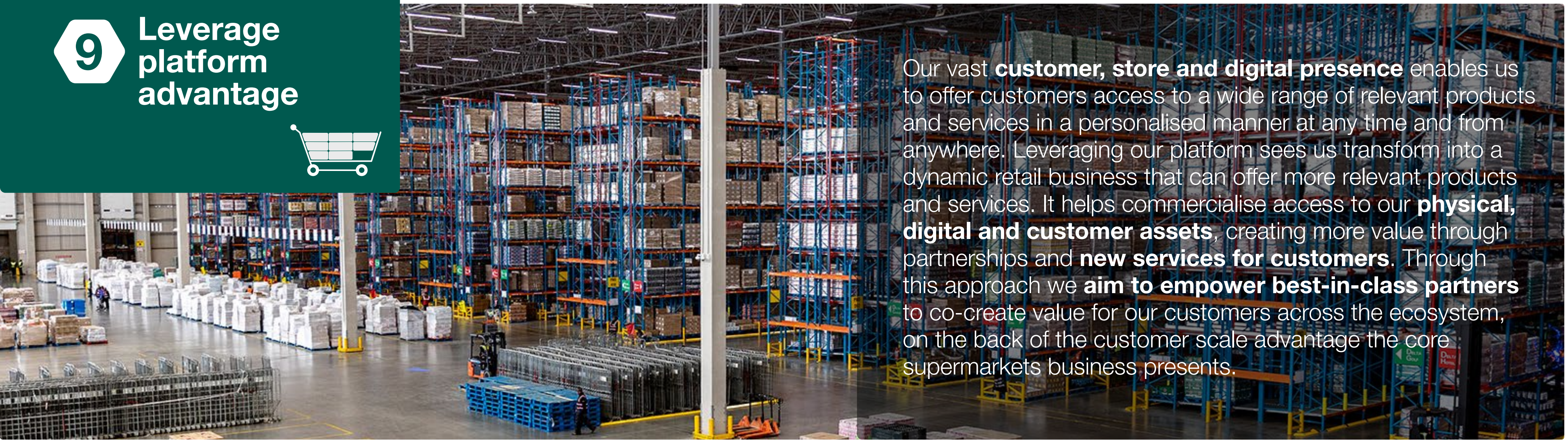
We collaborate with regulators, suppliers and organisations with a shared vision to enhance packaging sustainability. Our efforts are particularly concentrated on increasing recycled content and the recyclability of our private label product packaging. We provide accurate labelling to communicate clearly whether packaging is reusable, recyclable or compostable. Currently, 92.6% of the total private label packaging is reusable, recyclable or compostable, surpassing our FY 2025 target of 90.0%. The average recycled content within our total private label packaging stands at 42.2%, exceeding our FY 2025 goal of 40%. All paper and paperboard packaging in our delis, bakeries and fresh fish departments carry Forest Stewardship Council (FSC-N003745) or Sustainable Forestry Initiative (SFI) certifications. Our carrier bags are made from 100% recycled material and are 100% recyclable.

Biodiversity

Recognising our dependence on ecosystem services, we are implementing a mitigation hierarchy for biodiversity loss and, where suitable, have adopted a 'no net loss' or 'net gain' approach for our operations. In 2022, in partnership with the Endangered Wildlife Trust (EWT), we conducted a pilot biodiversity footprint assessment, focusing on the direct biodiversity impacts of 10 of our largest sites including DCs, shopping centres and vacant land. The analysis found that 82.0% (206.08 ha) had negative biodiversity implications, while 18.0% (46.27 ha) contributed positively. Building on this initial work, we are collaborating with EWT to advance our biodiversity conservation efforts. We are working with the WWF on a fishery improvement plan for a mullet species on the West Coast to protect both the species and the livelihoods of local fishers. We participate in WWF-SA's SASSI programme, targeting 100% sustainable seafood for all our premium private label seafood. Annually, we train our SMME suppliers in sustainable fishing practices.

Winning in the long term continued

9 Leverage platform advantage



Our vast **customer, store and digital presence** enables us to offer customers access to a wide range of relevant products and services in a personalised manner at any time and from anywhere. Leveraging our platform sees us transform into a dynamic retail business that can offer more relevant products and services. It helps commercialise access to our **physical, digital and customer assets**, creating more value through partnerships and **new services for customers**. Through this approach we **aim to empower best-in-class partners** to co-create value for our customers across the ecosystem, on the back of the customer scale advantage the core supermarkets business presents.

98.2%
In-stock levels

15.9%
Growth in DC capacity (m^2)

29
National DCs

Leveraging our world-class supply chain and logistics network

One of the Group's key competitive differentiators is our world-class supply chain and logistics network, with our 29 multi-temperature DCs and expert inventory management system delivering significant efficiencies and supporting our industry-leading in-stock levels of 98.2% across our stores for the past three years.

Consistently achieving these levels – despite various infrastructure challenges and supplier limitations – reflects our long-term investment in supply chain capabilities, as well as our ability to leverage digital technology, which allows us to offer supplier partners the lowest cost route to a very large market of consumers.

To further enhance our centralisation advantage, we are investing in increasing capacity through our strategic partners, Retail Logistics Fund (RF) (Pty) Ltd as well as Equites Property Fund Ltd. This year, we successfully added an additional 212 892m^2 in capacity, including two major new DCs: Our new Wells Estate DC in the Eastern Cape (99 288m^2) and our Riverfields DC in Gauteng (93 612m^2).

In delivering on our commitment to make our DCs and fleet as safe, economical and environmentally responsible as possible, this year we introduced 186 new Euro 5 compliant trucks that are more fuel efficient with lower GHG, particulate and nitrogen oxide (NOx) emissions than standard Euro 3 compliant trucks in South Africa.

We achieve further efficiencies by optimising our fuel consumption using a fuel anomaly detection model that tracks any anomalies caused for example by fuel theft or driving style, and we realise backhauling opportunities to collect product from suppliers after they have completed a store delivery. We made further progress this year in rolling out our real-time driver fatigue monitoring, detection and management technology on our trucks, supplemented with driver training programmes.

For further details on the environmental and safety activities in our DCs, see Sustainability Report 2025

Winning in the long term continued

Leveraging proximity advantage to expand our store and brand network

Given the scale of our core retail platform, and as the preferred anchor tenant in most new shopping mall developments, we are well positioned to open adjacent retail stores with minimal capital and operational cost, benefitting our supermarket customers with a complementary offering.

In recent years we have opened various non-grocery businesses that we see as a long-term play, leveraging off our platform and using our data to provide relevant offerings for our customers. As part of our vision of evolving into a platform business, we have expanded our Sixty60 delivery service to include products from Petshop Science, Little Me and Medirite Plus.

Petshop Science*:* Checkers is the first South African supermarket to launch a specialist pet shop that sells a comprehensive range of specialist pet products at supermarket prices. By year-end, there were 144 Petshop Science stores, with sales up 63.3% over the year and with their ranges now available on the Sixty60 platform for same-day delivery.

Little Me*:* A destination baby store with specialist in-store employees, it offers customers a range of top baby brands and maternity wear. By year-end, there were 11 Little Me stores, with an additional store planned in FY 2026.

Checkers Outdoor*:* Serving more affluent consumers, Checkers Outdoor is a specialist outdoor store offering a range of top outdoor brands at compelling prices. The first Checkers Outdoor store opened in 2022. By year-end, there were 28 Outdoor stores, and we plan to open another three Outdoor stores in FY 2026.

Uniq clothing by Checkers: Our standalone apparel clothing brand opened ten new stores this year, bringing the total to 30 stores since we launched our first store in Cape Town at the end of 2023. Uniq clothing by Checkers was the first local retailer to introduce superior-quality Pima cotton, SUPIMA, to the mass market, and recently added 100% Merino wool. In keeping with the Group's commitment to convenience through innovation, Uniq clothing by Checkers is also the first local clothing retailer to offer self-service checkouts, smart tags and advanced RFID, enabling customers to easily scan and pay for their purchases themselves and strengthening our inventory control.

Medirite and Medirite Plus: The Medirite pharmacy programme has strategically positioned the Group to address the increasing demand for accessible and affordable healthcare products across diverse income levels in South Africa. Focusing initially on Medirite dispensaries within our supermarkets, the continued review of customer behaviour using advanced analytics highlighted the value of our standalone Medirite Plus pharmacies. Medirite Plus is a full-service healthcare destination with an expanded retail space that features an extensive selection of products including an extensive range of premium fragrance brands, leading cosmetic houses and trending beauty products. Health products, supplements and wellness foods contribute to making it a comprehensive one-stop destination for health and wellness. While the supermarket-based dispensaries will remain an important part of our pharmacy offering, there is a strengthened focus on expanding our Medirite Plus offering. This year, we opened five new Medirite Plus pharmacies, bringing our total to 18 and enhancing the 122 Medirite counters available in our supermarkets.

Transpharm is the Group's wholesale pharmaceutical business, supplying the highest quality medical, surgical, front shop and veterinary products to a diverse customer base, including private hospital groups such as Mediclinic, Life Healthcare and Netcare. The recent investment in a proprietary e-commerce platform has enabled Transpharm to manage its digital content directly while providing customers with a seamless ordering and payment experience.

05

OPERATIONAL PERFORMANCE

This section summarises the Group's operational performance for the 2025 financial reporting period.

SHOPRITE GROUP COMPLETES RECORD-BREAKING POS SYSTEM ROLLOUT

We have successfully completed our largest POS system implementation in record time, covering 34 218 till points. The new system improves cashier efficiency and transaction speed through larger, colour-coded screens and an intuitive user interface. It features a new cash management system for improved financial oversight and reporting and automates various processes, enabling employees to focus on more meaningful customer interactions. The streamlined cash-up process is now 60% faster, allowing employees to conclude the trading day more efficiently and return home earlier. The bulk of the rollout was completed within a record-breaking five months, with 3 153 Shoprite, Checkers, Usave, LiquorShop, Little Me, Checkers Outdoor and Petshop Science stores now live on the new system.

In parallel, the launch of our new Money Market platform has unlocked the ability to deliver our growing range of value-added services, such as bill payments, ticketing, mobile and insurance, seamlessly across both physical and digital channels, supporting a truly integrated omnichannel experience for our customers.

Chief Financial Officer's review

"The Group delivered a strong set of results in what remained a challenging trading environment, underpinned by our focus on delivering against our nine key growth drivers."

Anton de Bruyn
Chief Financial Officer

Group sales	Group trading profit	Diluted HEPS	Total dividend	Adjusted return on invested capital	Return on equity
▲ 8.9% to **R252.7 billion**	▲ 16.6% to **R15.0 billion**	▲ 15.8% to **1 367.2 cents**	▲ 9.7% to **781.0 cents per ordinary share**	19.4%	26.7%

Since Pieter Engelbrecht's appointment as CEO in 2017, we have made significant investments in our digital strategy, accelerated our store expansion and strengthened our supply chain network. These strategic activities have been instrumental to this year's performance and will continue to drive the Group's future growth and continued market share gains.

In 2025, we reinforced our position as Africa's largest and most profitable omnichannel food retailer, with Group sales increasing 8.9% to R252.7 billion. Total income increased 9.4% to R65.7 billion, delivering a total income margin of 26.0%. This was driven primarily by gross profit growth of 10.6%. Total expenses increased by 7.4%, resulting in a commendable trading margin of 5.9%. Notably, cost growth moderated this year owing to improved cost containment measures. Cost discipline remains a priority, and the ability to contain expense growth while continuing to invest in strategic activities demonstrates our operational agility. EBITDA for the year totalled R23.8 billion (2024: R20.0 billion).

This year, we continued to maintain a disciplined capital allocation framework, investing R8.0 billion into the business, which represented 3.2% of sales from continuing operations. Our capital allocation discipline supported an increase in adjusted ROIC to 19.4% against a weighted average cost of capital of 13.5%. Return on equity measured 26.7% for the year.

The borrowings-to-equity ratio measured 23.2%, with cash generated from operations of R21.9 billion highlighting the Group's strong cash-generating capacity.

On a continuing operations basis, headline earnings per share increased by 15.8% to 1 372.1 cents, while diluted headline earnings per share increased by 15.8% to 1 367.2 cents. The Board declared a final dividend of 496 cents per share, resulting in a full-year dividend of 781 cents per share; this was an increase of 9.7% year-on-year, aligned with the Group's 1.75 times dividend cover policy on full-year DHEPS from continuing operations. Under our share buy-back programme, the Group repurchased 3.4 million shares during the first half of the year. Since the programme's launch in 2021, we have repurchased 12.1 million shares at an average price of R211.59 per share, representing a total value of R2.6 billion.

The Group was actively involved with various merger and acquisition transactions and divestments during the period. To support our vision of being Africa's most profitable omnichannel retailer, Shoprite Checkers (Pty) Ltd has acquired the remaining 50% shareholding in Pingo Delivery (Pty) Ltd. This will allow us to have end-to-end control of our last-mile logistics capabilities and on-demand digital platform. This transaction will future-proof the Group by protecting the significant investment and intellectual property we've built up in this area of our business, while allowing for continued monetisation of our platform as we continue to enhance our digital strategy.

We have also progressed with key strategic transactions. To sharpen our geographic focus and generate higher returns for our shareholders, we have consolidated our operations in our Supermarkets Non-RSA segment by classifying our operations in Ghana and Malawi as discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations (IFRS 5). We have also classified our furniture business (including the Angola and Mozambique operations) as discontinued. With respect to the sale of our furniture business, our decision is premised on our desire to see the business supported by the necessary systems and expertise it requires to ensure its continued growth and, importantly, to protect the jobs of our loyal employees.

Chief Financial Officer's review continued

Areas of focus for the Group included the following:

Key driver	Measurement
Free cash flow	The Group generated free cash flow of R10.1 billion. The operating cash flow conversion ratio for total operations, which is a representation of cash generated from total operations as a percentage of EBITDA from total operations, amounts to 90.5% for the year. A total of R4.2 billion was declared in dividends, with the total dividend per share increasing by 9.7% to 781 cents per share. The Group remains dedicated to reinvesting in the business to bolster the sustained expansion of its long-term value proposition.
Maintaining effective stockholding levels	In-stock and on-shelf availability are two key metrics for the Group and in both cases, the operational teams were successful in achieving their targets. Inventories increased by 4.9% to R29.7 billion (2024: R28.4 billion), representing an inventory to sales ratio of 11.8% (restated 2024: 11.3%). The increase is driven primarily by our expanded store footprint within our Supermarkets RSA segment, as well as the continued support of our Sixty60 e-commerce platform that picks directly from our stores.
Improving trading margin	Trading margin increased to 5.9% (2024 restated: 5.5%), supported primarily by sales and gross margin growth in our core Supermarkets RSA segment, but also impacted positively by an improved contribution from our Supermarkets Non-RSA and Other operating segments, which delivered trading profit growth of 43.4% and 32.3% respectively.

Sale of merchandise

The following table outlines the sale of merchandise per segment from total operations:

	Growth %	2025 Rm	Restated* 2024 Rm
Supermarkets RSA	9.5	**213 497**	195 041
Supermarkets Non-RSA	6.4	**20 568**	19 329
Other operating segments	5.2	**18 636**	17 718
Total continuing operating segments	**8.9**	**252 701**	**232 088**
Discontinued operations		**9 569**	8 630
Total operating segments including discontinued operations	**9.0**	**262 270**	**240 718**

* Restated for the classification of the Group's furniture business and the operations in Ghana and Malawi as discontinued operations in accordance with IFRS 5.

Supermarkets RSA

Supermarkets RSA, the Group's core business and contributor of 84.5% of sales from continuing operations, comprises 2 577 stores across key trading banners including Shoprite, Usave, Checkers, Checkers Hyper, LiquorShop and adjacent brands. The segment delivered sales growth of 9.5%, with like-for-like sales up 4.8%. Customer visits increased by 4.4% during the year, while average basket spend increased by 4.8%. Internal selling price inflation averaged 2.3% for the year (first half period: 1.9%; second half period: 2.7%).

The Checkers supermarket chain, including 40 larger-format Checkers Hypers, grew merchandise sales by 13.6% and now operates 350 supermarket stores across South Africa. Within this base, the number of Checkers FreshX stores increased to 152, up from 115 in the prior year. The brand's momentum continued with further market share gains.

The Shoprite and Usave brands, inclusive of Shoprite LiquorShop, collectively increased sales by 5.9%. Individually, Shoprite and Usave reported growth in sales for the year of 5.2% and 5.7% respectively. Our price-fighting Shoprite supermarket business ended the period with a base of 682 stores, up by a net 42 stores.

Our low-cost, no-frills, limited assortment discounter Usave opened a net 33 stores and ended the year with 494 stores.

The segment's LiquorShop sales increased by 13.6% and contributes 8.9% to the segment's sales. The strong store roll-out programme continued during 2025 with a net opening of 80 stores to end the period with 833 liquor stores trading in South Africa.

The Group's on-demand delivery platform, Sixty60, reported sales of R18.9 billion, reflecting a 47.7% increase year-on-year (2024: 58.1%). As previously mentioned, subsequent to the Group's purchase of the remaining 50% shareholding in Pingo, the digital commerce revenues earned from Sixty60 delivery recoveries and Xtra Savings Plus subscription income earned are classified as part of the Supermarkets RSA sale of merchandise. Note however that prior to this acquisition, these revenues were classified as part of delivery recoveries, within revenue from contracts with customers, which forms part of alternative revenue. The locations from which Sixty60 services customers numbered 694 stores (2024: 539 stores).

Supermarkets RSA adjacent businesses increased sales by 39.1% to R1.2 billion. At the end of June 2025, the Group had 144 Petshop Science, 11 Little Me, 30 Uniq clothing by Checkers, 28 Checkers Outdoor stores and five K'nect stores.

Supermarkets Non-RSA

Supermarkets Non-RSA continuing operations contributed 8.1% to Group sales. The segment's continuing operations now operating from seven countries recorded a sales increase in constant currency of 14.2% and we estimate internal food inflation for the region averaged 9.6% for the period.

In rand terms, sales increased by 6.4% to R20.6 billion from continuing operations.

Our Angolan supermarkets business reported sales in constant currency 27.3% higher than last year. In rand terms, this translated to a 13.4% sales increase. The trading environment in Angola remains challenging and the latest average currency devaluation of 12.3% experienced during the year will place further strain on customer spending power, which has consistently been eroded due to the continuing high inflation and currency devaluation cycle.

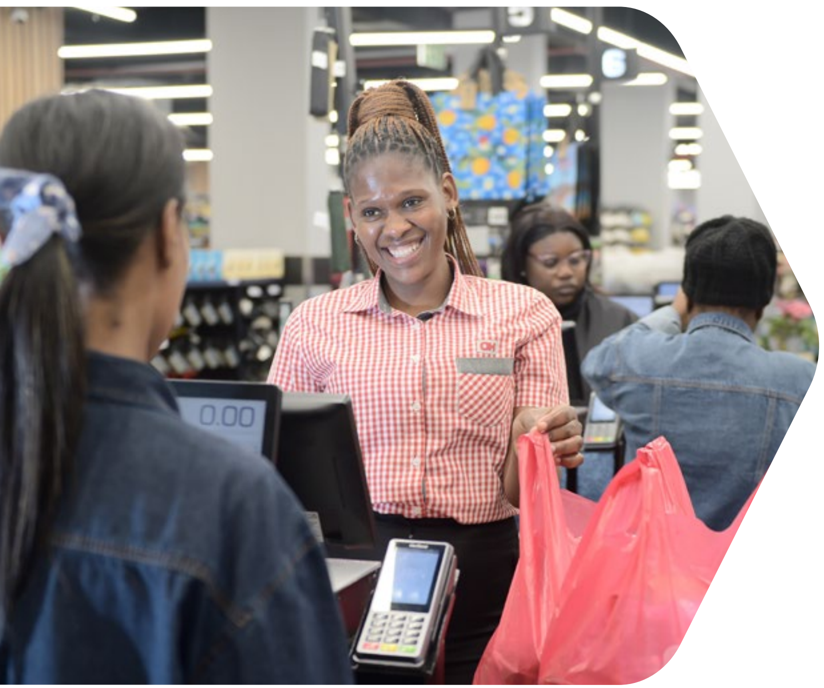
Our Zambian operations reported sales growth of 13.6% in constant currency for the year with sales declining by 3.9% in rand terms. Our Zambian supermarket operations continue to be negatively impacted by the cost of diesel required to power generators owing to drought-induced power outages, requiring a switch from hydro-generated power to diesel power.

Chief Financial Officer's review continued

Other operating segments

The Group's Other operating segments, representing 7.4% of Group sales and comprising OK Franchise, Medirite Pharmacies, Red Star Wholesale Catering Services and Computicket, achieved sales growth of 5.2% for the year.

Sales to our OK Franchise business increased by 6.7%. The OK Franchise business ended the year with 615 stores. Medirite Plus ended the year with 18 standalone stores.



Summary statement of comprehensive income

	Change %	52 weeks 2025 Rm	Restated* 52 weeks 2024 Rm
Sale of merchandise	8.9	**252 701**	232 088
Cost of sales	8.3	**(191 259)**	176 549
Gross profit	**10.6**	**61 442**	**55 539**
Alternative revenue	(4.2)	**3 763**	3 927
Interest revenue	(30.4)	**218**	313
Share of profit of equity accounted investments	(6.7)	**250**	268
Depreciation and amortisation	17.0	**(8 012)**	(6 845)
Employee benefits	10.8	**(20 268)**	(18 289)
Credit impairment losses	(57.5)	**(76)**	(179)
Other operating expenses	2.1	**(22 366)**	(21 916)
Trading profit	**16.6**	**14 951**	**12 818**
Exchange rate (losses)/gains	(111.1)	**(3)**	27
Profit on lease modifications and terminations	(1.0)	**95**	96
Items of a capital nature	(64.2)	**(100)**	(279)
Operating profit	**18.0**	**14 943**	**12 662**
Interest received from bank account balances	(30.9)	**357**	517
Finance costs	23.2	**(5 115)**	(4 153)
Profit before income tax	**12.8**	**10 185**	**9 026**
Income tax expense	(0.4)	**(2 793)**	(2 805)
Profit from continuing operations	**18.8**	**7 392**	**6 221**
Profit from discontinued operations	-	**191**	-
Profit for the year	**21.9**	**7 583**	**6 221**

* Restated for the classification of the Group's furniture business and the operations in Ghana and Malawi as discontinued operations in accordance with IFRS 5.

Summary statement of comprehensive income continued

	Change %	52 weeks 2025 Rm	Restated* 52 weeks 2024 Rm
Earnings per share for profit from continuing operations attributable to owners of the parent:			
Basic earnings per share (cents)	18.9	**1 367.2**	1 149.5
Diluted earnings per share (cents)	19.0	**1 362.3**	1 144.7
Headline earnings per share (cents)	15.8	**1 372.1**	1 185.3
Diluted headline earnings per share (cents)	15.8	**1 367.2**	1 180.2

* Restated for the classification of the Group's furniture business and the operations in Ghana and Malawi as discontinued operations in accordance with IFRS 5.

Gross profit

The Group achieved a gross profit margin of 24.3% for the current year, a notable improvement of 40 basis points on the prior year, a positive achievement against the background of the current deflationary environment. This improvement was driven by a variety of factors, including continued volume growth, optimisation of promotional offers supported by data-led decision making, enhancement of our logistics network and improved shrinkage across the business. Despite this improvement in gross margin, the Group continues to invest in lower prices and personalised customer offers, allowing our more than 33 million customers to save R16.5 billion during the year through our Xtra Savings rewards programme.

Alternative revenue

Alternative revenue decreased by 4.2% compared to the prior year. It should be noted that alternative revenue is reported after accounting for the aforementioned classification as sales of Sixty60 delivery recoveries and Xtra Savings Plus subscription income earned (following the purchase of the remaining 50% shareholding in Pingo) while noting that prior to this acquisition (all of the prior year period and a portion of current first half period), these revenues remained classified as part of delivery recoveries and other revenue from contracts with customers respectively.

Excluding the classification changes arising from the purchase of the remaining 50% shareholding in Pingo, the percentage growth in alternative revenue increased ahead of the percentage growth in Group sales.

Chief Financial Officer's review continued

	Change %	2025 Rm	Restated* 2024 Rm
Commissions received	7.5	**1 254**	1 166
Marketing and media revenue	36.8	**647**	473
Operating lease income	31.0	**596**	455
Franchise fees received	4.9	**192**	183
Delivery recoveries	(80.2)	**132**	667
Sundry revenue	(4.2)	**942**	983
Other revenue from contracts with customers		**699**	699
Dividends received from unlisted share investments and insurance claims	(14.4)	**243**	284
Total alternative revenue	**(4.2)**	**3 763**	**3 927**

* Restated for the classification of the Group's furniture business and the operations in Ghana and Malawi as discontinued operations in accordance with IFRS 5.

The Group's alternative revenue can be attributed to several areas across the business, some established, others relatively recent in their development; these include:

- Commissions received predominantly from our financial services and money market business operating across our core supermarket operations, with growth driven from increased transactional activities in our in-store Money Market kiosks and value-added services
- Marketing and media income, mainly driven by revenue generated by our Rainmaker Media business revenues
- Sundry revenue, which includes our Shoprite[X] customer insights income through our Rex platform, and recycling income earned through the recycling of cardboard and plastic in our distribution centres
- Operating lease income, relating to rental income earned on Group-owned properties
- Dividends received from unlisted share investments, including dividends received from our investments in insurance cell captive arrangements

Interest revenue

Interest revenue decreased by 30.4%. An analysis is tabled below:

	Change %	2025 Rm	Restated* 2024 Rm
Finance income earned from instalment sale receivables	26.9	**66**	52
Interest received from government bonds and bills	(31.1)	**62**	90
Interest received from associates		**-**	76
Interest received other	(5.3)	**90**	95
Total interest revenue	(30.4)	**218**	313

* Restated for the classification of the Group's furniture business and the operations in Ghana and Malawi as discontinued operations in accordance with IFRS 5.

Expenses

Total expense growth for the period measured 7.4% and can be attributed to the following:

- The classification of the Sixty60 delivery expenses as cost of sales following the acquisition of the remaining 50% shareholding in Pingo; these expenses had been classified as other operating expenses prior to the acquisition
- Depreciation and amortisation increased by 17.0% to measure 3.2% of Group sales (restated 2024: 2.9%)
- Employee benefits increasing by 10.8%, reflecting the overall growth of the business, our increased headcount and additional factors, specifically:
  - » R281 million expensed in favour of eligible employees in South Africa from the Shoprite Employee Trust and equivalent awards granted by subsidiaries in countries outside South Africa
  - » The Group spent in excess of R1.0 billion for the period on training, inclusive of R92 million spent on training 2 663 participants in the Youth Employment Service (YES) programme, which trains unemployed youth and provides them with workplace experience
- Other operating expenses increased by 2.1% inclusive of the following gross expenses before the allocation to cost of sales:
  - » A 9.3% increase in electricity and water expense as a result of:
    - » the 12.7% National Energy Regulator of South Africa (NERSA) electricity cost increase
    - » diesel costs for the period reducing notably to R335 million (restated 2024: R810 million) with a large portion of the current year cost a function of our Zambian operations incurring power outages as a result of their hydro-generated power supply impacted by drought
  - » Repairs and maintenance decreased by 7.8%, advertising expenses increased by 6.0% and the cost of security services increased by 11.9%

Chief Financial Officer's review continued

Trading profit

Group trading profit from continuing operations increased by 16.6% to R15.0 billion and, as a result, the Group's trading margin measured 5.9% (restated 2024: 5.5%).

Supermarkets RSA's trading profit increased by 15.5% to measure R13.9 billion (2024: R12.0 billion) resulting in the segment reporting a 6.5% trading margin, a 30 basis points increase on the prior year. Supermarkets Non-RSA reported a R644 million trading profit (restated 2024: R449 million), of which R63 million (2024: R138 million) relates to interest revenue included in trading profit. The segment's year-on-year growth was positively impacted by the prior year restated base now lower following the exclusion of the R135 million Ghana net monetary gain.

Other operating segments' trading profit increased by 32.3%. This segment, underpinned by the continued growth and improvement of our OK Franchise business, was also positively impacted by an improved contribution from our Medirite and Transpharm business.

The following table gives the relevant trading profit, per segment, for continuing operations:

	Change %	2025 Rm	Trading margin 2025 %	Restated* 2024 Rm	Restated* trading margin 2024 %
Supermarkets RSA	15.5	**13 904**	**6.5**	12 036	6.2
Supermarkets Non-RSA	43.4	**644**	**3.1**	449	2.3
Other operating segments	32.3	**652**	**3.5**	493	2.8
Total continuing operating segments	17.1	**15 200**	**6.0**	**12 978**	**5.6**
Hyperinflation effect and other reconciling items**		(249)		**(160)**	
Consolidated continuing operations	16.6	**14 951**	**5.9**	**12 818**	**5.5**

* Restated for classification of the Group's furniture business and the operations in Ghana and Malawi as discontinued operations in accordance with IFRS 5.

** Other reconciling items include the elimination of interdivisional transactions with the Group's discontinued operations to the amount of R226 million (2024: R133 million) in trading profit.

Foreign exchange differences

As stated in the accounting policies, the assets and liabilities of foreign subsidiaries are converted to rand at closing rates. These translation differences are recognised in equity in the foreign currency translation reserve (FCTR). In essence, most foreign exchange differences in the statement of comprehensive income are owing to US dollar-denominated short-term loans of operations outside South Africa, government bonds and bills and balances in US dollars held in offshore accounts.

The Angola kwanza and the Nigeria naira have weakened 12.3% and 51.4% respectively against the rand during the financial year that positively affected the hedging strategies followed by the Group. The Group designated its US dollar-denominated lease liabilities as a hedge of a proportion of the net investment in the Group's US dollar subsidiary and have applied hedge accounting since.

The table below gives the approximate rand cost of a unit of the following major currencies at year-end:

	Change % 2024–2025	2025	2024	2023	2022
US dollar	(3.1)	**17.860**	18.437	18.744	16.372
Euro	(5.2)	**20.890**	19.716	20.383	17.126
Zambia kwacha	5.6	**0.757**	0.717	1.071	0.972
Angola kwanza	(8.6)	**0.019**	0.021	0.022	0.038
Mozambique metical	(3.9)	**0.277**	0.288	0.291	0.254
Nigeria naira	-	**0.012**	0.012	0.025	0.039

Net finance costs

Net finance costs increased by 30.9% to R4.8 billion (restated 2024: 3.6 billion).

This was as a result of the increase in the Group's lease liabilities of 16.2% and the higher interest rates at which new leases are entered or renewed.

	Change %	2025 Rm	Restated* 2024 Rm
Interest received from bank balances	(30.9)	**357**	517
Finance charges: lease liabilities	20.7	**(4 171)**	(3 455)
Finance charges: borrowings and other finance charges	35.2	**(944)**	(698)
Net finance costs	**30.9**	**(4 758)**	**(3 636)**

* Restated for classification of the Group's furniture business and the operations in Ghana and Malawi as discontinued operations in accordance with IFRS 5.

Equity accounted investments

Our share of post-acquisition profits from equity accounted investments is R250 million. This includes profits from Retail Logistics Fund (RF) (Pty) Ltd, in which the Group acquired a 49.9% shareholding through a sale and leaseback transaction. It should be noted that the joint venture share of post acquisition profits is impacted by the purchase of the remaining 50% shareholding in Pingo, whereby the entity is now no longer accounted for as an equity accounted investment.

	Change %	2025 Rm	2024 Rm
Associate share of post-acquisition profits	11.3	**237**	213
Joint venture share of post-acquisition profits	(76.4)	**13**	55
Post-acquisition profits from equity accounted investments	**(6.7)**	**250**	**268**

Income tax expense

Following the Group's discontinuation of several Non-RSA regions, which contributed to an elevated overall effective tax rate, the Group's 27.4% effective tax rate (restated 2024: 31.1%) is now more aligned with the South African corporate tax rate of 27.0%.

Chief Financial Officer's review continued

Statement of financial position

Non-current assets

Property, plant and equipment (PPE), right-of-use assets, intangible assets and investment properties

The Group's total capital spend amounted to R8.0 billion (2024: R7.8 billion) and represented 3.2% (restated 2024: 3.3%) of Group sales. The majority of the capital expenditure relates to expanding and upgrading our core Supermarkets RSA store portfolio as well as our continued investment in digital infrastructure and supply chain capabilities.

The right-of-use asset class increased by R5.6 billion to R36.1 billion and lease liabilities by R6.5 billion to R47.0 billion owing to new leases and renewals. It should be noted that for this period, R1.7 billion attributable to lease liabilities classified as held for sale is not included in the balance of lease liabilities.

The Group reviews trading stores and considers the need for impairment of assets. For the 12 months reported, impairments to the value of R390 million were accounted for. This includes a R203 million impairment to investment properties acquired from Resilient Africa (Pty) Ltd in Nigeria, a R112 million to right-of-use assets, R97 million to intangibles as well as a R22 million impairment reversal related to PPE.

Impairments form part of items of a capital nature and, net of income tax, impact earnings per share but not headline earnings per share.

Intangible assets consist mainly of goodwill paid for acquisitions, trademarks and software. Goodwill represents the premium paid for certain businesses and is tested for impairment annually based on the higher of the fair value less cost to sell or the value-in-use of these businesses, calculated by using cash flow projections.

Software represents the Group's investment in certain computer software used in its daily operations and costs capitalised for software in development. During the year under review, the estimated useful life of software has been adjusted to 1 to 20 years, previously 1 to 10 years.

Government bonds and bills

Local currency cash and short-term deposits in Angola are subject to onerous local exchange control regulations and limit the repatriation of surplus cash. The Group is utilising said cash for its local trade and has invested surplus cash in AOA, USD Index Linked, Angola Government Bonds and AOA, Angola Government Bonds. The Group however managed to reduce its exposure to Angolan bonds by R231 million. The AOA, USD Index Linked and Angola Government Bonds form part of the hedging strategy against future possible devaluation.

	Change %	2025 Rm	2024 Rm
AOA, USD Index Linked Angola Government Bonds	4.7	**539**	515
AOA, Angola Government Bonds	(88.5)	**33**	288
Angola Treasury Bills		**-**	66
Nigeria Treasury Bills		**-**	17
Total government bonds and bills	**(35.4)**	**572**	**886**

Current assets

Inventories

Inventories increased by 4.9% to R29.7 billion (2024: R28.4 billion). As a percentage of sales from continuing operations, inventory levels of 11.8% were marginally above the prior period (restated 2024: 11.3%).

	Change %	2025 Rm	2024 Rm
Supermarkets RSA	12.0	**25 766**	22 996
Supermarkets Non-RSA	11.1	**2 691**	2 421
Other operating segments	(56.1)	**1 291**	2 942
Total inventories	**4.9**	**29 748**	**28 359**

It should be noted that for the current period, inventories attributable to our furniture business and the operations in Ghana and Malawi are classified as held for sale and therefore do not form part of the closing balance of inventory for the 2025 financial year; however the prior year base is not restated in terms of IFRS 5. For purposes of comparability, if the current year inventories balance is adjusted to include these inventories classified as held for sale (R1.7 billion), the increase in inventories would measure 10.9%.

Excluding the impact of the expansion in the DC network, inventory as a percentage of the last 12 months' sales in the Supermarkets RSA segment measured 8.0%, which is testament to the efficiencies driven within supply chain to reduce stockholding in the retail stores and increase the stock turn.

Trade and other receivables

Trade receivables consist mainly of amounts receivable for the sale of merchandise to franchisees, medical aid schemes, pharmacies, doctors and buying aid societies. The Group has also entered into various instalment sale agreements for household furniture. Other receivables consist of various operational debtors such as rental and municipal deposits refundable and insurance claims receivable. Adequate allowance is made for potential bad debts, and the outstanding debtors' book is reviewed regularly. Based on the assessment of expected credit losses for the year in terms of IFRS 9: Financial Instruments, the provision against the instalment sale receivable debtor book for household furniture measured 34.4% (2024: 40.3%).

Chief Financial Officer's review continued

Cash and cash equivalents and bank overdrafts and other short-term facilities

Net cash (including restricted cash and after deducting bank overdrafts and other short-term facilities) amounted to R8.1 billion. Noteworthy, the Group's year end cut-off date preceded creditor payments to the amount of R4.4 billion.

	Change %	2025 Rm	2024 Rm
Restricted cash	66.7	**5**	3
Cash and cash equivalents	(15.2)	**9 946**	11 732
Bank overdrafts and other short-term facilities	(35.6)	**(1 863)**	(2 895)
Net cash	**(8.5)**	**8 088**	**8 840**

Non-current liabilities

Borrowings and lease liabilities

Total borrowings increased by R1.0 billion to R7.0 billion (2024: R6.0 billion). The borrowings-to-equity ratio increased from 21.6% to 23.2%. The Group's lease liabilities increased by R6.5 billion owing to new leases and renewals.

	Change %	2025 Rm	2024 Rm
Borrowings	16.7	**6 993**	5 993
Lease liabilities	16.2	**47 020**	40 477
Total debt	**16.2**	**54 013**	**46 470**
Borrowings consist of:			
ZAR-denominated funding	18.6	**6 641**	5 599
USD-denominated funding	16.3	**121**	104
Other local currency funding	(20.3)	**231**	290
Total borrowings	**16.7**	**6 993**	**5 993**

	Change %	2025 Rm	2024 Rm
Lease liabilities consist of:			
Long term	17.5	**43 116**	36 702
Short term	3.4	**3 904**	3 775
Total lease liability	**16.2**	**47 020**	**40 477**

Current liabilities

Provisions

Adequate provision is made for post-employment medical benefits, reinstatement provisions and long-term employee benefits.

	Change %	2025 Rm	2024 Rm
Post-employment medical benefits	7.1	**15**	14
Long-term employee benefits	3.9	**453**	436
Cash-settled share-based payments	100.0	**62**	31
Reinstatement provision	3.4	**210**	203
Total provisions	**8.2**	**740**	**684**

Looking ahead

Over the past year, the South African consumer has experienced significant cost-of-living pressures, with the rise in transport, food and utility costs placing strain on household budgets. As a provider of essential goods and services, we remain committed to protecting our customers from the full impact of rising food prices, as evidenced by our internal food price inflation consistently tracking below the official StatsSA food price inflation. Despite operating in an economic environment that remains challenging, we are pleased to have delivered a strong set of financial results as outlined in this report.

The GDP growth outlook for South Africa remains subdued as the country continues to face structural challenges that constrain job creation and economic opportunity. Looking ahead, however, we are encouraged by the decrease in inflation, lower fuel prices and cumulative interest rate cuts that will provide much needed relief to consumers, supporting their disposable income growth. While this recovery is positive, sustaining a stronger consumer environment into the future will require meaningful progress on structural government reforms. Notwithstanding this backdrop, the Group remains firmly focused on delivering affordable access to goods and services, while simultaneously expanding our customer value proposition through innovation, scale and operational excellence.

Looking ahead to 2026, as the Group continues to invest in South Africa, we anticipate capital expenditure in the region of R7.9 billion, directed towards the expansion and optimisation of our store base across formats, strengthening our supply chain and logistics network, and accelerating investment in digital and data-led activities. Operationally, our priorities for the year ahead are clear: maintain disciplined cost management, continue to gain profitable market share, retain a strong trading margin and continue to enhance our omnichannel capabilities.

As we set out to deliver on our strategic priorities, our goal is not only to benchmark ourselves against global retail standards, but to define leadership in the South African context. We do this by tailoring our supermarket formats to diverse customer needs, putting affordability and accessibility at the centre of our offering and executing with the operational excellence that sets us apart.

Anton de Bruyn
Chief Financial Officer

Supermarkets RSA

Checkers | Checkers Hyper | LiquorShop

R95.7bn
Combined sales

13.8%
Combined sales growth

Checkers

Checkers is the Group's mid-to-upper-income segment supermarket business, meeting the needs of customers who require value but who also seek other appreciable attributes such as quality, freshness, convenience and health and nutrition, as well as addressing their concerns relating to ethical supply chains, fair labour practices and environmental responsibility.

Checkers' targeting of consumers in the upper-income brackets recognises the value of this segment, given better job security, wage growth and accumulated savings. Checkers and Checkers Hyper remain the fastest-growing premium grocer for the sixth consecutive year, increasing sales of merchandise by 13.6% to measure R88.4 billion.

310	1 500m² - 4 500m²
Checkers stores (+27)*	Average store size

*This refers to the net addition of stores during the financial year

Inclusive of Checkers LiquorShop, sales increased by 13.8% to R95.7 billion.

Checkers saw record growth this year in the fresh foods sector, reflecting the impact of our successful Discovery Vitality partnership launch, powerful promotions and substantial further investment in our cold chain and in various FreshX store upgrades.

As part of continuing enhancements to our digital sales platforms, this year we launched a new Checkers e-commerce website, that allows customers to shop on their desktop and on any device and have their groceries delivered using Sixty60.

We retained a particularly strong focus this year on customer centricity and on further enhancing our customer-first culture, which contributed to a pleasing reduction in customer complaints. Together with our substantial capital investment in improving the customer experience, this strengthened focus has underpinned our market-leading sales velocity in this mid-to-upper market segment.

During the year, the business opened a net 27 stores, ending the year with 310 Checkers supermarkets.

We see scope for significant further expansion of Checkers' store footprint, especially in the convenience Checkers and Checkers Foods formats.

Supermarkets RSA continued

Checkers | Checkers Hyper | LiquorShop

Checkers Hyper

Checkers Hyper serves a cross-section of customers with large-format stores offering a much wider range of products than a standard Checkers supermarket. Typically positioned in high-density urban areas, the product range amplifies value for customers, often with bigger pack sizes and more comprehensive ranges in bulk groceries and general merchandise such as small appliances, homewares, toys, stationery, pet, outdoor and baby.

In recent years the Checkers Hyper store format has been upgraded to our FreshX format and redesigned to meet customer needs in terms of product range and in-store convenience areas.

During the year we opened a net of two Checkers Hyper stores, bringing the total to 40 stores. We have further expanded our Sixty60 service to include same-day delivery of more than 10 000 general merchandise products from selected Checkers Hyper stores.

40	7 500m² - 9 500m²
Checkers Hyper stores (+2)*	Average store size

*This refers to the net addition of stores during the financial year

LiquorShop

Positioned to complement the Checkers supermarket experience, Checkers LiquorShop offers a curated selection of premium local and international alcoholic and non-alcoholic beverages, along with barware. Located conveniently near Checkers supermarkets, the brand appeals to middle- and upper-income customers seeking quality, value and convenience.

We achieved pleasing sales growth of 17.1% during the year, supported by the opening of a net 35 stores.

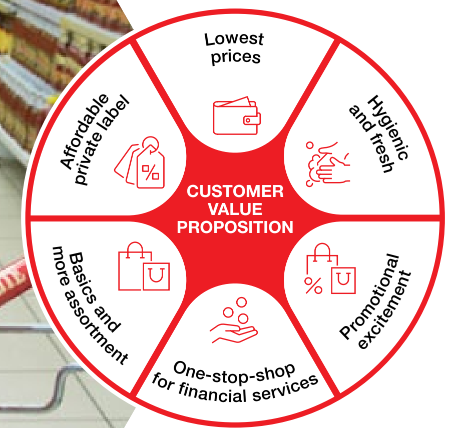
17.1%	311	150m² - 300m²
Sales growth	Checkers LiquorShop stores (+35)*	Average store size

South Africa's first vegan-friendly Marula-flavoured liquor forms part of the African Dew range, available exclusively from Checkers LiquorShop

Supermarkets RSA continued

R116.6bn Combined sales

5.9% Combined sales growth



SHOPRITE

Shoprite is the Group's founding supermarket business and flagship supermarket brand, serving customers in the price-sensitive, mid-to-lower-income market. Shoprite utilises its bulk buying power and the largest supply chain and store network in Africa to offer the lowest prices on trusted grocery brands without compromising on product range, availability, quality and customer service.

Of the Group's four supermarket banners, Shoprite has the most stores and employees. It provides a full-service, one-stop-shop, offering a range of well-known brands, our own affordable Shoprite housebrand, Ritebrand, as well as an extensive range of Shoprite-confined private labels delivering quality products at unbeatable prices. In addition to our core offering of a wide range of fresh produce, perishables and deli counter prepared meals, Shoprite supermarkets provide various in-house departments, such as in-store bakeries and meat markets, as well as the Group's in-store Money Market counters allowing customers to pay for utilities, buy airtime, data and insurance, gain access to affordable banking, and receive government grant and pension payouts.

In a highly competitive market, our Shoprite supermarket business increased sales this year by 5.2% to R93.2 billion, delivering a sixth successive year of market share gains.

5.2%	682	2 000m² - 4 500m²	1 250m² - 1 800m²
Sales growth	Shoprite stores (+42)*	Average store size Shoprite	Average store size Shoprite mini

*This refers to the net addition of stores during the financial year

We saw strong growth in store openings, with a net opening of 42 Shoprite stores this year, bringing the total to 682 stores. We expanded the Group's award-winning Sixty60 service this year to include selected Shoprite supermarkets.

This year's turnover growth was slightly lower than the prior year, reflecting the impact of deflation in many categories and of last year's 'two pot' pension payouts and heightened regulatory focus on spaza shops and wholesalers. There has been further pressure this year on the lower-income segment as a result of sustained unemployment and recent difficulties in SASSA grant distributions. Deflation in key consumer commodities – such as vegetable oil, rice, mealie meal and nappies – has reduced revenue growth from the lower income segment who rely heavily on these categories.

Shoprite delivered some significant operational improvements throughout the year, including turning around the recently acquired Massmart supermarkets. Through improved training, monitoring and follow-up systems, and strengthened incentive programmes, we successfully reduced customer service complaints across the Shoprite stores. There has been pleasing growth and innovation in the range and quality of our subsidised low-cost food and grocery items.

This year, Shoprite Wholesale Cash and Carry launched an integrated e-commerce platform and dedicated buying app that enables small businesses to browse and purchase a wide range of goods at competitive prices, with free delivery within a 50km radius. This new digital offering helps small business owners to manage inventory and cash flow more efficiently and improve customer service. This offering is part of Shoprite's broader strategy to engage more effectively with the informal trade sector, especially spaza shops, positioning itself as a partner rather than a competitor to small retailers.

Supermarkets RSA continued

Usave

Usave is the Group's limited assortment, small-store supermarket format located in underserved, less affluent communities. Small on price, big on convenience, the Usave operating model is highly refined and invests in price to shield the Group's most price-sensitive customers.

Usave's proximity-to-home advantage gives customers best-priced grocery basics without the cost of transport typically incurred when frequenting larger-format supermarkets. Usave offers selected key national brands together with its unrivalled value housebrand, Ubrand. With fresh produce and chilled and frozen ranges, as well as a very limited range of essential household items, toys and stationery, Usave meets daily needs while saving money and time. Usave also offers our Money Market services bringing customers the convenience of purchasing airtime and data, receiving social grant payments and pensions, as well as doing money transfers and bill payments. In an effort to bring retail to customers in more remote areas, Usave has developed the no-frills Usave eKasi container store format.

Usave increased sales by 5.7% this year, and ended the financial year with 494 stores, of which 46 were eKasi container stores. The chain plans to open 49 stores during the 2026 financial year.

This year, in response to load-shedding concerns, we successfully introduced inverter systems in our Usave stores, saving R20 million in generator costs over the year.

5.7%	494	450m² - 750m²
Sales growth	Usave stores (+33)*	Average store size

*This refers to the net addition of stores during the financial year

LiquorShop

Shoprite LiquorShop serves our Shoprite and Usave customers by offering a wide range of accessible and affordable local and international alcoholic beverages, non-alcoholic drinks and barware. Located adjacent to our Shoprite and Usave supermarkets, these stores cater to value-conscious customers without compromising on quality or choice.

This year, the brand continued to expand its presence, with the opening of 45 stores, contributing meaningfully to sales growth of 11.5%.

11.5%	522	150m² - 300m²
Sales growth	Shoprite LiquorShop stores (+45)*	Average store size

Women in Wine, a small enterprise in South Africa fully owned, controlled and managed by a broad base of women, has uncorked a range of wines exclusively available at Shoprite and Shoprite LiquorShop stores nationwide.

Supermarkets RSA continued

Sixty60 | Petshop science | Little Me | Outdoor | UNIQ clothing by Checkers

Digital commerce and adjacent businesses

Sixty60

Sixty60, South Africa's leading on-demand grocery delivery platform, grew sales by 47.7% from a considerable sales base built up since its inception in 2020. Sixty60 had a 26.8% increase in active users, record rates of customer retention and an increase in customer average frequency. This year, we enhanced Sixty60's digital presence, launching a new app and transactional e-commerce website, and we extended our offering of same-day delivery of more than 10 000 general merchandise products from selected Checkers Hyper stores. As part of our vision of evolving into a platform business, we have expanded Sixty60 to include Petshop Science, Little Me and Medirite Plus.

R18.9bn
Sales

694
Sixty60 locations (+155)*

*This refers to the net addition of locations

Our ecosystem strategy is designed to increase our overall share-of-wallet by growing our existing business and leveraging opportunities adjacent to our core business. With this in mind, we have developed several new store concepts that sit within Checkers' operational structure and leverage the Group's logistics and Home Office functionalities, for example, properties, IT, human resources and finance.

Petshop science

In 2021, Checkers opened its first Petshop Science store, a specialist pet store offering a wide range of top pet brands at supermarket prices. Checkers is the first South African supermarket to launch a dedicated pet shop that sells a comprehensive range of specialist pet products (predominately premium pet food) at supermarket prices. By year-end, there were 144 Petshop Science stores.

Checkers Little Me

Leveraging our experience with the baby category within Checkers Hyper, Checkers Little Me, operating from 11 stores, is a destination specialist baby store ranging top baby brands and products including baby formulas, toiletries, nappies and equipment (such as prams, car seats and cots), as well as a limited range of maternity wear.

Checkers Outdoor

With a focus on a recreational lifestyle, Checkers Outdoor launched in April 2022 as a stand-alone specialist store offering premium and affordable camping and braai accessories as well as high-tech gadgets for nature enthusiasts. After opening eight stores this year, we now trade in 28 locations.

UNIQ clothing by Checkers

Addressing what we identified as a gap in the market for quality clothing basics at affordable prices, Uniq clothing by Checkers focuses on simplicity, superior fabrics and great value. Catering for the entire family, Uniq clothing by Checkers opened its first store in March 2023 at Canal Walk shopping centre in Cape Town. Today the chain trades from 30 stores.

In keeping with the Group's commitment to convenience through innovation, Uniq clothing by Checkers is the first local clothing retailer to offer self-service checkout. Using smart tags and advanced radio-frequency identification, customers can scan and pay for their purchases themselves, and this technology also improves stocktaking and inventory control.

Supermarkets RSA continued

SHOPRITE Financial Services | MoneyMarket | Entry Ninja

Financial and cellular services

Many Group customers manage their day-to-day life with extremely limited resources and, as a result, face hardship on several fronts. With this in mind, Shoprite Financial Services prioritises financial inclusion by reducing complexity and focusing on the provision and ongoing development of affordable and accessible financial products and services.

SHOPRITE Financial Services

Our financial services are available in-store at our serviced Money Market counters, with many also available via our digital Money Market Account on any mobile device. Customers can perform a range of necessary services including money transfers (domestic, cross-border and international), cash withdrawals and deposits, the purchase of pre-paid electricity, Lotto tickets, grocery vouchers and gift cards, savings stamps, airtime, mobile data, phones, SIM cards and insurance. In addition, customers can conveniently pay bills and accounts with hundreds of registered businesses including basic utilities such as electricity and municipal accounts, along with other services such as DStv subscriptions. Customers can withdraw their South African government pensions and collect their support grant payouts (SASSA) in cash in-store. Customers with a Shoprite Money Market Account can elect to have these payouts (or their salary or wages) paid directly into their own bank account and from there withdraw cash or transact within our Shoprite ecosystem.

MoneyMarket

Shoprite's recently launched Money Market Account – the first ever transactional bank account offered by a South African retailer and the lowest cost entry-level bank account on the market – already has four million verified customers.

The account allows customers to deposit and withdraw cash at any till point in Shoprite, Checkers and Usave supermarkets nationwide, saving them time and money by avoiding ATM charges. With our bank account there are no monthly fees, and the only transaction fee is a R5 cash withdrawal fee. The account is PIN-protected, and customers can also transact with their Xtra Savings card which doubles up as a payment card. CredX, the credit division, manages the credit offering to suppliers via invoice financing, as well as to customers under the Pay It Off label.

Entry Ninja

The online Entry Ninja platform offers customers the ability to purchase tickets for various outdoor, fitness and sporting events such as running, cycling, hiking and mountain biking.

Supermarkets Non-RSA

The Group operates in seven African countries outside of South Africa, predominantly with our Shoprite, Usave and LiquorShop formats.

This division of the Group's activities focuses primarily on supporting customers with considerable affordability challenges, offering customers in-stock availability and a product range not available across the market. The business works continuously to develop local producers, both as a means of stimulating economic activity in the region and enhancing efficiencies by increasing our in-country sourcing capabilities.

As a result of operating complexity, currency devaluations and prolonged affordability headwinds for our customers due mostly to years of high inflation, we have consolidated our operating footprint on the continent to those regions where we have operational efficiencies and scale. Ghana and Malawi are now classified as discontinued operations.

Our Non-RSA trading segment increased sales in constant currency this year by 14.2%, reflecting excellent operational execution and discipline, despite challenging circumstances.

14.2%	**6.4%**	**8.1%**	**149**	**53**	**45**	**11**	**10**
Sales growth (constant currency)	**sales growth** (ZAR)	**Contribution to Group sales**	**Shoprite stores** (+6)*	**Shoprite LiquorShop stores** (+6)*	**Usave stores**	**Checkers stores** (+1)*	**Checkers LiquorShop stores** (+1)*

* This refers to the net addition of stores during the financial year

Other operating segments

5.2% Sales growth (total)	615 OK Franchise stores (+7)*	18 Medirite Plus stand-alone stores (+5)*
7.4% Contribution to Group sales	122 Medirite in-store counters	

*This refers to the net addition of stores during the financial year

Medirite Pharmacy

Our Medirite pharmacy offering is designed with a strong emphasis on convenience and affordability to meet the growing demand for accessible healthcare across all income levels. Positioned conveniently within our supermarkets, Medirite pharmacy counters are strategically located next to our personal care and baby product sections for easy access and complementary shopping. The expansion of our stand-alone Medirite Plus pharmacies has allowed us to provide a wider range of products while still prioritising fast and friendly service. This creates a truly personalised one-stop health, wellness and beauty destination, making it easier and more affordable for customers to find what they need. This year, we opened five new Medirite Plus pharmacies, bringing our total to 18 and complementing the 122 Medirite counters available in our supermarkets.

Transpharm

Transpharm is the Group's wholesale pharmaceutical distributor, supplying a broad range of pharmaceutical products and surgical equipment to the Group's Medirite and Medirite Plus retail pharmacies, as well as private hospital groups including Mediclinic, Life Healthcare and Netcare. The business has established itself as a key enabler in the healthcare value chain through its consistent service, national footprint and regulatory compliance.

A major milestone in the past year was the successful launch and full migration of customers to Transpharm's proprietary e-commerce platform. This platform has enhanced customer experience by offering a streamlined ordering process, real-time stock visibility and integrated payment functionality, significantly improving operational efficiency and turnaround time.

In a strategic expansion of its logistical capabilities, Transpharm opened a new DC adjacent to the Group's Centurion DC campus. This cutting-edge facility was designed to accommodate increasing volumes and enable faster, more accurate order fulfilment, while supporting the Group's growth ambitions in the healthcare sector. The automation within the new DC represents a major leap forward in logistics capabilities, enhances scalability, reduces manual handling and strengthens cold chain compliance and schedule medication security, ensuring the highest standards of quality and reliability in distribution.

OK Franchise

The OK Franchise supermarket brand is a recognised community-based format catering for all needs including OK Foods, OK Grocer, OK Urban, OK MiniMark, OK Liquor and OK Express (fuel forecourt stores) and OK Megasave (quasi wholesale offering larger quantities). Last year we tested our new, more contemporary convenience OK Urban format to serve as a blueprint to increase this footprint over time. The OK Franchise business is gaining valuable traction, with a total of 537 stores in South Africa and 78 stores in other African countries, and with sales from the Group to our franchised stores increasing by 6.7%.

We anticipate that our franchised stores will continue to benefit from our franchise training academy, insights from the Group's data and analytics capabilities and the increased integration into the Group's ecosystems and platforms. Our support services continue to work closely with our franchised stores to enable them to source as competitively as possible, offer an appropriate mix of national brands and private labels and deliver a leading range of fresh produce on a consistent basis, while offering customers appropriate value-added services.

Computicket

Computicket, the world's first electronic ticket booking system, is the Group's online and call centre ticketing business that specialises in selling tickets for concerts, sports events, theatre performances, flights, accommodation and bus travel. Its services are available in most supermarkets, online and via the call centre.

Last year we completed the re-platforming of Computicket to future-proof our systems and keep us well positioned for the changes in eventing that require online services, while maintaining our ability to serve customers in-store effectively and efficiently. An important feature of the new technology is that it provides greater opportunities for the local entertainment industry, lending itself to the promotion of events in the less formal sector of the industry. It has been pleasing to see the strong uptake in our Computicket Box Office, which provides an easy-to-use self-service platform for event organisers and is available to customers who wish to buy their tickets in-store.

This year, we saw a 1.6% year-on-year growth in ticketing sales for various events, ranging from small gatherings to large-scale productions. The Computicket technology continues to provide opportunities for the local entertainment industry, particularly in the less formal sectors, fostering a thriving environment for diverse events.

06

GOVERNANCE

This section introduces the Group's Board, governance structure and philosophy, and reviews our remuneration policy and practice

TWO NEW MAJOR DISTRIBUTION CENTRES OPENED IN LESS THAN A YEAR

In FY 2025, the Group opened two state-of-the-art DCs in South Africa bringing our total DC footprint to over 900 000 m². In a country battling high unemployment, the Group's 29 DCs are a vital source of job creation, employing approximately 9 187 people in various roles, from warehouse employees to drivers and support staff.

The launch of Riverfields DC in Kempton Park, Gauteng (operational in July 2024) and Wells Estate DC in Gqeberha, Eastern Cape (latter half of 2024) added nearly 192 900 m² to the Group's expanding network. These new DCs follow on from the recent Canelands DC expansion in Kwa-Zulu Natal, in FY 2024.

Riverfields (93 612m²) and Wells Estate (99 288m²), are key to meeting growing customer demand, ensuring access to high-quality and fresher-for-longer food products, and supporting the continued expansion of the Group, which opened 363 new stores in FY 2025.

All DCs have rooftop solar PV installations, expanding the Group's renewable energy network, reducing pressure on the national electricity grid and contributing to our GHG emissions reductions targets.

Our Board

Independent Non-executive Directors

Wendy Lucas-Bull (72)
Chairman
NC SEC FIC

BSc
Appointed: 1 October 2020
Tenure: 5 years

Peter Cooper (69)
RC FIC NC

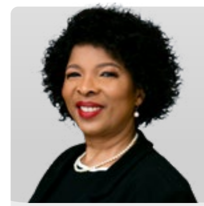
CA(SA), BCom (Hons), HDip Tax Law
Appointed: 11 August 2021
Tenure: 4 years
Directorships: Momentum Group Ltd

Linda de Beer (56)
ARC FIC NC

CA(SA), MCom (Tax), CD(SA)
Appointed: 11 May 2021
Tenure: 4 years
Directorships: Aspen Pharmacare Holdings Ltd, Momentum Group Ltd

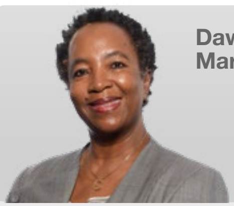
Graham Dempster (70)
ARC FIC

CA(SA), BCom, Advanced Management Programme
Appointed: 15 November 2021
Tenure: 4 years
Directorships: Sun International Ltd



Nonkululeko Gobodo (65)
SEC ARC NC

CA(SA), BCompt (Hons)
Appointed: 11 May 2021
Tenure: 4 years
Directorships: PPC Ltd, Lesaka Technologies Inc



Dawn Marole (65)
SEC

BCom (Acc), MBA, DTE
Appointed: 4 March 2022
Tenure: 3 years
Directorships: Sun International Ltd

Sipho Maseko (57)
ARC FIC

BA (LLB)
Appointed: 27 June 2023
Tenure: 2 years
Directorships: KAP Ltd, ASP Isotopes (UK)

Hlengani Mathebula (58)
RC SEC

BA, BTh (Hons), Master of Management, Entrepreneurship and New Venture Creation, PhD
Appointed: 27 June 2023
Tenure: 2 years
Directorships: Health Professionals Council of SA, Media Development and Diversity Agency

Paul Norman (59)
RC SEC

MA Psych, MBA
Appointed: 4 March 2022
Tenure: 3 years
Directorships: MTN Ltd

Eileen Wilton (66)
ARC SEC

BCom, PGDDB, CD(SA)
Appointed: 11 August 2021
Tenure: 4 years
Directorships: Growthpoint Properties Ltd, Sasfin Holdings Ltd, Sasfin Bank Ltd, Institute of Directors of South Africa

Non-executive Directors

Christo Wiese (84)
FIC RC NC

BA, LLB, DCom (hc)
Appointed: 30 October 1991
Tenure: 34 years
Directorships: Brait PLC, Invicta Holdings Ltd, Collins Property Group Ltd

Jacob Wiese (44)
Alternate Director

BA, (M International Economics), LLB
Appointed: 19 September 2005
Tenure: 20 years
Directorships: Invicta Holdings Ltd, Fairvest Ltd, Collins Property Group Ltd

Executive Directors

Pieter Engelbrecht (56)
Chief Executive Officer

CA(SA), BCompt (Hons)
Appointed: 1 January 2017
Tenure: 8 years

Anton de Bruyn (54)
Chief Financial Officer

CA(SA), BCompt (Hons)
Appointed: 2 July 2018
Tenure: 7 years

Five Board committees

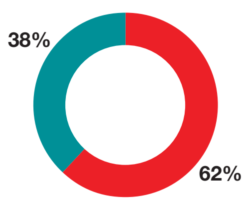
ARC	Audit and Risk Committee
SEC	Social and Ethics Committee
RC	Remuneration Committee
NC	Nomination Committee
FIC	Finance and Investment Committee
◯	Chair of the committee

For a full curriculum vitae of each Director please visit our website at www.shopriteholdings.co.za

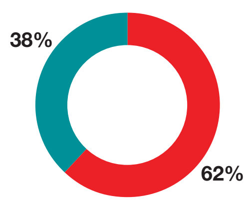
Board diversity profile

Shoprite recognises the benefits of promoting broader diversity at Board level, including diversity of gender, race, culture, age, field of knowledge, skills and experience.

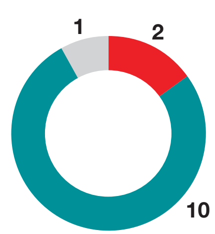
To promote gender diversity, the Board established a target of 40% female representation, and for racial diversity, a target of 40% black representation on the Board.



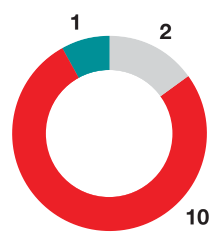
Gender diversity
Target: 40% female
- Female
- Male



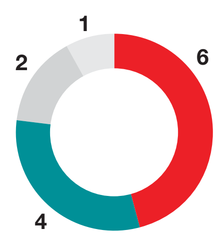
Racial diversity
Target: 40% black
- Black
- White



Board tenure
- Up to 3 years
- 4 years – 8 years
- 9 years or longer



Board independence
- Independent
- Non-executive
- Executive



Age diversity profile
- 50 – 59 years
- 60 – 69 years
- 70 – 79 years
- 80 – 89 years

Board tenure, independence and age reflect number of Directors

Skills relevant for the Shoprite Board

Financial literacy
Advanced experience in financial accounting and reporting, internal financial and risk controls, including the ability to critically assess the adequacy of financial and risk controls.

Investment banking
Experience in corporate finance and/or restructuring, corporate transactions and mergers and acquisitions.

Business leadership
Senior leadership experience in a large, complex organisation or publicly listed company or serving on boards of publicly listed or large companies.

Retail
Retail industry experience at executive level, including experience in or exposure to digital commerce, supply chains and distribution operations in large, complex organisations.

Governance
Knowledge of governance practices and trends, as well as codes of governance. Experience in the implementation and practice of high standards of governance in a publicly listed or large organisation.

Sustainability and ESG
Developing an effective understanding of social and environmental impacts, risks and opportunities, including human rights, climate change and biodiversity to provide oversight on the integration of sustainability strategies in the overall business.

Remuneration and people management
Skilled in the development and implementation of remuneration policy with linkage to performance and value creation, and experience in talent management and executive succession planning.

Strategic thinking
Ability to develop and oversee implementation of successful strategies to achieve sustainable value creation and to critically assess and challenge performance against agreed strategic planning objectives. Clear ability to identify and critically assess strategic opportunities and threats across the value chain.

Technology and digital innovation
Experience in the adoption and implementation of digital technologies, including identification of opportunities to leverage digital technology for business advantage. Understanding the use of data and analytics to enhance performance.

Board skills and experience

Value-enhancing governance

The Group views good governance as an important business enabler and is guided by its commitment to embedding sound governance principles and practices throughout the Group to support value creation and the long-term sustainability of our business. Recognising the interdependent relationship between the Group and its stakeholders, we have adopted a stakeholder-inclusive approach that considers the needs, interests and expectations of stakeholders with the Group's interests over time.

The overall role of the Board of Shoprite Holdings is one of governance and strategic oversight to create sustainable value for its stakeholders, while retaining the flexibility to innovate and adapt rapidly to changing market conditions. This includes the setting, monitoring and review of strategic targets and objectives, and oversight of the Group's performance in terms of the critical role the Group plays in society as a major employer, taxpayer and contributor to transformation and economic growth.

Our governance framework

Our governance framework positions the Board as the custodian of corporate governance. The Board sets the tone and leads the Group ethically and effectively, providing oversight of the business that is guided by the principles and governance objectives articulated in the King IV Principles and JSE Listings Requirements.

The Board is supported by five committees to which it delegates certain functions without abdicating any of its own responsibilities. This process of formal delegation involves documented and approved terms of reference, which are reviewed annually, or more often when required. The Board is satisfied that the delegations in place contribute to role clarity and the effective exercise of authority and responsibilities. Additionally, our governance framework provides oversight of processes, policies and principles.

While alignment across our operating platforms and subsidiaries is encouraged, our approach to governance recognises the separate juristic identity of our various legal entities. The latest approved Board Charter and committees' terms of reference, containing detailed information regarding their respective responsibilities and mandates, are available at www.shopriteholdings.co.za/governance.html. A review of our full application of the King IV Principles is presented in a separate report available on our website at www.shopriteholdings.co.za.

Board composition

The Board, assisted by the Nomination Committee, regularly reviews its composition to balance its skills, expertise, independence and diversity attributes for it to provide effective oversight and well-informed decision-making. The composition of the Board aims to promote the balance of power and authority. The Board acts with independence and its members have the appropriate competencies and experience to execute their fiduciary duties.

New Directors are appointed by the Board on recommendation from the Nomination Committee, which conducts credential assessments of each potential candidate. Several factors, including the candidate's qualifications and skills, are considered in appointing new Board members. Their appointments are subject to shareholder approval at the AGM following their appointment by the Board. Pursuant to our Memorandum of Incorporation, one-third of Directors are required to retire at each AGM; if eligible and available for re-election they are put forward for re-election by shareholders. The Directors due to retire at the next AGM are Linda de Beer, Hlengani Mathebula, Paul Norman and Christo Wiese. They are all eligible and have offered themselves for re-election.

Independence of Directors

The Group is governed by a unitary Board of Directors, which consists of 13 Directors – of which 10 Non-executive Directors were assessed as being independent for 2025. In determining Director independence, we are guided by King IV, the Companies Act and JSE Listings Requirements, as well as best practice.

Directors are required to declare their interests at least quarterly and disclose any conflicts of interest, as and when they arise, to determine the extent to which the conflict may impact the performance of their duties. A Declaration of Interest register is maintained by the Company Secretary and any new interest or potential conflict is declared at each meeting. Once a conflict has been disclosed, it is managed appropriately by the Board.

Directors' dealings in securities and closed periods

In accordance with statutory and regulatory requirements, Directors and any restricted employees may not deal directly or indirectly in the securities of the company during specific closed or prohibited periods. All Directors and the Company Secretary require prior approval from the Chairman to deal in the company's securities.

The Chairman of the Board must obtain written approval from the Nomination Committee. The Directors of major subsidiaries of the company must obtain written approval from the CEO before dealing in Shoprite Holdings Limited securities. The Company Secretary retains a record of all such dealings in securities, which are appropriately announced on the JSE's SENS.

Board and committee effectiveness

An evaluation of the Board, its committees and individual directors is conducted every two years, with an independent evaluation conducted every four years by an external service provider. The Board and committees underwent an internal evaluation in 2024, with an independent evaluation to be conducted in 2026.

Other aspects of Board effectiveness include a robust induction programme that all new Directors are required to complete to become familiar with the company, their duties and responsibilities as Directors and receive information required to be effective in their role.

The Board provides continuing professional education and development for Directors, which covers topics relevant to the operations of the company, industry and regulatory environment and includes site visits and deep-dive sessions. During the year, the Board focused on the topics of Directors' conflicts of interest and global and local sustainability challenges, trends, best practice and regulatory requirements.

Directors' time commitments and external appointments

The Board recognises the benefits of wider boardroom exposure for Directors. However, the number of external appointments held by each Director is monitored, with the aim of providing Directors with sufficient time to effectively discharge their duties and responsibilities, taking into consideration shareholder advisory companies' guidelines on overboarding.

When considering new appointments, the Nomination Committee takes account of other demands on a potential Director's time and significant commitments are required to be disclosed prior to appointment. For existing Directors, any additional external appointment requires prior approval from the Chairman of the Board to provide Directors with sufficient time to dedicate to the Company's affairs. In the case of the Chairman and CEO, any additional directorships must be approved by the Board as recommended by the Nomination Committee.

Details of the Directors' external appointments can be found on page 68 of this report.

Company Secretary

The Company Secretary is responsible for developing, implementing and maintaining effective governance processes and procedures to support the Board and its committees in the discharge of their duties and responsibilities.
The Company Secretary advises the Board and individual Directors on their fiduciary duties and on corporate governance requirements and best practices.

Leeanne Goliath was appointed as Group Company Secretary with effect from 1 January 2024. Leeanne has experience as a Company Secretary and in corporate governance and securities and exchange regulatory requirements applicable in South Africa and other jurisdictions. This experience was gained during her tenure employed in regulated and listed companies. Leeanne holds BCom and MBA degrees as well as certificates for the Management Advanced Programme and in Advanced Company Law. The Board is of the view that Leeanne has the necessary expertise and experience to act in this role, in accordance with the JSE Listings Requirements.

Value-enhancing governance continued

Board and Committee mandates and focus areas

Shoprite Group Board

Wendy Lucas-Bull
Chairman

Mandate: Provides strategic leadership and oversight of the Group's strategic direction for the long-term growth and sustainability of the business. This includes the approval of strategic targets and objectives, and oversight of governance and risk management.

Focus areas for 2025

Approved

- FY 2024 annual financial results and FY 2025 interim results, and going concern statement, as recommended by the Audit and Risk Committee
- Final and interim dividend declarations, and solvency and liquidity assessments
- Group budget for FY 2025
- Group strategy and strategic activities
- Financial targets for FY 2025
- Group's suite of annual reports and notice of AGM for 2024
- Renewal of banking facilities and guarantees
- Changes to Board committees

Considered

- Results of the 2024 Board evaluation
- Directors proposed for re-election to the Board and nominated for appointment to the Audit and Risk Committee at the AGM for 2024

Focus areas for 2026

- Oversee the execution of the Group's strategic priorities and activities aimed at driving long-term growth and sustainability, while exploring new ventures and adapting to changes in the external environment
- Ongoing monitoring of Board governance and effectiveness

Audit and Risk Committee

Linda de Beer
Chairman

Mandate: Oversees the integrity of the Group's financial and integrated reporting, audits and the effectiveness and efficiency of the internal control environment. This includes oversight of the Group's internal audit, risk and compliance functions, as well as responsibility for information and technology governance, which encompasses information security and cyber risk. Additionally, the Committee is responsible for the appointment, assessment of effectiveness and independence, and compensation of the Group external auditor and Group Audit Executive.

Focus areas for 2025

In addition to its roles and responsibilities, as outlined in the Terms of Reference, the Committee focused on the following matters in 2025:

- The Group's ongoing activities to enhance its defence against cyber security threats, including its third-party service providers
- Monitoring the seamless transition to the recently appointed Chief Technology Officer, with attention to an enhanced technology strategy, particularly regarding the modernisation and phasing out of outdated technology, addressing technical debt, and executing critical business projects and programmes in support of the Group's strategy
- In depth consideration of the application of AI across the business and the implementation of safeguards to maintain and support the integrity of information
- Continuation of the Committee's multi-year focus on the modernisation of the internal audit function to establish a more robust risk-based approach, concentrating on the Group's core risks, while capitalising on the benefits of combined assurance through various other assurance providers and functions
- Consideration of several specific technical accounting matters relating to financial reporting, particularly concerning strategic activities associated with acquisitions and disposals, as well as the JSE Proactive Monitoring report.
- With it being the second year following audit rotation to EY, careful attention was given to addressing initial challenges and building an unfettered line of communication between the Committee and auditor
- With respect to risk and compliance governance, focus was directed towards security and loss prevention, business continuity of DCs and compliance with relevant legislation, such as the Financial Intelligence Centre Act and Protection of Personal Information Act

Focus areas for 2026

The Committee's focus for the 2026 financial year will include:

- Oversight of information security and cyber defence activities on the one hand, and the implementation of the Group's digital and technology strategy on the other hand; this includes the modernisation and phasing out of outdated technology and executing critical business projects and programmes
- Continuation of the Committee's multi-year focus on the modernisation of the internal audit function to establish a more robust risk-based approach, concentrating on the Group's core risks while capitalising on the benefits of combined assurance through various other assurance providers and functions
- With respect to risk and compliance governance, focus will continue on building a combined assurance model for core Group risks and establishing a strong compliance framework

Value-enhancing governance continued

Social and Ethics Committee

Mandate: Oversees the Group's performance as a responsible corporate citizen and monitors the management of its material social and environmental sustainability impact, public health and safety, ethical conduct, transformation, labour and employment matters and stakeholder engagement. Oversees the integrity of the Sustainability Report.

Nonkululeko Gobodo
Chairman

Focus areas for 2025

- Reviewed the Ethics Framework and policy aimed at entrenching an ethics culture throughout the Group
- Held a deep dive on the business ethics element of the S&P Global Corporate Sustainability Assessment
- Monitored the Group's performance against its employment equity and transformation plans and targets
- Monitored progress on diversity and inclusion strategy and workplans
- Considered whether the Group's principles and practices aligned with fair and equitable pay practices, including the strategy to address any discrepancies
- Reviewed and recommended the 2025 ESG measures and targets for incentive schemes to the Remuneration Committee for approval
- Reviewed and recommended the 2024 Sustainability Report to the Board for approval
- Deep dive into safety statistics and activities related to the Checkers Sixty60 drivers
- Considered developments in relation to stakeholder engagement plans and activities, specifically relating to employees, suppliers and government
- Conducted site visits in relation to food safety and quality assurance testing, occupational health and safety compliance, food safety compliance and staff awareness and e-learning activities in stores
- Deep dive into the store audit scoring systems for food safety
- Approved the Enterprise Food Governance Framework

Focus areas for 2026

- Oversee the implementation of the sustainability strategy and the management of the Group's social and sustainability-related impacts, as well as ESG performance and disclosures, in reference to international standards and frameworks
- Monitor engagement with relevant stakeholder groups that are either affected by the Group's activities or that have a direct bearing on the Group's ability to create value and deliver on its purpose
- Maintain continued focus on progress towards the Group's employment equity plans and transformation targets, as well as progress on the Equity and Diversity strategy

Remuneration Committee

Mandate: Oversees and guides the Group's remuneration strategy that is fair, responsible, and aligned with sustainable value creation over the short, medium, and long term. Oversees the integrity and transparency of remuneration disclosures. Evaluates the appropriateness of performance criteria and targets linked to variable pay, assessing their alignment with the Group's strategic objectives and their effectiveness in driving long-term shareholder value.

Peter Cooper
Chairman

Focus areas for 2025

- Considered the Group's fair and equitable pay practices in respect of gender and race
- Monitored the performance against annual incentive scheme targets
- Considered the impact on remuneration practices and disclosures of the proposed remuneration provisions contained in the Companies Amendment Act
- Approved the various incentive scheme measures and targets for FY 2025
- Considered feedback from shareholder engagements on remuneration practices and activities to address concerns raised.
- Approved FY 2025 management salary increases
- Taking shareholder feedback into consideration, the performance measures and weightings in the Executive Share Plan (ESP) are being adjusted for FY 2026, resulting in overall weightings of Financial 80% and Non-Financial 20%, giving a stronger alignment with shareholders

Focus areas for 2026

- Consider the Group's analysis of fair and equitable pay for gender and race and monitor actions to address any areas of concern
- Monitor developments in relation to fair pay as well as disclosure requirements and oversee the proactive preparation in anticipation of the remuneration provisions being brought into effect
- Approve FY 2026 management salary increases
- Discuss retention challenges due to external poaching of executive talent and approve pro-active countermeasures
- Initiate the development of a post-retirement contract framework for key skilled employees
- Review long term incentive structures
- Assess the continued appropriateness of the current peer group

Nomination Committee

Mandate: Assists with ensuring the Board's composition and size are appropriate, oversees the performance evaluation of the Board and its committees, as well as the independence assessment, qualification and competence of the Company Secretary. Identifies, assesses and recommends candidates for appointment to the Board, in line with succession plans for the Board and Board diversity policies.

Wendy Lucas-Bull
Chairman

Focus areas for 2025

- Reviewed and approved the questionnaires for the 2024 Board and committee internal evaluation
- Recommended changes to committees to the Board for approval
- Nomination of Audit and Risk Committee members recommended to the Board for approval at the 2024 AGM
- Reviewed executive leadership development and succession plans
- Actioned areas requiring attention from the 2024 internal Board evaluation
- Considered and recommended various governance policies within its mandate to the Board for approval

Focus areas for 2026

- Proactively manage Board succession and the composition of the Board and committees, taking into consideration the Board's diversity targets
- Facilitate the 2026 independent Board and committee evaluations and implement identified areas of improvement
- Monitor developments in corporate governance and regulatory practices
- Continue focus on executive leadership development and succession planning

Value-enhancing governance continued

Finance and Investment Committee

Mandate: Oversees major investments, disposals and acquisitions in line with Group strategy, capital allocation and project and investment evaluation guidelines.

Christo Wiese
Chairman

Focus areas for 2025

- Reviewed and recommended the Group budget for FY 2025 and business plans to the Board for approval
- Considered and recommended the financial performance measures and targets for the various incentive schemes for FY 2025 to the Remuneration Committee for approval
- Reviewed and approved various material new investments and lease agreements
- Considered and approved the disposal of the Group's Furniture business

Focus areas for 2026

- Assess new business opportunities in line with strategic objectives
- Sale of businesses in Africa
- Capital allocation to continue supporting the achievement of strategic objectives

Board and committee meeting attendance

	Board (5)	Audit and Risk (6)	Social and Ethics (3)	Remuneration (3)	Nomination (2)	Finance and Investment (5)
	4 Standing meetings + 1 Strategy meeting	4 Standing meetings + 2 Special meetings				2 Standing meetings + 3 Special meetings
Wendy Lucas-Bull	5	6[1]	3	3[1]	2	5
Peter Cooper	5	N/A	N/A	3	2	5
Linda de Beer	5	6	N/A	N/A	1 [2]	5
Anton de Bruyn	5	N/A	3	N/A	N/A	N/A
Graham Dempster	5	6	N/A	N/A	N/A	5
Pieter Engelbrecht	5	N/A	N/A	N/A	N/A	N/A
Nonkululeko Gobodo	5	6	3	N/A	2	N/A
Dawn Marole	5	N/A	3	N/A	N/A	N/A
Sipho Maseko	3	2 [2]	N/A	N/A	N/A	4
Hlengani Mathebula	5	N/A	3	2 [2]	N/A	N/A
Paul Norman	5	N/A	3	3	N/A	N/A
Christo Wiese	4	N/A	N/A	3	2	4[3]
Eileen Wilton	5	6	3	N/A	N/A	N/A

1. *While not a member, W Lucas-Bull attended all meetings of the Audit and Risk Committee and Remuneration Committee by invitation.*
2. *Committee appointments on 29 August 2024:*
 - L de Beer to the Nomination Committee
 - S Maseko to the Audit and Risk Committee
 - H Mathebula to the Remuneration Committee
3. *Due to a conflict of interest, C Wiese recused himself from one meeting of the Finance and Investment Committee.*

Value-enhancing governance continued

Oversight of an ethical culture

The Board is uncompromising in exercising its oversight of management's activities to foster an ethical culture across the Group. It has mandated the Audit and Risk Committee and the Social and Ethics Committee to monitor and oversee ethics management and the fight against fraud and corruption. The committees oversee whether relevant policies are embedded and revised where necessary. We have a zero-tolerance approach to corruption and unethical behaviour and will always act in good faith and as a responsible corporate citizen.

The Social and Ethics Committee's role in promoting an ethical culture in the Group and providing oversight of the Group's efforts to embed an ethical culture is supported by our Code of Conduct. The code meets the requirements of the King IV Code and is supported by the Ethics Framework and policies intended to embed an ethical culture, avoid conflicts of interest and protect whistleblowers. These policies cover anti-bribery, corruption and fraud prevention and detection, and training modules have been developed to drive employee awareness and compliance.

The Group has formalised its position on human rights. We have reviewed our policy on sexual harassment to include broader aspects around good workplace practices, aligned with the South African Government's Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace.

Calls to our whistleblower line in FY 2025

Our employees are committed to reporting any suspected breaches of our Code of Conduct, recognising their duty in maintaining ethical standards. To support this, we have a well-established process, managed by an experienced investigation team within our Security and Loss Prevention department, which investigates and manages cases anonymously reported to our external provider, Active Service Excellence South Africa (ASESA).

This year, 517 calls were made to our whistle-blowing line, representing a 8.8% increase year-on-year. Most of the calls related to human resource matters, irregularities regarding company policies, identification of external persons of interest in robberies, and theft. Of these, 14% of the calls were found to have merit, prompting action from our Security and Loss Prevention department to respond to breaches of our Code of Conduct or to report cases to the South African Police Service, while 12% of calls are still under investigation.

Engagement on regulatory and policy matters

In accordance with our policy on donations and sponsorships (available at www.shopriteholdings.co.za/contactus/donations-and-sponsorships.html) we do not provide funding or in-kind contributions to any political organisation in any of the countries in which we operate.

On specific legislative and policy issues impacting the company, we engage with regulators and policymakers primarily through our participation in the CGCSA. The CGCSA represents over 9 000 member companies in the consumer goods, retail and services sectors, providing a leading industry platform for advocacy, collaboration and best practice in South Africa and across Africa. The Shoprite Group is a paid-up member of the CGCSA, with an annual membership fee of R1.6 million.

Recent advocacy and lobbying activities undertaken by the CGCSA include engagements on the National Health Insurance Bill, the National Minimum Wage, Draft Regulations Relating to the Labelling and Advertising of Foodstuffs, the Draft Rates Bill and the Tobacco Products Bills. Through our participation in the CGCSA's Food Safety and Sustainability pillars, we are collaborating to minimise food loss and waste, and to support the manufacture of, and facilitate access to, foods and non-alcoholic beverages that contribute to a healthy diet and lifestyle.

In addition to our CGCSA membership, we are members of the WWF Business Network (annual fee of R66 701), WWF-SASSI (annual fee of R119 000) and Aware.Org (we are an associate member with an annual fee of R61 900), where we are collaborating to develop more strategic and innovative solutions to environmental and social challenges.

Value-enhancing governance continued

Tax governance

Our Group Tax Risk Management Policy outlines the Group's tax strategy and the fundamental principles applied to tax management across the Group. In applying this policy, we aim to achieve the following objectives:

- To pay the correct amount of tax
- To make sure that no aggressive tax positions are taken which present a material risk of an adverse finding in court or which can cause damage to our corporate reputation
- To submit and file all tax returns on time
- To identify and quantify risks and potential tax exposures as they arise and report to the correct level of assurance as stipulated in the Shoprite Group Enterprise Risk Management Framework
- To resolve queries and disputes from tax authorities timeously

Transfer pricing is applied to cross-border transactions between Group companies to ensure that transactions take place at arm's length. The transfer pricing policy aligns with local legislation in each jurisdiction where the Shoprite Group has a presence. Most jurisdictions follow the internally accepted Organisation for Economic Cooperation and Development (OECD) Guidelines on transfer pricing which mandates the "arm's length principle" in cross-border related party transactions.

The Shoprite Group manages its tax risks in a manner intended to comply with applicable tax legislation and reporting requirements. To improve tax compliance, the Group utilises a range of software tools and will continue to invest in tax compliance solutions. Various internal financial controls are applied to confirm the completeness and accuracy of tax calculations. In addition, the external auditors review the tax calculations of the various Group companies. To stay abreast of the latest developments in tax law, the Group subscribes to several publications.

The Group manages and reports on its effective tax rate in line with IFRS. Effective tax rates are reviewed quarterly, and significant deviations are investigated and reported.

Our tax contributions have significant economic and social impacts in the jurisdictions and communities we serve	FY 2025
Total ZAR value paid in taxes	R12.5 billion
Profit taxes	R3.2 billion
Property taxes	R40 million
Product and services taxes	R6.6 billion
Planet taxes e.g. air passenger tax	R0.2 million
People taxes[1]	R2.6 billion
ZAR amount collected through product, services and profit taxes on behalf of government	R5.5 billion
Employment Tax Incentive scheme: ZAR amount claimed for qualifying employees	R261 million
Employment Tax Incentive scheme: Average number of qualifying employees	30 119

[1] *Skills development levy, Unemployment Insurance Fund levy, Occupational injuries and disease levy, Pay-as-you-earn*

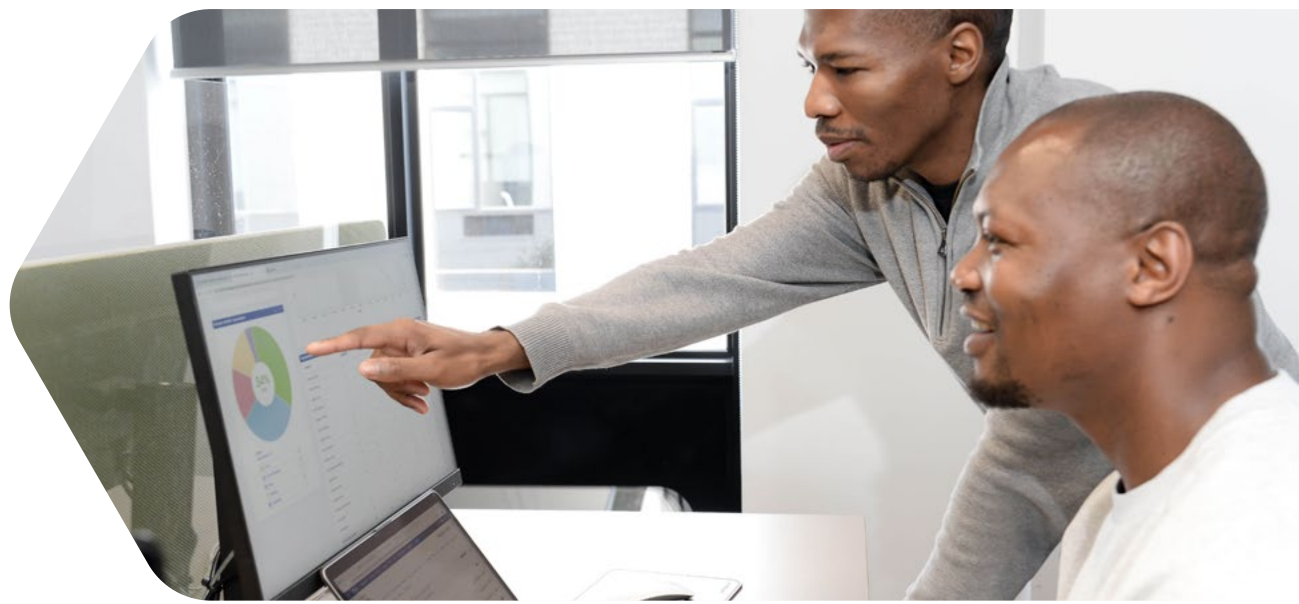
Information and technology governance

As a value enabler for the Group's retail services and offerings, information and technology is fundamental to realising the Group's strategy.

The Group recognises the importance of managing its information and technology assets in a manner that maximises their value and appropriately addresses risk. The Group's approach to information and technology governance is founded on the three principles of partnership, active design and transparency, aimed at assisting the Group to discharge its responsibility to act in the best interests of the Group and all its stakeholders and to align our governance practices with applicable law and industry-leading practices.

Under the independent oversight of the Group's Audit and Risk Committee, the Group's Chief Technology Officer (CTO) acts as custodian of all information and technology assets. Empowered by a Board-sanctioned Information and Technology Charter, the CTO is mandated to require the responsible use of these assets through the establishment of:

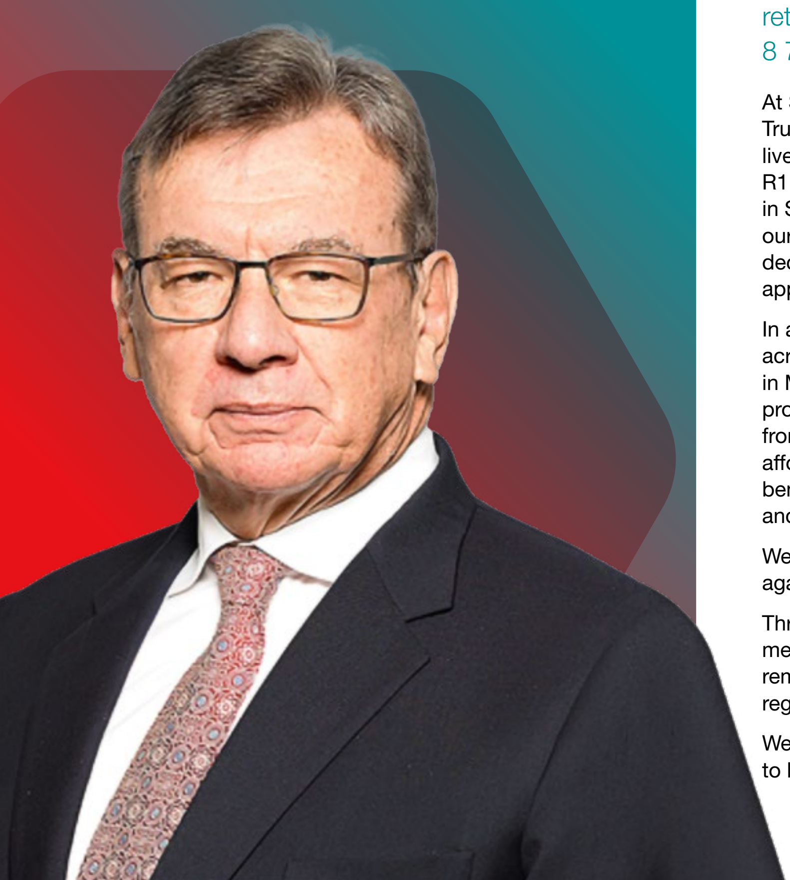
- A value-driven culture that drives the concept of responsible use and fosters ownership, accountability, integrity, transparency and collaboration
- An internal control framework that provides an interoperative, integrated and cohesive channel through which service delivery is enabled, and stays abreast of technology, business and industry developments
- Assurance mechanisms that provide regular comfort to various stakeholders (including the Audit and Risk Committee) that the Group's information and technology assets are responsibly used and well governed



Remuneration report

PART 1 Message from our Remuneration Committee Chairman

Peter Cooper
Chairman of the Remuneration Committee



Dear stakeholder,

On behalf of the Board, I am pleased to present the Group's Remuneration Policy and Implementation Report for FY 2025.

As South Africa's largest private sector employer, we remain committed to being a net creator of jobs. Despite the challenging economic climate and persistently high unemployment levels, we are proud to report that no retrenchments were actioned during the financial year and 8 723 new jobs were created.

At Shoprite, our people are our greatest asset. The Shoprite Employee Trust (SET) was established in May 2022 to financially improve the lives of our employees. By 1 October 2025, the Group surpassed R1 billion in payouts to eligible employees, including Trust beneficiaries in South Africa and equivalent cash payments to employees across our African operations. The distributions are aligned with the dividend declared to the Group's shareholders, reinforcing our inclusive approach to value sharing.

In addition to existing staff discounts offered on all retail products across the Shoprite ecosystem, the Group introduced Xtra Discounts in March 2025 to further support employee well-being. This offering provides employees with access to a range of exclusive discounts from providers outside the Group, making everyday purchases more affordable and rewarding. We believe that, over time, the financial benefits of these offerings will positively impact our employees' lives and contribute to improved retention.

We are proud to have been awarded Top Employer 2025 status once again, in recognition of our continued excellence in people practices.

Throughout the 2025 financial year, the Remuneration Committee met regularly to fulfil its mandate, with a strong focus on executive remuneration, incentive scheme outcomes, policy oversight and regulatory compliance.

We thank you for your continued support and partnership as we strive to build a more inclusive and resilient organisation.

Highlights

- **ESG** included in performance measures
- Variable incentive schemes are **performance based**
- Executive Deferred Incentives (EDI) and Executive Share Plans (ESP) are **share based**
- Introduced Xtra Discounts, providing employees with access to a range of exclusive discounts
- Surpassed **R1bn in payouts** to Shoprite Employee Trust beneficiaries and equivalent distributions to eligible employees in Africa
- General workforce **pay increases higher than management** increases in each of the last six years
- South Africa's **largest** private sector employer

Top Employer South Africa 2025 — For a better world of work

PART 1 **Remuneration report** continued

Key activities undertaken in FY 2025 included:

- **Approval of FY 2024 incentive outcomes:**
  - Approved the Short-term Incentive (STI) and Executive Deferred Incentive (EDI) performance achievement for senior executives at 97% and the Group-wide STI bonus pool of R1.233 billion.
  - Approved the vesting outcome of 99.1% for the September 2021 Executive Share Plan (ESP) award.
- **Setting FY 2025 incentive targets:**
  - Approved performance measures and targets for the FY 2025 STI, EDI and FY 2025 to FY 2027 ESP schemes. These included financial metrics (such as trading profit and EBITDA margin) and non-financial metrics (such as renewable energy contribution, recycling and sustainable packaging).
- **Annual increases and wage adjustments:**
  - Approved FY 2026 management salary increases, including a 5.5% increase for South African management. The increase was approved taking inflation and the high cost of living into consideration. In the 12 months leading up to April 2025, South African food inflation, as measured by the Consumer Price Index (CPI) for food and non-alcoholic beverages, was 4.0%. High-use household goods, however, measured much higher than the average, including for maize meal (+13.1%), samp (+20.0%), and fruit and vegetables (+4.9% to 11.1%).
  - Approved alignment with the revised national minimum wage from R27.58 to R28.79 per hour and noted an 8% wage increase for existing employees as per SACCAWU agreement, effective 1 May 2025.
- **Responding to shareholder feedback:**
  - Following the AGM, where less than 75% of shareholders approved the Remuneration Policy and Implementation Report, we extended an invitation for engagement. We proactively initiated discussions with key shareholders to address their concerns and gather feedback.
- **Fair pay and governance readiness:**
  - Oversaw continued progress on fair pay analysis in anticipation of Section 30B of the Companies Amendment Act.
  - Monitored progress of a job evaluation review conducted across the Group to support underlying data for fair pay evaluations.
  - Confirmed the intention to align the remuneration policy disclosure with new statutory disclosure requirements.
- **Retention and talent risk:**
  - Discussed retention challenges due to external poaching of executive talent.
  - Initiated the development of a post-retirement contract framework for key skilled employees.
- **Non-executive Director (NED) fees:**
  - Recommended a 6% increase in NED fees (aligned to management increases for FY 2024) from 1 November 2024 onwards. This was approved by shareholders at the AGM.
- **Remuneration report oversight:**
  - Reviewed and approved Remuneration policy.
  - Considered disclosure strategies for new regulatory requirements, including fair pay ratios and wage-gap reporting.

Key performance and strategic highlights in FY 2025

Achievement of financial measures

2025 sales growth up 8.9% to	2025 trading profit	2025 EBITDA margin
▲ R252.7bn **(target 9.7% sales growth)**	R14 951m **(target R14 680m)**	9.4% **(target 8.7%)**

Adjusted DHEPS three-year CAGR growth	2025 Adjusted ROIC	2025 inventory to sales ratio
▲ 10.6% **(target 7.2%)**	19.4% **(target 16.5%)**	11.8% **(target 12%)**

Achievement of ESG targets

Renewable energy	Sustainable packaging - total private label (% reusable, recyclable or compostable)	Sustainable packaging - total private label (% recycled content)
7.2% **(target 6.5%)**	92.6% **(target 90.0%)**	42.2% **(target 40.0%)**

Waste: cardboard recycling	Waste: plastic recycling
8.1% **(target 4.0%)**	17.2% **(target 4.0%)**

Plastic recycling exceeded the 4% target, achieving 17.2%, largely due to higher-than-expected contributions from two newly operational distribution centres.

Achievement of Employment Equity targets*

Top management	Senior management	Middle management
36.6% **(target 40.1%)**	71.4% **(target 70.0%)**	84.2% **(target 83.0%)**

** Weighted average of Shoprite, Checkers, Transpharm and Freshmark. For more information see* *Page 101*

PART 1

Remuneration report continued

Remuneration Committee decisions

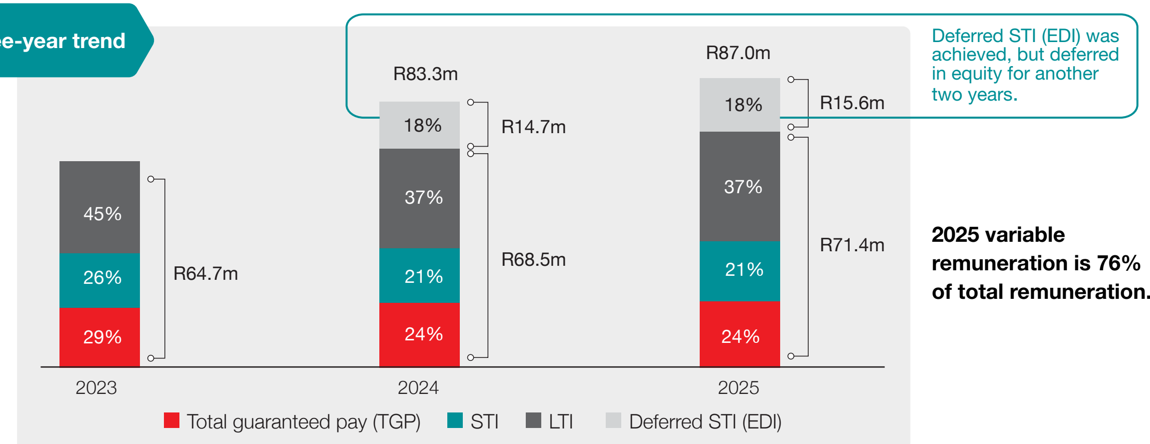
Despite the volatility and unpredictability of our operating environment, we believe that many opportunities lie ahead for the Group; we have therefore taken the following decisions for FY 2026:

- We will continue to assess and moderate our fair pay practices and the disclosure thereof.
- We will mandate management to enter into negotiations with the intention to align on another three-year agreement with SACCAWU, providing certainty both to our employees and shareholders.
- Taking shareholder feedback into consideration, we are adjusting the performance measures and weightings in the ESP for FY 2026. Adjusted ROIC and adjusted diluted headline earnings per share (DHEPS) as performance measures will both carry a weighting of 40.0%, demonstrating equal importance in long-term sustained growth. Having now been operationalised, succession planning, in the form of leadership development, will fall away as a non-financial measure, resulting in overall weightings of financial 80% and non-financial 20%, giving a strong alignment with shareholders.
- With the Group becoming a multi-brand platform business operating at scale, we will re-evaluate our comparator group used for remuneration benchmarking to ensure it remains relevant.
- In line with our remuneration philosophy to reward performance, we will evaluate the design of our long-term incentive structure to ensure it supports continued growth.

Key performance and strategic highlights in FY 2025

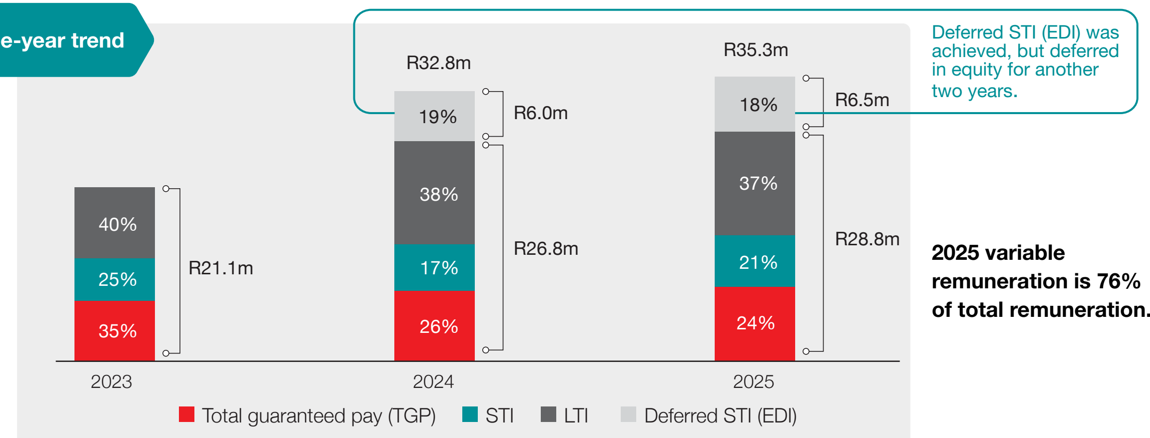
The tables below detail executive remuneration outcomes and demonstrate our strong performance-reward link, emphasising the high portion of variable pay.

CEO three-year trend



2025 variable remuneration is 76% of total remuneration.

CFO three-year trend



2025 variable remuneration is 76% of total remuneration.

Total remuneration represents single-figure.

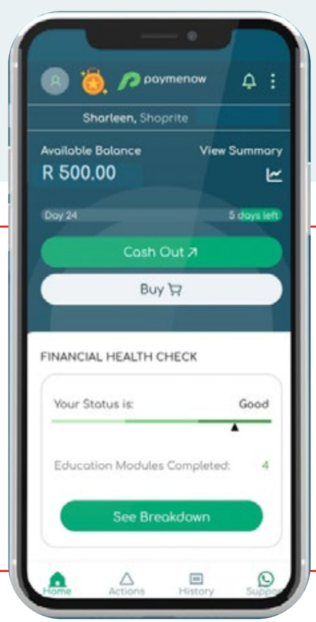
The rise in remuneration in FY 2024 was a result of the introduction of EDI. Despite deferral for two years until vesting, the achieved amount was included in the single-figure reporting because performance has been tested and achieved. The increase is also affected by a share appreciation of 46% in the long-term incentive (LTI) from an award price of R184.96 in September 2020 to R270.40 in June 2024, demonstrating the strong link between performance and reward, as well as alignment with shareholders.

PART 1

Remuneration report continued

Policy enhancements for FY 2026

- ESP Weighting Adjusted: Adjusted ROIC and Adjusted DHEPS are now equally weighted at 40% each. To ensure a better understanding of ROIC excluding IFRS 16, the performance measure will be named Adjusted ROIC. Consistent with prior years, adjusted ROIC excludes IFRS 16, but includes the actual cost of lease payments.
- The removal of Succession Planning, which has now been operationalised in the form of Leadership Development, has resulted in the overall weightings of financial 80% and non-financial 20%, giving a strong alignment with shareholders.
- ESG integration: Environmental key performance indicators (KPIs) retained in STI/EDI; further enhancements under review.



Progress on our remuneration journey

Below we discuss our progress during FY 2025 and key focus areas for FY 2026.

Focus Area	Progress made during the year	Decisions being implemented in FY 2026 and areas of focus
Fair pay	General staff continued to receive higher increase percentages when compared to management. In addition, we conducted an external analysis of fair pay.	The Group will embark on a process of developing internal Shoprite pay scales to further enhance the governance around fair pay practices.
Wage negotiations for bargaining-unit employees	We are in the last year of the existing three-year agreement.	The Group aims to secure a multi-year agreement as in previous cycles to enable effective budget planning and support fair pay. This will further provide certainty and security to employees.
Remuneration report disclosure	We enhanced disclosure of variable pay structures, metrics and targets.	We remain committed to enhancing and consistently providing annual comprehensive disclosure regarding our remuneration practices.
STI criteria	We evaluated performance measures and targets for Group STI and EDI and adjusted these to support strategic objectives.	We continuously evaluate STI performance metrics to ensure continued alignment to the business strategy. We will continue to improve disclosures of STI and EDI targets.
LTI weighting, metrics and targets	Succession planning as a performance measure in the ESP was removed. The committee is comfortable with the progress the Group made on succession planning and that the execution thereof became operational. The weightings for adjusted ROIC and adjusted DHEPS three-year compound annual growth rate (CAGR) will both carry an increased equal weighting of 40% from FY 2026, demonstrating equal and significant importance in long-term sustained growth. Greater transparency is being provided on target disclosures. Employment equity remains a non-financial performance measure with a weighting of 20%.	We will review ESP design to support continued growth.
Employee benefits	The Group introduced an employee-exclusive programme called Xtra Discounts through which employees are able to access exclusive discounts from providers outside the Group for everyday purchases and make living more affordable and rewarding. This is in addition to the existing staff discount on all retail products across the Shoprite ecosystem. In response to the rising cost of living and the financial unpredictability many employees face, the Group has partnered with Paymenow to introduce a benefit that provides employees with interest-free access to a portion of their earned salary before payday.	We continue to maintain our focus on enhancing employee benefits and value proposition to our employees.

PART 1

Remuneration report continued

Shareholder engagement activities

The table below provides key themes and responses from our direct engagement with key institutional shareholders and proxy advisor submissions.

Key themes and responses

Theme	Matters raised by shareholders	Company response
Executive remuneration	CEO single figure amount (R83.3m) in FY 2024	**Single-figure remuneration in FY 2024 included the following elements:** • **Strong performance delivery:** Recognition of robust performance against the ESP targets set in FY 2021 for the three-year period ending FY 2024, complemented by significant share price appreciation over the same period. • **Deferred STI:** Implementation of a deferred short-term incentive, as introduced to shareholders in FY 2023 and enacted in FY 2024. The entire incentive is reported in FY 2024, but is subject to 100% deferral, with payment scheduled for FY 2026. • 76% of the CEO pay is performance-linked.
	Size of Executive Super Stretch Incentive (ESSI) award (Interpreted as a value of 7.4 X Total Guaranteed Package (TGP))	**Executive Super Stretch Incentive (ESSI)** • The ESSI is a once-off long-term award designed to recognise exceptional outperformance. It is a share appreciation right linked to the **appreciation** of Shoprite Holdings' share price over a defined performance period from October 2023 to October 2026. • The CEO was granted 640 000 share appreciation rights at a strike price of R235.63. • For illustrative purposes, if the share price reaches R281.39 by October 2026, the share price appreciation would be R45.76 per unit (R281.39 – R235.63). • Assuming full achievement of performance conditions, this would result in a **potential** value of approximately R29.3 million (640 000 units × R45.76). • This equates to approximately one times TGP and not seven times. • The award is subject to two equally weighted performance conditions: – Market share gain – Relative Total Shareholder Return (TSR). • Each condition is assessed independently on an all-or-nothing basis. If a target is not met, the corresponding 50% portion of the award will be forfeited.
	Rationale for benchmarking executive pay at upper quartile of market	The roles of CEO and CFO in large retail organisations are widely regarded as scarce and strategically critical, given the leadership demands and operational complexity involved. Benchmarking for these positions is conducted against companies of comparable size and complexity, referred to as the Shoprite peer group and reflected on page 88. As the largest retailer in Africa, Shoprite's scale and market leadership support benchmarking remuneration at the upper quartile for these key executive roles.
Transparency and disclosure	Prospective disclosure of STI/LTI targets	**Disclosure and Structure of Incentive Targets** • **STI and EDI:** All STI and EDI performance targets will be disclosed on a forward-looking basis, with the exception of trading profit and sales growth targets. These two metrics are disclosed retrospectively to safeguard commercially sensitive information. • **LTI Targets:** Financial performance targets under the LTI are set **relative to the company's Weighted Average Cost of Capital (WACC)** and **Consumer Price Index (CPI)**. While these are disclosed on a relative basis, **detailed clarification on the measurement methodology is provided** to ensure transparency. • **Non-Financial Targets:** All non-financial performance targets will be **fully disclosed on a forward-looking basis.**
	Clarification on EDI classification as STI deferral	• The EDI is the deferral of Group STI and linked to the same performance criteria as the Group STI. EDI is subject to 100% deferral in shares for a two-year period after performance achievement. EDI will be forfeited should the employee resign before vesting date. It is also subject to Malus and Clawback.
Performance metrics	Absence of environmental metrics in LTI	Environmental KPIs are embedded in STI and EDI (20% weighting).
	Understanding of ROIC excluding IFRS 16 performance metric	Engaged with institutional shareholders to enhance their understanding of the calculation of ROIC excluding IFRS 16 and the rationale behind the business strategy. This engagement received a positive response and no further concerns were raised during the conversations. The performance measure was renamed Adjusted ROIC, but the calculation remains consistent with prior years to exclude IFRS 16, but include the actual cost of lease payments.
Non-executive Director (NED) fees	Upper quartile benchmarking may inflate fees	NED fees are structured to reflect the size, scale and complexity of the Group. Shoprite is benchmarked at the upper quartile of the market due to the company size measuring the 5th largest in market capitalisation and the largest in headcount when compared to our comparator group. This supports benchmarking NED fees to the upper quartile of the peer group. Importantly, NEDs are not remunerated for additional engagements, such as shareholder meetings or strategic sessions with the Executive team.
	Suggestion to link fees to attendance	Attendance and performance are closely monitored through annual evaluations, ensuring accountability and alignment with governance best practices.

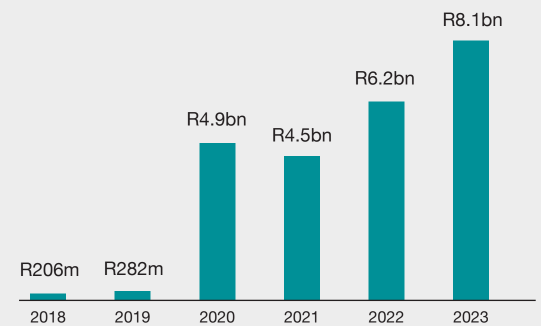
Rationale for the Executive Super Stretch Incentive (ESSI) Scheme

During FY 2024, the Remuneration Committee introduced a once-off ESSI scheme, designed to retain and motivate a select group of senior executives who are critical to the continued delivery of Shoprite's long-term growth strategy.

The scheme was introduced in the context of exceptional business performance achieved between FY 2020 and FY 2023. During this period, Shoprite recorded sustained market share gains and outperformance in TSR relative to peers. The graphs illustrate Shoprite's sustained market share gains as published in the analyst presentations of the respective years and share price growth which supports TSR. This 'super-performance' trajectory was the result of bold strategic execution and strong leadership, and it translated directly into superior shareholder value creation.

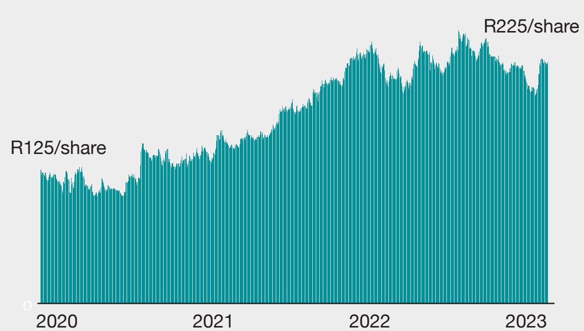
Recognising that this elevated rate of performance would be difficult to sustain, especially in light of the likely competitive response from peers, the committee deemed it both timely and strategically necessary to reinforce performance incentives for a defined period. The ESSI was thus structured as a once-off, forward-looking scheme, aimed at continuing the exceptional returns already achieved, by incentivising a further defined stretch in performance over a three-year period.

Market share gain quantified



Market share gains 2020–2023 (before ESSI introduction in 2024) and preceding two years to demonstrate the exceptional performance achievement since 2020.

Shoprite Holdings share price 2020 to 2023



Share price growth 2020–2023 (before ESSI introduction in FY 2024).

Understanding ESSI scheme metrics

Share Appreciation Rights (SARs)

The use of SARs ensures that executives benefit only from the increase in share price above a predetermined strike price. This structure tightly aligns executive rewards with shareholder value creation, where executives are incentivised to drive sustainable growth that translates into real gains for investors. While SARs are designed to promote long-term thinking, they must be carefully structured to avoid incentivising short-term share price movements at the expense of sustainable growth. The ESSI addresses this by embedding SARs within a broader framework of ambitious, clearly defined performance metrics (**market share gain and Relative TSR**) each assessed on a binary basis. This ensures that rewards are only realised through enduring, market-leading performance. The scheme operates over a three-year performance period. At the end of this period, one-third of the achieved award will vest immediately, while the remaining two-thirds will be deferred to promote sustained performance. The scheme is further subject to malus and clawback provisions.

Market share gain

Market share is a direct indicator of competitive strength and customer preference. By tying incentives to market share gain, the ESSI encourages executives to drive strategic activities that expand Shoprite's footprint and deepen customer engagement. This metric ensures that rewards are linked to tangible business outcomes that reflect leadership in the retail sector.

Relative Total Shareholder Return

TSR measures the total return to shareholders, including share price appreciation and dividends, relative to peers as defined on page 93. Using relative TSR ensures that executives are rewarded only when Shoprite delivers superior value compared to competitors. This aligns executive focus with shareholder interests and reinforces a culture of outperforming the market.

Key features of the ESSI

- **Once-off design:** Separate from existing incentive frameworks (ESP, STI, EDI), the ESSI is a single-cycle measure with no intention of renewal.
- **Super Stretch targets:** Performance thresholds are set at ambitious levels to ensure that only exceptional, market-leading outperformance outcomes are rewarded.
- **Binary assessment:** Each of the two performance conditions – Market Share gain and Relative TSR – is evaluated independently on an all-or-nothing basis. Each condition accounts for 50% of the total award. If either target is not met, the corresponding 50% portion of the award is forfeited. There is no partial payout for underperformance.
- **Pay-for-performance philosophy:** The ESSI embodies a results-driven approach, rewarding executives only when they deliver extraordinary value to shareholders.
- **Retention:** The scheme is intended to retain senior executives key to the delivery of the Group's long-term strategy with a three-year performance period and a third vesting at the end of year three, four and five.

By linking executive rewards to bold performance metrics and shareholder value creation, the ESSI reinforces Shoprite's commitment to strategic excellence and long-term growth. The committee believes that, where the executive team successfully delivers on these ambitious targets, it is appropriate that they share in the value generated for shareholders.

PART 1

Remuneration report continued

Remuneration governance

In line with best practice, the committee, which is appointed by the Group Board, has delegated authority in accordance with its terms of reference (available at www.shopriteholdings.co.za/governance.html).

This is to ensure that an appropriate remuneration policy is in place, effectively implemented and aligned with the principles of fair, transparent and responsible remuneration, and legislative and regulatory requirements, as well as with the Group's needs. The remuneration policy covers remuneration at all levels, including that of Executive Directors.

The committee consists of four Non-executive Directors, three of whom are independent. During the year Wendy Lucas-Bull resigned as member of the committee on 29 August 2024. While not a member, she attended all the meetings of the Remuneration committee by invitation. Prof. Hlengani Mathebula was appointed as member of the committee on 29 August 2024. The committee met three times during the reporting period.

In addition to committee members, the CEO, CFO, Chief People Officer, independent external advisers and other human resources executives attend meetings by invitation, as and when the committee requires. However, none of them are present when their own remuneration is discussed, nor do they participate in any voting.

The committee is satisfied that it has fulfilled its responsibilities for FY 2025 in accordance with its mandate and that the remuneration policy achieved its stated objectives.

Independent advisers

The Shoprite Group uses external consultants to provide specific services as needed. The Group engaged the services of REMchannel and 21st Century as remuneration consultants during FY 2025. VASDEX Associates (Pty) Ltd serves as an independent adviser to the Remuneration Committee. The committee is satisfied that the consultants were independent and objective in providing the relevant services.

Shareholder engagement and voting outcomes

We held shareholder engagement sessions in October 2024 prior to the AGM in November 2024.

Our engagements included one-on-one sessions with major shareholders and group sessions with other shareholders. They covered several topics, including the Remuneration Committee's composition, performance targets, remuneration benchmarking, executive remuneration and the independence of Non-executive Directors. These engagements were attended by shareholder representatives, relevant Group representatives, the Chairman of the Board and me as the Chairman of the committee.

At the AGM in November 2024, the remuneration policy and implementation report were voted upon by shareholders, narrowly missing the 75% approval votes, receiving 73.6% (2023: 82.8%) and 74.3% (2023: 86.1%) respectively.

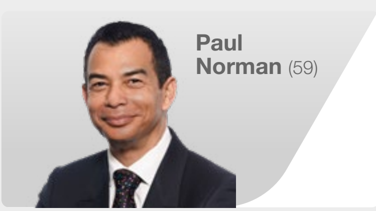
Following this vote, shareholders were invited to engage and to discuss the reasons for their voting. This invitation was not taken up and we elected to pro-actively engage shareholders to solicit feedback and to reiterate the intent of our remuneration policy. The concerns raised and our responses are detailed above on page 80 under Shareholder Engagement Activities.

The remuneration policy and implementation report will be tabled for non-binding votes by shareholders at the AGM on 10 November 2025. As per paragraph 3.84 (k) of the JSE Listings Requirement, if the remuneration policy or the implementation report of the Group is voted against by 25% or more of the voting rights exercised on the resolutions by shareholders present or represented by proxy at the AGM, the Group will – in its voting results announcement pursuant to paragraph 3.91 of the JSE Listings Requirements – extend an invitation to dissenting shareholders to engage with the Group to discuss their reasons for their dissenting votes. The manner and timing of this engagement will be specified in the SENS announcement following the AGM.

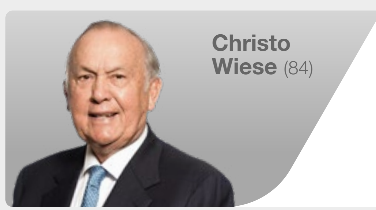
Committee members

Chairman of the Remuneration Committee
Independent Non-executive Director
Appointed as a member of the committee on 2 September 2021
Meeting attendance: 3/3

Independent Non-executive Director
Appointed as a member of the committee on 29 August 2024
Meeting attendance: 2/2

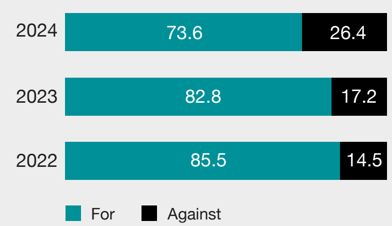


Independent Non-executive Director
Appointed as a member of the committee on 4 March 2022
Meeting attendance: 3/3

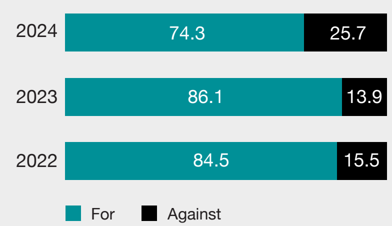


Non-executive Director
Appointed as a member of the committee on 28 June 2013
Meeting attendance: 3/3

Remuneration policy *(Voting outcome %)*



Implementation report *(Voting outcome %)*



Conclusion

The committee strives to produce and apply a remuneration policy that achieves the principles of fair pay, while also achieving approval from a majority of stakeholders (including shareholders), that covers a broad spectrum of performance metrics, both financial and non-financial, aligning the pyramid of performance from Group down to individual. We are further committed to implementing this policy in a manner that motivates employees to drive organisational performance in a balanced and responsible manner.

We seek to establish an ongoing relationship with our shareholders, which results in an honest and critical evaluation of all remuneration-related matters and the continued improvement of the Group's remuneration governance.

Peter Cooper
Chairman of the Remuneration Committee

PART 2

Overview of the remuneration policy

Given the often challenging and uncertain operating environment, the committee acknowledges the need to ensure that our remuneration structures achieve the objectives of attracting, motivating, retaining and rewarding employees, while balancing those outcomes against the achievement of organisational performance and creating shareholder value. The remuneration policy applies to all our permanent employees. In this part of the review, in line with King IV, we have focused on the remuneration elements and design principles applicable to Executive Directors and, at a high level, other employees.

Remuneration philosophy

Key principles include:

Attracting talent:
Attracting, motivating, retaining and rewarding employees at all levels, including key talent and those with critical skills.

Remunerating employees:
Paying equally for work of equal value and for performance and relevant experience where appropriate.

Rewarding performance:
Measuring performance, in particular that of executives and managers, against key business objectives.

Remuneration policy

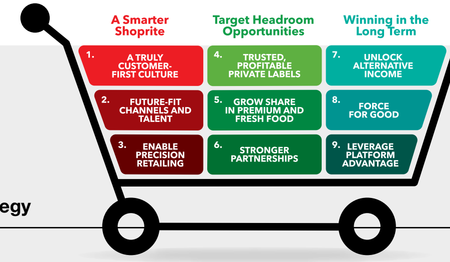
Our remuneration policy is aligned with the Group's overall strategy. It aims to:

- Improve the attraction, recruitment and retention of top talent
- Ensure fairness across the company, aligned with sustainable and regulatory-compliant remuneration
- Consider the context of both a locally and globally competitive retail industry

We regularly review our remuneration policy to ensure it aligns with leading market practice.

Linking remuneration to our Group strategy

All components of remuneration are linked to the Group's nine strategic drivers, which contribute to the creation of long-term, sustainable value for stakeholders.



Group strategy	Remuneration structure							Link to strategy
	Individual performance	Total Guaranteed Pay (TGP)	Short-term Incentive (STI)	Deferred Short-term Incentive (DSTI)	Executive Deferred Incentive (EDI)	Executive Share Plan (ESP)	Executive Super Stretch Incentive (ESSI)	
A Smarter Shoprite								
A truly customer-first culture	✓	✓	✓	✓	✓	✓	✓	Employees are paid market-aligned salaries and wages with individual and team performance requiring a strong customer-focus.
Future-fit channels and talent	✓	✓	✓	✓	✓	✓	✓	These developments are needed to sustain improved margins (ROIC) and ensure that earnings continue to be enhanced (adjusted DHEPS). Employment equity targets are included in the ESP scheme to ensure the business is appropriately staffed, maintaining longer-term business growth and sustainability. Future vesting periods promote retention of key talent.
Enable precision retailing	✓		✓	✓	✓			Precision retailing requires that EBITDA margins are maintained and enhanced while ensuring that inventory levels relative to sales are optimised.
Target headroom opportunities								
Trusted, profitable private labels	✓		✓	✓	✓			Trading profit aligns with the segment strategy of profitable labels.
Grow share in premium and fresh food	✓		✓		✓		✓	Sales growth in the STI scheme aligns with segment market share strategy. Market share is set as a performance measure in the ESSI.
Stronger partnerships	✓		✓		✓		✓	The business offering must meet customer pricing and product needs to grow market share.
Winning in the long term								
Force for good	✓		✓	✓	✓			The Group includes non-financial measures on renewable energy, waste recycling and sustainable packaging as part of the business performance measures.
Unlock alternative income	✓		✓	✓	✓	✓	✓	All forms of alternative revenue sources and platform leverage are required as traditional business margins come under pressure (ROIC) and to supplement earnings while customers are under spending pressure (adjusted DHEPS). Growth in market share and total shareholders return are required for sustained growth.
Leverage platform advantage	✓		✓	✓	✓	✓	✓	

PART 2

Remuneration report continued

Driving Group strategy through variable remuneration

We believe that without performance measures that are clearly and directly linked to Group strategy, incentive schemes would be merely reward mechanisms as opposed to strategy-driving mechanisms. These strategic linkages for the next financial year are as follows:

Incentive scheme	Performance measure	Strategic objective	Weight
STI and Deferred STI (EDI)	Trading profit	Key indicator of financial health and profitability contributing to the creation of long-term sustainable value for stakeholders	40%
	EBITDA (Earnings Before Interest Tax Depreciation and Amortisation) Margin	Efficiency of expenditure to drive sales	15%
	Sales growth	Grow customer base and basket size	12.5%
	Inventory to sales	Efficiency measure balancing sufficient inventory levels (affecting profitability) and on-shelf availability (enhancing customer experience)	12.5%
	Renewable energy – Solar PV contribution	Sustainability and long-term resilience Responsible corporate citizenship and environmental stewardship	10%
	Waste recycling – Cardboard		2.5%
	Waste recycling – Plastic		2.5%
	Sustainable packaging – Packaging		2.5%
	Sustainable packaging – Content		2.5%
ESP	Adjusted ROIC	Shareholder returns via capital allocation and value creation	40%
	Adjusted DHEPS Compound Annual Growth	Earnings growth for shareholders	40%
	Employment Equity	Transformation framework to support fair and equal opportunities	20%
ESSI	Market share gain	Continue the historical trajectory to grow the business and gain market share	50%
	Relative TSR	Providing continuous total (capital and dividends) return to shareholders and be the company-of-choice in the sector to invest in	50%

PART 2 **Remuneration report** continued

Fair, responsible and transparent remuneration

Fair pay philosophy

At Shoprite we consider fair and responsible pay a principle that stretches beyond fixed pay and that includes a holistic view of reward. Other pillars include performance assessment, recognition, the work environment, career development and benefits.

These encompass skills development opportunities, educational loans and bursary benefits, employee discounts and job-specific incentives for qualifying employees (such as sales commission and length of service bonuses), as well as SET distributions.

Fair pay principles

The Group believes that fair, responsible and transparent remuneration is essential to our culture and promotes our commitment to our customers and employees.

Remuneration decisions are inclusive, impartial and free from discrimination based on race, gender and any other forms of exclusion.

We engage with all relevant stakeholders – including our employees, unions, regulators and shareholders – on our remuneration policy and structure to ensure fair and responsible pay.

How

We continually assess fair pay practices to limit and eliminate unintentional biases, and to actively address pay fairness.

- For each of the last five years, we have applied higher increases for general staff than for management.
- Investing in a minimum wage remains a priority. As affordability permits, the Group will further invest in entry-level pay, with emphasis on customer engaging roles. On average, general assistants (entry role) are currently paid 12.6% above the national regulated minimum.
- The Shoprite Trust serves as the primary vehicle for ensuring that those employees who are not eligible for deferred short-term or long-term incentives benefit from Shoprite's success. By October 2025, the Group surpassed R1 billion in payouts to eligible employees following the eight distribution since the Shoprite Employee Trust was formed three years ago.
- We also offer employees additional discounts beyond customer discounts on groceries, furniture, medication, clothing, airtime and data, and we provide educational assistance for employees and their children at all levels of education.

The committee is mandated by the Board to act on its behalf, to assess and provide inputs to management recommendations.

The Remuneration Committee:

- Applies the principle of equal pay for work of equal value within its recommendations
- Benchmarks roles to balance the need for competitive and fair remuneration
- Entrenches the principle of fair remuneration in our remuneration policy, based on practices that are free from prejudice or self-interest, and that are not inherently biased in any way.

Fair and responsible pay metrics

During FY 2025 we continued an independent fair pay analysis engaging with 21Century and REMchannel to assess the overall pay equity within Shoprite.

The analysis confirms that, although anomalies exist, in most instances these can be explained by years of service and/or performance.

The Remuneration committee, on an ongoing basis, continues to develop suitable metrics for monitoring compliance with our fair and responsible pay principles.

The Group is committed to increasing the overall employee value proposition with benefit offerings to meet employee needs. In addition to the 8.0% annual increase for general staff and 5.5% increase for management, permanent employees receive a minimum of a 10.0% discount on all Shoprite retail products across the ecosystem. This 10.0% can be utilised to assist with buying groceries, furniture, medication, clothing, pet, baby or outdoor products. The Group also launched an exclusive employee discount programme in 2025, allowing employees to enjoy discounts from external partners participating in the programme.

Employees are also offered discounted rates for data through K'nect. These benefits enhance employees' spending power.

The table below outlines the benefit offerings that employees receive across the ecosystem.

Benefit	Description
Edu Loans	Educational assistance for employees and their children at all school and tertiary levels
Staff buying card	Discount for purchases within the Group of Companies to assist with buying groceries, furniture, medication, clothing, pet, baby or outdoor products
Provident fund	Dedicated saving towards retirement
Disability benefit	Insurance cover to replace monthly income in case of disability and inability to work
Death benefit	Payment to dependants upon death
Funeral benefit	Lump sum paid to family for funeral assistance
Development programmes	Providing learning interventions
Salary advances	Advances provided to employees to cope with events that were not financially planned
Medical aid	Offering in-house medical scheme
Medical insurance	Employees have access to medical insurance to cover medical expenses
Gap cover	Assisting with co-payments during hospital procedures
Vitality	Rewards programme covering gym, travel and healthy eating
Exclusive employee discount programme	These discount offerings address all aspects of an employee's life including health, social, financial, well-being and transport

PART 2 **Remuneration report** continued

Overview: Organisation-wide elements of remuneration

Remuneration Settlement/Vesting
Performance | Retention | Sustainable performance and skill retention

Link to Strategy
Performance period | Cash settled | Awarded | Vesting

Overview	Reward element	Description	Performance period	Eligible employees	Employees
Fixed pay	**Basic salary plus benefit structure**	South African three-year wage agreement signed with SACCAWU (2023, 2024, 2025 increases) for 8.0% annual increase. New agreement to be concluded for 2026 financial year onwards. New employees: Aligned to Shoprite minimum wage and/ or government-prescribed minimum rates. New agreement to be concluded for 2026 financial year onwards.	Weekly or monthly YR1 YR2 YR3 YR4 YR5 YR6	General staff/bargaining unit	150 721
Fixed pay	**Year-end festive bonus**	Guaranteed for staff with more than one year of service.	In November YR1 YR2 YR3 YR4 YR5 YR6	General staff/bargaining unit employees who are not on merit bonus/STI	113 781
Fixed pay	**Total Guaranteed Package (TGP)**	Basic salary + company contribution to medical and pension + allowances. Factors considered when determining salaries: internal parity, market data (50th percentile), current salary, business affordability (budget), alignment to scarce & critical skill framework.	Monthly YR1 YR2 YR3 YR4 YR5 YR6	Management	18 218
Variable pay Short-term	**Merit bonus**	Equivalent to 13th cheque for permanent staff with more than one year of service. Linked to individual performance.	In December YR1 YR2 YR3 YR4 YR5 YR6	Management employees not eligible for STI	4 410
Variable pay Short-term	**Shoprite Employee Trust (SET)**	Employees who are employed in South Africa become unit holders in the Trust while non-RSA employees receive equivalent cash benefits through their respective payrolls. Distributions are made twice a year and mirror Shoprite dividends.	In April and September YR1 YR2 YR3 YR4 YR5 YR6	All employees employed for more than two years and not eligible for LTI	109 488
Variable pay Short-term	**Short-term Incentive (STI)**	Cash incentive linked to Group and/or division/business unit performance measured over a financial year.	In September YR1 YR2 YR3 YR4 YR5 YR6	Junior management and above	15 301
Variable pay Short-term deferred	**Deferred Short-term Incentive (DSTI)**	A deferral of the short-term incentive over a three-year period. Employees can elect deferral in cash or forfeitable shares.	In September YR1 YR2 YR3 YR4 YR5 YR6	Middle management not part of other LTI scheme	2 680
Variable pay Short-term deferred	**Executive Deferred Incentive (EDI)**	A deferral of the short-term incentive over a two-year period, linked to Group STI targets. Awarded in forfeitable shares after achievement of one-year targets. Vests two years later.	In September YR1 YR2 YR3 YR4 YR5 YR6	Senior management and executive management	297
Variable pay Long-term	**Executive Share Plan (ESP)**	Forfeitable shares linked to the achievement of three-year Group long-term incentive targets. Award beginning of three-year performance period. Vests three years later.	In September YR1 YR2 YR3 YR4 YR5 YR6	Executive management	36
Variable pay Long-term	**Executive Super Stretch Incentive (ESSI)**	Once-off incentive scheme intended to retain and motivate a selected group of the most senior Executives that are key to the delivery of the Group's long-term strategy. Performance is measured over a three-year period with a third vesting at the end of years three, four and five.	In October YR1 YR2 YR3 YR4 YR5 YR6	Senior executives with profit and loss accountability	18

PART 2

Remuneration report continued

Provisions for termination of employment

Type	Base salary	Benefits	Short-term Incentive (STI)	Deferred Short-term Incentive (DSTI)	Executive Deferred Incentive (EDI)	Executive Share Plan (ESP)	Once-off incentive: Executive Super Stretch Incentive (ESSI)
Voluntary resignation	Paid over the notice period or as a lump sum.	May be provided during the notice period (as applicable) but will not be paid as a lump sum.	All unpaid bonuses will lapse and be null and void.	All deferred shares will be forfeited.	All cash payments or unvested shares will lapse and be null and void.	No vesting. All unvested awards will be forfeited.	No vesting. All unvested awards will be forfeited.
Dismissal, termination for cause or early retirement or abscondment	Payment until termination.	Benefits stop when employment ends.	All unpaid bonuses will lapse and be null and void.	All deferred shares will be forfeited.	All cash payments or unvested shares will lapse and be null and void.	No vesting. All unvested awards will be forfeited.	No vesting. All unvested awards will be forfeited.
Involuntary retrenchment	Payment until termination.	Benefits stop when employment ends.	No accelerated payment. Payment will occur on normal payment date subject to pro-rata adjustment for time served.	All unvested awards made prior to termination date: Full accelerated vesting of shares or accelerated cash payments. Current-year award: Payment will occur in cash on normal payment date subject to pro-rata adjustment for time served.	All unvested awards made prior to termination date: Full accelerated vesting of shares or accelerated cash payments. Current-year award: Payment will occur in cash on normal payment date subject to pro-rata adjustment for time served.	No vesting. All unvested rights will be forfeited.	No vesting. All unvested awards will be forfeited.
Normal retirement	Paid for a defined period based on cause and local policy.	Benefits stop when employment ends.	No accelerated payment. Payment will occur on normal payment date subject to pro-rata adjustment for time served.	All unvested awards made prior to termination date: Full accelerated vesting of shares or accelerated cash payments. Current-year award: Payment will occur in cash on normal payment date subject to pro-rata adjustment for time served.	All unvested awards made prior to termination date: Full accelerated vesting of shares or accelerated cash payments. Current-year award: Payment will occur in cash on normal payment date subject to pro-rata adjustment for time served.	Performance shares: Employees continue to receive their full share award (no pro-rating). The vesting of the share awards will occur after three years and employees are subject to a restraint of trade until all shares have vested.	Normal vesting if approved by the Remuneration Committee.
Death	Paid for a defined period based on cause and local policy.	Benefits stop when employment ends.	No accelerated payment. Payment will occur on normal payment date subject to pro-rata adjustment for time served.	All unvested awards made prior to termination date: Full accelerated vesting of shares or accelerated cash payments. Current-year award: Payment will occur in cash on normal payment date subject to pro-rata adjustment for time served.	All unvested awards made prior to termination date: Full accelerated vesting of shares. Current-year award: Payment will occur in cash on normal payment date subject to pro-rata adjustment for time served.	Performance shares: Accelerated pro-rata vesting of performance shares adjusted for performance and time served during the vesting period.	Normal vesting if approved by the Remuneration Committee.
Ill health, injury or disability	Paid for a defined period based on cause and local policy.	Benefits stop when employment ends.	No accelerated payment. Payment will occur on normal payment date subject to pro-rata adjustment for time served.	No accelerated payment. Payment will occur on normal payment date subject to pro-rata adjustment for time served.	No accelerated payment. Payment will occur on normal payment date subject to pro-rata adjustment for time served.	No early vesting of share. Participant will continue to participate until vesting date and award will be pro-rated on the vesting date to provide for the time served during the vesting period.	Normal vesting if approved by the Remuneration Committee.
Mutual separation	Paid over the notice period or as a lump sum.	May be provided during the notice period (as applicable).	Per settlement agreement.	Per settlement agreement.	Per settlement agreement.	Forfeit all unvested awards subject to committee discretion. Where discretion is applied, the maximum portion that will vest will be pro-rated for performance and time served during the vesting period.	No vesting. All unvested awards will be forfeited.

Remuneration policy

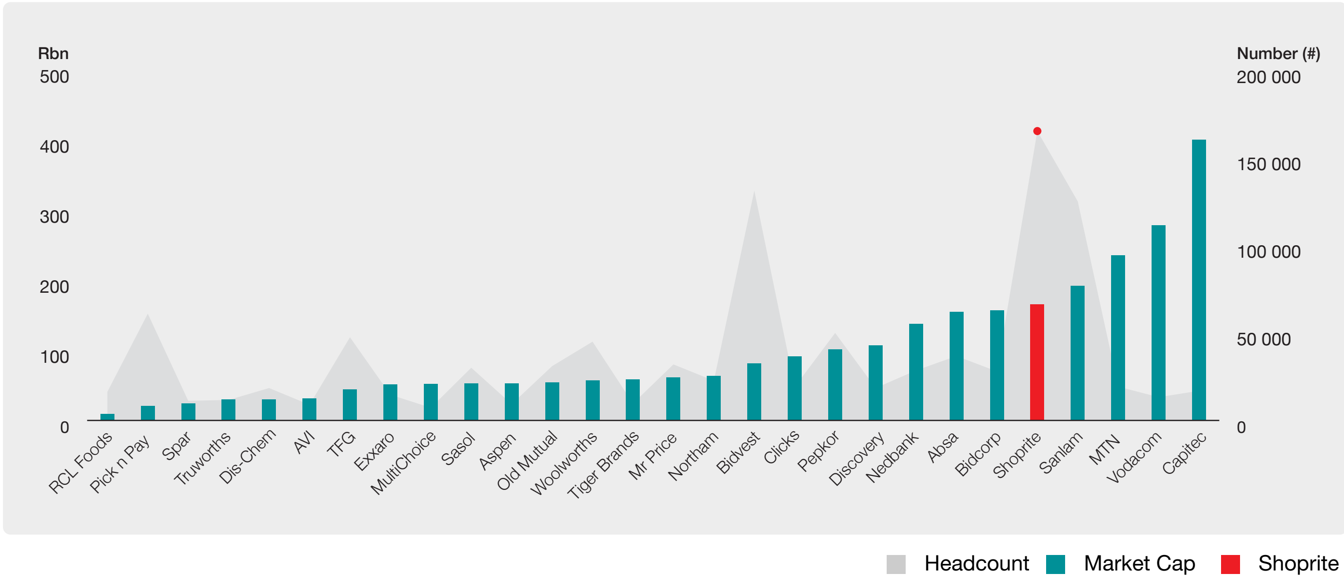
The overall Group remuneration policy covers all employees including executive management, other employees and Non-executive Directors. Aligned with market practice, our elements of remuneration applicable to the different categories are varied. This remuneration policy has thus been segmented in order to articulate that which is applicable to each of the three categories described.

- **Executive management**
- **Management and other employees**
- **Non-executive Directors**

Benchmarking remuneration

The Group is the largest retailer in South Africa in terms of market capitalisation, turnover and employees and has one of the top 20 market capitalisations in South Africa. Based on market capitalisation, Shoprite is positioned above the 75th percentile of the selected comparator group.

Comparator group: Market capitalisation and employee headcount per company



Based on these metrics and in line with the committee's commitment to competitive remuneration, all employees, including executives, are remunerated appropriately to ensure that we remain competitive in the market, providing both for financial performance and affordability. The Group continuously monitors the competitiveness of employees' total remuneration through external benchmarking. The comparator group consists of JSE-listed companies. This comprises nine retail companies and 18 non-retail companies. This comparator group metric is used to ensure that our executives are remunerated fairly and in line with the market. These comparator companies have been selected because they operate in the same markets as Shoprite and are viewed as competitors, and/or are of similar size and complexity to Shoprite. In both instances Shoprite competes for talent with these companies.

Shoprite comparator group

The Remuneration Committee believes that these companies are appropriate comparators for the purposes of benchmarking remuneration. The companies comprising the JSE-listed comparator group are as follows:

RETAIL COMPANIES

NON-RETAIL COMPANIES

Executive management

Detailed overview of the elements of executive remuneration

The overall benchmarking for executive remuneration, as well as the composition of TGP, STI, EDI, ESP and ESSI, are outlined in the following tables:

Total remuneration	Description
Positioning	Since Shoprite is significantly above the 75th percentile of the benchmarking comparator group in terms of Group size (fifth of 28), the benchmarking position of total remuneration for the CEO and CFO is the upper quartile for the benchmarking comparator group.

TGP	Description
Structure	The Group adopts a TGP approach to structured remuneration. The TGP includes the total fixed remuneration for the individual, consisting of a cash salary and benefits. These benefits include retirement benefits of between 7.5% and 10.0% of pensionable salary, staff discounts, and risk and insurance benefits.
Annual reviews	The annual review process assesses employee remuneration in relation to the market, as well as performance of the Group, so that necessary adjustments can be made in line with the remuneration policy, where warranted. The annual review commences in April and any changes become effective on 1 July.
Annual increases	Annual increases are determined based on the employee's role and personal performance as well as providing for inflation, relevant benchmarks, and the Group's performance and affordability. The committee annually reviews and approves executive increases in terms of its mandate.

Remuneration Committee discretion

The Remuneration Committee did not exercise its discretion during the current financial year on any of the targets set for variable schemes.

Executive pay overview

The following scenario graphs for both CEO and CFO indicate threshold, on-target and stretch (or maximum) levels of remuneration outcomes possible for Executive Directors, depending on their performance under the STI and LTI for FY 2025 compared to FY 2026 (forward looking) in terms of the policy:

Pay outcomes by performance level

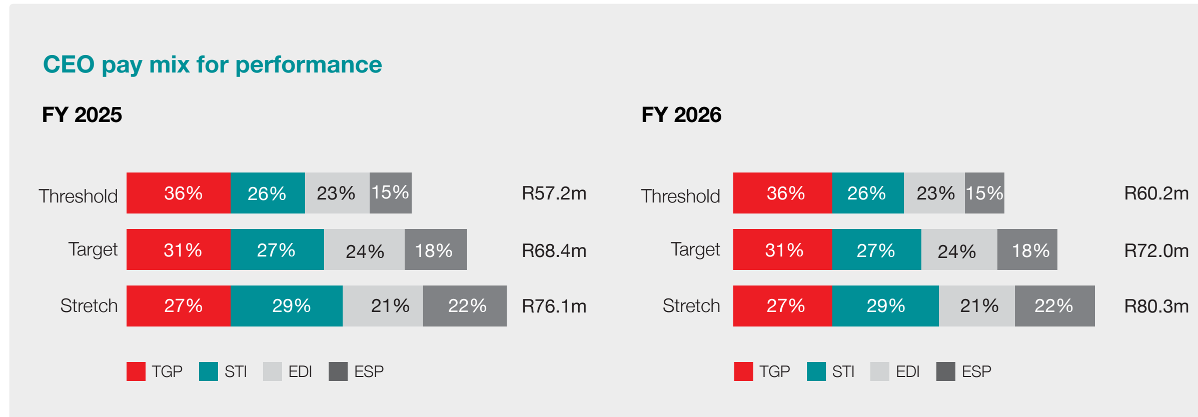
The below performance factor levels are applicable for each incentive scheme for the CEO and CFO:

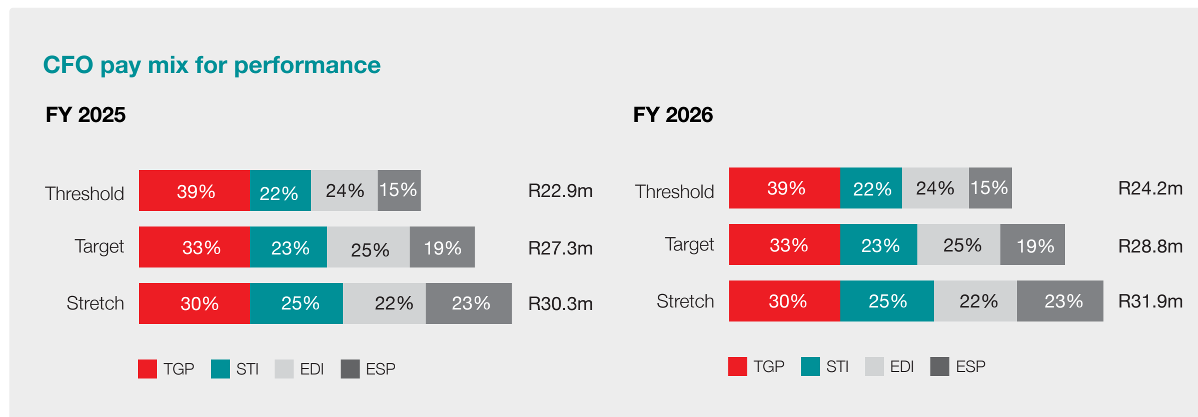
STI:
Threshold | 80% of on-target
Target | 100% of on-target
Stretch | 120% of on-target

EDI:
Threshold | 80% of on-target
Target | 100% of on-target
Stretch | 100% of on-target

ESP:
Threshold | 50% of on-target
Target | 75% of on-target
Stretch | 100% of on-target

The overall achievement or vesting outcome is determined by weighting financial and non-financial performance measures. Assumed no share price movement between award and vesting.





PART 2

Remuneration report continued

Executive management continued

Short-term incentive (STI)

Policy changes for FY 2026

No policy changes for FY 2026.

Overview

The Group operates an STI plan, which incorporates financial and non-financial measures. The main purpose of the Group's STI plan is to align the interests of eligible employees with those of the shareholders and other stakeholders in the short term. The STI serves to attract talent to key positions by means of appropriate and competitive remuneration. The Group STI performance measures for executive management are linked 80% to financial measures and 20% to ESG measures. The scheme is subject to malus and clawback provisions.

Operation

At the beginning of the financial year, an annual bonus pool is provided for. The provision calculation is linked to financial performance targets. The provision is adjusted at year end for actual performance against target levels achieved at Group and divisional levels. This ensures the scheme is self-funded and within affordability limits.

STI earned = STI allocation for 100% achievement X Performance score

STI earned

Calculation of STI earned:

- STI on-target amount x STI performance score.

Settlement:

- Paid in cash.
- Annually in September after release of audited financial statements.
- After approval by the Remuneration Committee.

STI allocation for 100% achievement

	On-target amount as % of TGP
CEO	
FY 2025	**89%**
FY 2024	89%
CFO	
FY 2025	**70%**
FY 2024	70%

Allocation is set with reference to seniority of participant in line with market practice.

Performance score

Each measure has a threshold, target and stretch level that determine the final score assigned to business performance. Performance levels below threshold will result in 0% incentive pay-out.

The following measures and weightings will be used for executive management for FY 2026:

Allocation		Weighting	Performance measures	Performance factor applied to on-target amount: 80% Threshold	100% Target	120% Stretch
Financial 80%		40.0%	Trading profit (Rm)	Note 1		
		15.0%	EBITDA margin	9.0%	9.5%	10.0%
		12.5%	Sales growth	Note 1 and 2		
		12.5%	Inventory to sales ratio	12.3%	12.0%	11.7%
Non-financial 20%	Renewable energy 10%	10.0%	Solar PV contributions (% of electricity consumption)	6.5%	7.0%	7.5%
	Waste recycling 5%	2.5%	Increase in cardboard recycling	5.5%	6.0%	6.5%
		2.5%	Increase in plastic recycling	5.5%	6.0%	6.5%
	Sustainable packaging (total private label) 5%	2.5%	% reusable, recyclable or compostable content	91.6%	92.6%	93.6%
		2.5%	% recycled content	41.2%	42.2%	43.2%
		100%				

Linear scoring applies between performance levels.

Note 1: Owing to the commercial sensitivity in disclosing prospective profit targets, we opt to disclose the trading profit targets and sales growth targets on a retrospective basis in the Implementation report.

Note 2: Performance will be achieved when the absolute targets are met. Outperformance relative to the rest of the market can be recognised even when the absolute targets are not met, ensuring that exceptional results are acknowledged in context. Performance against the rest of the market will be measured using data from an independent external platform.

Remuneration report continued

Executive management continued

Executive deferred incentive (EDI)

Policy changes for FY 2026

No policy changes for FY 2026.

Overview

The EDI is a deferral mechanism applied to the short-term incentive (STI) for executive management. It is directly linked to the achievement of Group STI performance targets and is fully deferred in equity for a period of two years following the performance year in which the targets are met.

Operation

The incentive is the deferred portion of the Group STI targets for executive management and deferred for two years after achievement of targets.

The scheme is subject to malus and clawback provisions.

Share usage limit

The share scheme rules limit the cumulative allocation of all shares to 15 million in aggregate and 3.75 million shares per participant, representing approximately 2.8% and 0.7% of the current shares in issue, respectively.

EDI earned

Calculation of EDI earned:

- EDI on-target amount x EDI performance score.
- EDI earned is based on one-year performance targets.

Settlement:

- Achievement converted to shares at market price and 100% deferred in equity for a two-year period.
- Full shareholder rights in terms of voting and dividends for two-year deferral period after shares awarded.
- Vest after two-year deferral.

=

EDI allocation for 100% achievement

	On-target amount as % of TGP
CEO	
FY 2025	**77%**
FY 2024	77%
CFO	
FY 2025	**75%**
FY 2024	75%

Allocation is set with reference to seniority of participant in line with market practice.

X

Performance score

Each measure has a threshold, target and stretch level that determine the final score assigned to business performance. Performance levels below threshold will result in 0% allocation of shares.

The following measures and weightings will be used for executive management for FY 2026:

Allocation		Weighting	Performance measures	Performance factor applied to on-target amount: 80% Threshold	100% Target	120% Stretch
Financial 80%		40.0%	Trading profit (Rm)			Note 1
		15.0%	EBITDA margin	9.0%	9.5%	10.0%
		12.5%	Sales growth			Note 1 and 2
		12.5%	Inventory to sales ratio	12.3%	12.0%	11.7%
Non-financial 20%	Renewable energy 10%	10.0%	Solar PV contributions (% of electricity consumption)	6.5%	7.0%	7.5%
	Waste recycling 5%	2.5%	Increase in cardboard recycling	5.5%	6.0%	6.5%
		2.5%	Increase in plastic recycling	5.5%	6.0%	6.5%
	Sustainable packaging (total private label) 5%	2.5%	% reusable, recyclable or compostable content	91.6%	92.6%	93.6%
		2.5%	% recycled content	41.2%	42.2%	43.2%
		100%				

Linear scoring applies between performance levels. The achievement on the deferred potion is capped at 100% and deferred in Shoprite Holdings shares for a two-year period.

Note 1: Owing to the commercial sensitivity in disclosing prospective profit targets, we opt to disclose the trading profit targets and sales growth targets on a retrospective basis in the Implementation report.

Note 2: Performance will be achieved when the absolute targets are met. Outperformance relative to the rest of the market can be recognised even when the absolute targets are not met, ensuring that exceptional results are acknowledged in context. Performance against the rest of the market will be measured using data from an independent external platform.

PART 2

Remuneration report continued

Executive management continued

Executive share plan (ESP)

ESP earned = ESP allocation for 100% achievement X Performance score

Policy changes for FY 2026

Adjusted ROIC and adjusted DHEPS three-year CAGR performance measures will both carry an increased weighting of 40% from FY 2026 (35% FY 2025). This increased weighting was possible with the removal of succession planning, which has now been operationalised in the form of leadership development resulting in overall weightings of financial 80% and non-financial 20%, giving a strong alignment with shareholders.

Overview

The ESP provides for annual awards of forfeitable shares to participating employees. These shares are registered in the names of participants following the award date and are held in escrow until the vesting date. Participants receive full shareholder rights over the vesting period but are not able to dispose of their shares until vesting.

Operation

Qualifying participants may receive annual awards of forfeitable shares as approved by the committee. Vesting is subject to continued employment and performance conditions measured over a three-year period. The scheme is subject to malus and clawback provisions.

Share usage limit

The share scheme rules limit the cumulative allocation of all shares to 15 million in aggregate and 3.75 million shares per participant, representing approximately 2.8% and 0.7% of the current shares in issue, respectively.

ESP earned

- ESP allocation is made in Shoprite Holdings Ltd shares.
- These shares are classified 100% as performance shares linked to the outcome of the three-year performance targets.
- Employees have full shareholder rights in terms of voting and dividends on the number of shares awarded.
- Vest after three years taking performance achievement into consideration.

ESP vesting calculation:

- Allocation amount x ESP performance score achievement % approved by the committee.

ESP allocation for 100% achievement

	On-target amount as % of TGP
CEO	
FY 2026	80%
FY 2025	**80%**
CFO	
FY 2026	78%
FY 2025	**78%**

Performance score

The following measures and weightings will be used for senior Executives for the three-year performance period from FY 2026 to FY 2028:

Allocation	Weighting	Performance measures	Performance factor applied to on-target: 50% Threshold	75% Target	100% Stretch
Financial 80%	40.0%	Adjusted ROIC (note 1)	WACC + 3.0% (note 2)	WACC + 4.0% (note 2)	WACC + 5.0% (note 2)
	40.0%	Adjusted DHEPS three-year CAGR growth (note 3)	CPI (note 4)	CPI + 1% (note 4)	CPI + 2% (note 4)
Non-financial 20%	20.0%	Employment Equity	80% of Shoprite Group target (note 5)	90% of Shoprite Group target (note 5)	100% of Shoprite Group target (note 5)
	100%				

Linear scoring applies between performance levels. Performance against each performance measure is scored separately and capped at 100%. Performance levels below threshold will result in 0% vesting of shares.

(1) Adjusted ROIC excludes IFRS 16, but includes the actual cost of lease payments. This performance measure is calculated at the end of the three-year performance period.

(2) Weighted Average Cost of Capital (WACC) is calculated in terms of the Group's policy at the end of the performance period and consistently applied from year to year. For FY 2025 WACC is 13.5% (2024: 13.8%).

(3) Adjusted DHEPS is calculated as diluted headline earnings per share on a continuing basis adjusted for the impact of the Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa, exchange rate differences, hyperinflation adjustments, lease modifications and terminations as well as the related tax effects. The performance achievement is calculated at the end of the three-year performance period as the compound annual growth rate (CAGR) of adjusted DHEPS.

(4) CPI (Consumer Price Index) is calculated as the three-year rolling average over the performance period as published by StatsSA. For FY 2025, the three-year rolling average CPI is 5.2%.

(5) The Shoprite Group target, approved by the Social and Ethics Committee, was set as the weighted average of the Employment Equity Plans for Shoprite Checkers, Transpharm, Freshmark and Block Meat Company. These plans represent annual targets set for the Group in order to achieve or exceed the Approved Sector targets by 31 August 2030. This performance measure will measure designated Groups as defined in the Employment Equity Act at the end of the performance period.

Shoprite Group target to achieve by FY 2028	
Top management	53.0%
Senior management	81.9%
Middle management	91.7%

Executive Super Stretch Incentive (ESSI)

ESSI earned = ESSI allocation X Share appreciation X Performance score on super-stretch targets

Policy changes for FY 2026

Not applicable. ESSI was a once-off award

Overview

ESSI is a once-off reward for superior outperformance, above and beyond business as usual, over the three-year performance period of FY 2024, FY 2025 and FY 2026. The targets set for this three-year period are super-stretched. Settlement occurs a third at the end of the three-year performance period and deferral in shares of the remaining two thirds.

Operation

The scheme uses a Share Appreciation Right (SAR) methodology to calculate the benefits to participants. To the extent that the vesting criteria have been met, the number of units that have vested will be multiplied by the share appreciation above the strike price of R235.63 to determine the benefit value. Vesting of the benefits is deferred and realised in thirds in FY 2027, FY 2028 and FY 2029. Participants have a restraint of trade in place until all amounts due have vested in full. ESSI is a cash settled scheme. On the first vesting date, participants may elect to defer the entitlements due on the second and third vesting dates to be settled in Shoprite Holdings shares rather than cash. The number of shares will be calculated at the average market price on the first vesting date when shares are purchased in the market and the second and third tranches are deferred (if elected, participants' benefits upon the second and third vesting are subject to share price performance, further aligning executive and shareholder interests).The scheme is subject to malus and clawback provisions.

Committee discretion

Vesting will be forfeited if the participant is not in Group employment on the vesting date. Discretion on award allocation was applied on award date for executives that will retire during the performance period.

ESSI earned

Calculation of ESSI earned:
Units allocated x Performance Score x share appreciation above the strike price (One-day VWAP on vesting date – R235.63).

Settlement in thirds in:

- Oct 2026
- Oct 2027
- Oct 2028

The participant may, on the first vesting date, elect to have entitlement due on the second and third vesting dates to be settled in Shoprite Holdings shares. If elected, the number of shares deferred shall be determined by reference to the vesting price on the first vesting date.

ESSI allocation

	Units allocated
CEO	640 000
CFO	250 000

The table above does not reflect the number of shares, but the number of share appreciation right units allocated to the CEO and CFO.

Participants will only benefit from share price growth above the strike price of R235.63.

If the vesting price in October 2026 is below the strike price of R235.63, the share appreciation amount is zero.

Share appreciation right units are linked to performance measures.

Share appreciation

Growth in share price from strike price on award date to vesting price on vesting date.

Once-off share appreciation rights

Strike price	
17 Oct 2023	R235.63

Vesting price	
Oct 2026	One-day VWAP on vesting date

VWAP = volume weighted average price

Performance score on super-stretch targets

The scheme has two performance measures and targets approved by the Remuneration Committee. Both performance measures carry equal weighting and can be achieved individually. No linear interpolation will be applied for proportional vesting, i.e. vesting on each measure is binary:

Weighting	Performance measures
50%	Market share gain
50%	Relative Total Shareholders' Return (TSR) vs peer group[1]

Owing to the commercial sensitivity in disclosing prospective targets, we opt to disclose the financial targets on a retrospective basis.

(1) The peer group selected for the ESSI scheme and approved by the Remuneration Committee is:

- Pick n Pay
- Woolworths
- Spar
- Clicks
- Dischem
- Pepkor

Once-off LTI, the ESSI for targeted Executives

In FY 2024, the committee approved a once-off initiative, the ESSI scheme, designed to run over a three-year performance period covering FY 2024, FY 2025 and FY 2026.

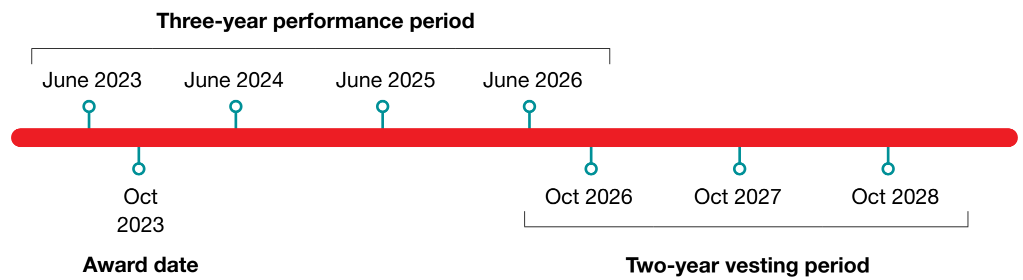
Operating within a highly competitive South African retail landscape, which includes well-established players across food, clothing and pharmaceutical sectors, the ESSI scheme sets ambitious, stretch performance conditions. These consist of two equally weighted metrics:

- Market share gain; and
- Relative Total Shareholder Return (TSR)

Each condition is assessed independently and on an all-or-nothing basis. If a target is not achieved, the corresponding 50% portion of the award is forfeited. Achieving these targets requires outperformance in both organic growth and competitive market share gains, underscoring the stretch nature of the scheme.

The ESSI was awarded to a select group of senior executives who are instrumental in delivering the Group's long-term strategy. The scheme is designed to align executive rewards with shareholder outcomes, sharing in the value created only if superior returns are delivered through the successful execution of strategic objectives. As such, the plan is explicitly tied to demanding performance thresholds, ensuring that rewards are earned only through exceptional achievement.

ESSI performance and vesting timeline



ESSI award

Participant	Units awarded	Strike price on award date	VWAP at FY2025 year end for illustrative purposes	Share appreciation at FY2025 year end for illustrative purposes
CEO	640 000	R235.63	R281.39	R45.76
CFO	250 000	R235.63	R281.39	R45.76

ESSI payout illustration

CEO

Vesting amount as % of TGP	Achievement potential	Achieved amount	Three-year deferral Oct 2026	Three-year deferral Oct 2027	Three-year deferral Oct 2028
0%	0%	–			
21%	50%	R14.6m	R4.9m	R4.9m	R4.9m
41%	100%	R29.3m	R9.8m	R9.8m	R9.8m

CFO

Vesting amount as % of TGP	Achievement potential	Achieved amount	Three-year deferral Oct 2026	Three-year deferral Oct 2027	Three-year deferral Oct 2028
0%	0%	–			
19%	50%	R5.7m	R1.9m	R1.9m	R1.9m
37%	100%	R11.4m	R3.8m	R3.8m	R3.8m

TGP of FY 2026 used for illustration.
Achieved amount = Units awarded X Share appreciation at end X Achievement %.

PART 2

Remuneration report continued

Executive management continued

Minimum shareholding requirement (MSR)

The Group has a MSR policy in place that applies to Executive Directors and senior executives.

The policy requires executives to build up a specific shareholding in Shoprite over a five-year period on a post-tax basis using directly owned shares in their personal capacity, shares vested in terms of share deferral plans, as well as shares held indirectly (such as in a family trust). New participants will have five years from appointment to build up the shareholding.

The target minimum shareholding to be met by 2027 by executives is:

- CEO: 250% of TGP
- CFO and Deputy CEO: 150% of TGP
- Other senior executives: 100% of TGP

Where a director signals their intention to sell shares before the MSR target is achieved and before the target date, the Group will assess their progress towards achieving the MSR target. Subsequent to the target date, the Group will continue to assess the impact of the sale of shares against the MSR target. Progress toward MSR compliance is disclosed in the implementation report.

Malus and clawback policy

To deliver on our strategy and uphold the interests of the Group, we endeavour to build appropriate safeguards into the remuneration structures to discourage behaviour that exposes the Group or shareholders to significant and inappropriate risk. The malus and clawback policy is an important risk mitigator and applies to all recipients of STI, EDI, ESP and ESSI awards made on or after 1 July 2019.

In terms of the malus and clawback policy, the committee may, at its discretion, apply malus and/or clawback mechanisms to the STI, EDI, ESP and ESSI awards where a trigger event, as provided for in the policy, has occurred. Malus is applied to reduce awards between the start of a performance period and payment (in the case of an STI) or vesting (in the case of all the categories of LTI), whereas clawback is applicable to recoup portions of awards for a period of up to three years post-payment or post-vesting, respectively.

Trigger events are set out in the malus and clawback policy, which is available upon request, and include the following:

- Providing misleading information regarding the financial performance of the Group
- Fraud, dishonesty, misrepresentation of management accounts
- Error in management accounts or misstating of performance outcomes resulting in greater remuneration
- Reputational damage

Executive Director service agreements

Executive Director	Notice period	Restraint of trade
Pieter Engelbrecht – CEO	Six months	Two years
Anton de Bruyn – CFO	Six months	One year

Sign-on awards

In certain instances, the Group may grant a sign-on award to an Executive Director or employee upon joining the Group where the new employee forfeited awards upon joining the Group. The value of the sign-on award will not exceed the realistic value of rewards forfeited by changing employer. Sign-on awards are subject to repayment terms and conditions if the Executive Director or employee leaves within a pre-defined period.

Payments on termination of employment

The employment contracts of executives do not compel the Group to make any payments in the event of termination of employment. Upon termination of employment, any payments to that executive will be made in terms of legislation. The consequences of unvested variable remuneration will be governed by the rules of the incentive plans and the basis for the termination of employment as disclosed on page 87.

Payments applicable to the various schemes operated by the Group are outlined in the implementation report on pages 100 to 101.

Management and other employees

Benchmarking management and other employees

We use the REMchannel national surveys to benchmark remuneration against both the national and retail markets for employees below executive level as and when required.

Rewarding scarce and critical skills

In continuing our commitment to developing internal talent and fostering career progression, we developed a framework in 2022 for rewarding scarce and critical skills below executive level in the Group. The framework aims to:

- Facilitate and enhance the retention of scarce and critical skills
- Strengthen the role of the line manager in the retention process
- Invest proactively in the relationship with our people
- Promote a culture of continuous development
- Motivate employees, with a mix of both financial and non-financial rewards

These employees are categorised in tiers from level 4 (employees identified as having the potential to achieve significant value-add to the business through the application of experience, skills, innovation and/or strategic activities) to level 1 (employees already possessing the requisite skills or potential to influence key strategic direction within the Group). Depending on their tier category, these employees are rewarded with bespoke remuneration and non-remuneration mechanisms.

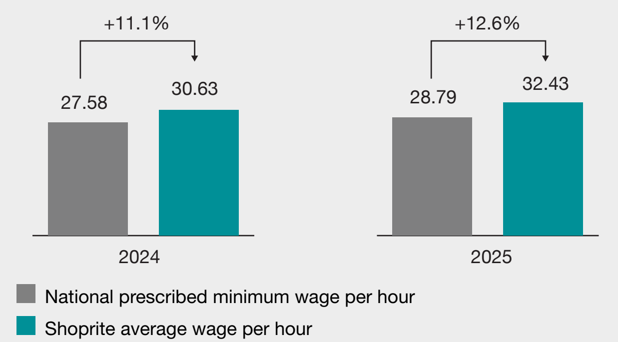
General staff remains a focus area

The following activities reported on in prior years remain a priority:

Minimum wage

With effect from 1 March 2025, the National Minimum Wage for general assistants was lifted to R28.79 per hour. The Group ensured compliance with this regulated minimum rate for all new appointments. All general staff in employment on 1 May 2025 received an annual increase resulting in the average rate for general assistants within the Group of R32.43 per hour, which is 12.6% above the national prescribed minimum wage.

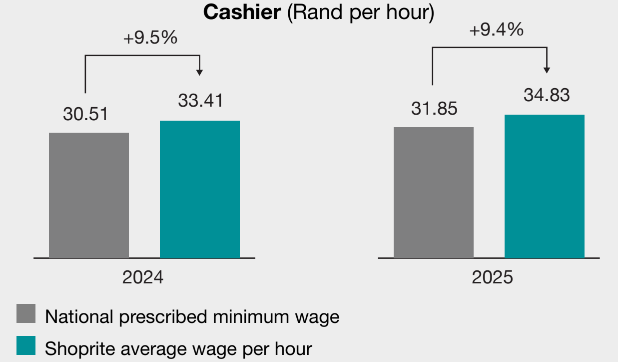
General assistant (Rand per hour)



Continued focus on our frontline (cashiers)

Shoprite cashiers remain instrumental in driving consumer satisfaction. The Group maintained a higher rate of pay than the national prescribed minimum for all cashiers. At year end, the average rate of cashiers was 9.4% above the cashier national minimum rate.

Cashier (Rand per hour)



The Shoprite Employee Trust

Shoprite Checkers (Pty) Ltd, a subsidiary of the Group, established the Shoprite Employee Trust in 2022. The Trust subscribed to 40 million Shoprite Checkers shares to the issue value of R8.9 billion at transaction date. Qualifying employees, who are employed in South Africa, benefit directly through the Trust as unit holders in the Trust, while non-RSA employees receive equivalent cash benefits through their respective payrolls. Distribution entitlements are aligned with Shoprite Holdings' declared dividends per share to ensure the benefits that flow to employees are transparent and that employees recognise the tangible benefits of their contribution to the Group's continued achievement of strong operational and financial results. To qualify, an employee needs to have been employed with the Group for two years and should not be eligible for a deferred short-term incentive or long-term incentive. By 1 October 2025, the Group had surpassed R1 billion in payouts to eligible employees following the eighth distribution since the Shoprite Employee Trust was formed three years ago.

Non-executive Directors

Non-executive Directors' fees reflect the Directors' roles and membership of the Board and its committees. Non-executive Directors receive a retainer fee for serving on the Board and the subcommittees. This retainer fee is reflective of the time required to prepare for and attend meetings.

The Chairman of the Board receives an all-inclusive fee. The Non-executive Directors do not participate in any other remuneration scheme. The Group pays for travel and accommodation expenses incurred to attend meetings.

Positioning

The Group's approach is to position fees against the upper quartile of the comparator group. This is justified since the Group's size metrics are at or above the upper quartile of the comparator group across several size comparison factors, including market cap, number of employees, revenue and total assets. This approach also aligns with group executives' remuneration benchmarking.

Increases

Non-executive Directors' fees are reviewed every year but while increases are usually granted every year, the policy does not guarantee that increases will be proposed every year. Affordability and alignment with salary increase for staff is a consideration when proposing increases for Non-executive Directors.

Benchmarking

Non-executive Directors' fees are benchmarked against a JSE-listed comparator group comprising both retail and non-retail companies. The comparator group has been selected to represent both market sector as well as size and geographical comparators.

The following 20 companies represent the Non-executive Director comparator groups:

RETAIL COMPANIES

PEPKOR Holdings Limited, Dis-Chem, SPAR, TRUWORTHS, CLICKS, mr price, Pick n Pay, WOOLWORTHS, TFG

NON-RETAIL COMPANIES

vodacom, Bidvest, CAPITEC, Sanlam, aspen HOLDINGS, exxaro, AVI, Bidcorp, MTN, TIGER BRANDS, MULTICHOICE

Fees are paid to Non-executive Directors quarterly in arrears. The proposed Non-executive Directors' remuneration fees (excluding VAT) for the period 1 November 2025 onwards are summarised as follows:

Category	% change	2025 current R	2026 proposed from 1 Nov 2025 onwards R
Board of Directors			
Chairman	5.5%	**4 084 360**	4 309 000
Lead independent Director	5.5%	**1 025 041**	1 081 418
Member	5.5%	**593 801**	626 460
Audit and Risk Committee			
Chairman	5.5%	**504 857**	532 624
Member	5.5%	**257 389**	271 545
Remuneration Committee			
Chairman	5.5%	**338 670**	357 297
Member	5.5%	**163 691**	172 694
Nomination Committee			
Chairman	5.5%	**264 163**	278 692
Member	5.5%	**137 726**	145 301
Social and Ethics Committee			
Chairman	5.5%	**290 127**	306 084
Member	5.5%	**149 015**	157 211
Finance and Investment Committee			
Chairman	5.5%	**338 670**	357 297
Member	5.5%	**163 691**	172 694

The proposed fees for FY 2026 are included for approval by way of special resolution in the notice of the AGM.

The Chairman fee is all inclusive.

Remuneration report continued

PART 3

Implementation report

Compliance with the remuneration policy

The committee has oversight of the remuneration policy and its implementation. This implementation report outlines how the remuneration policy was applied to prescribed officers including Executive and Non-executive Directors.

The committee and the Board are satisfied with the implementation of the policy during FY 2025 without deviation, details of which are provided below. There were no circumstances that warranted the application of any malus or clawback provisions.

Remuneration link to company purpose and values

Shoprite's **purpose** is to uplift lives every day by pioneering access to the most affordable goods and services, creating economic opportunity and protecting our planet.

This purpose is underpinned by a strong set of **values** that guide our actions and decisions.

- **Doing the right thing:** We are committed to making honest and ethical choices, even when they are difficult.
- **Saving to share:** By driving productivity and managing costs effectively, we create the capacity to improve the quality of life for our employees.
- **Developing local:** We invest in our people, foster opportunities for growth, and embrace transformation to build a more inclusive and empowered workforce.

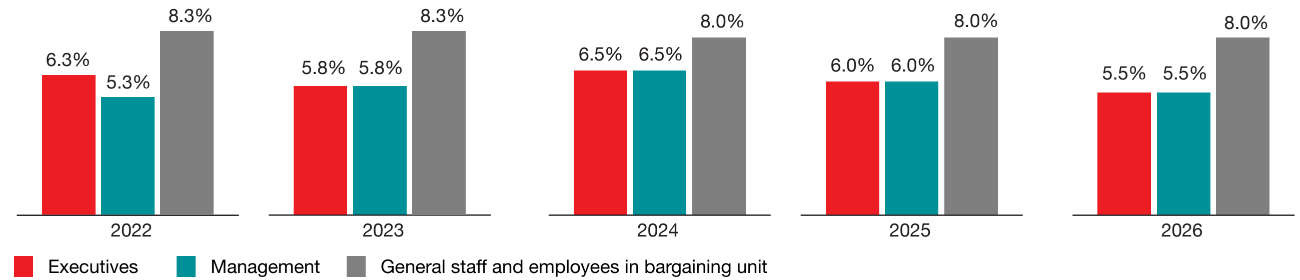
By living these values, Shoprite is committed to achieving fair, equitable, responsible, transparent, and non-discriminatory remuneration outcomes. Our approach to fair pay goes beyond regulatory compliance; we view it as a moral and social responsibility to ensure that every employee is able to live a dignified life. We reward our people for doing what is right for the business and for contributing to our shared success.

Fair and responsible pay

The Group comprises many subsidiaries operating in different markets, resulting in a large range of remuneration increases. This is primarily owing to differences in the roles and inflation.

Over the last five years, the Group has differentiated between salary increases for executives and management and general staff to address inequalities. Higher increases were applied for general staff than for management.

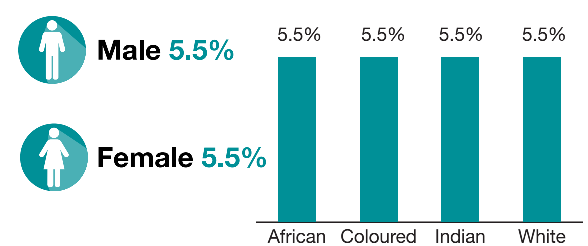
Annual increases



The increases for FY 2026, categorised by race and gender, reflect the Group's ongoing commitment to equitable and responsible compensation practices.

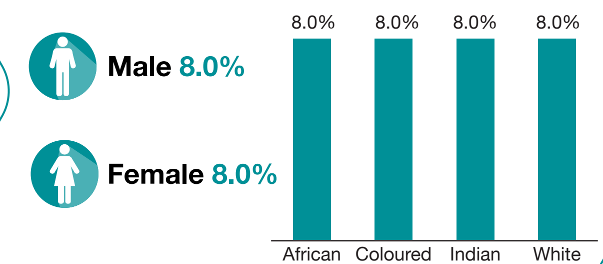
MANAGEMENT

FY 2026 increases analysis by gender and race



STAFF

FY 2026 increases analysis by gender and race



PART 3

Remuneration report continued

Executive pay for performance

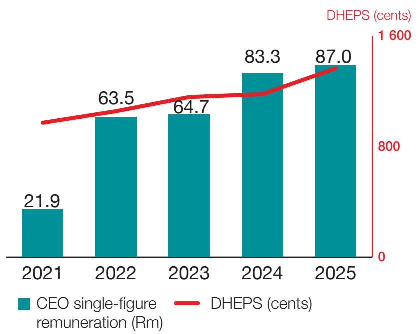
In setting and determining executive remuneration, due consideration is given to aligning the reward for high levels of performance and effective decision-making with the long term sustainability of the Group. This approach aims to align the interests of Executive Directors with those of shareholders and other stakeholders, as well as ensuring pay competitiveness relative to the market.

Executive remuneration consists of TGP, STI, deferred STI (EDI) and LTI (ESP and ESSI) participation. Given their accountability, responsibility, line of sight and level of influence over the Group, the STI and LTI components of an Executive Director's remuneration make up a higher proportion of remuneration than that of other employees.

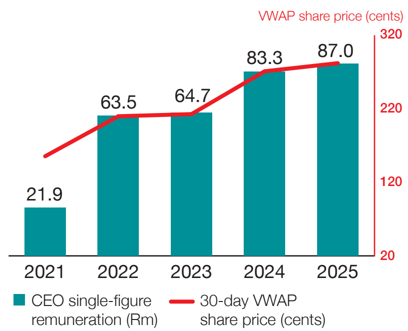
The graphs below illustrate the five-year remuneration overview of the CEO and CFO against adjusted DHEPS growth and share price growth, using a 30-day volume weighted average price (VWAP) ending at each respective financial year end. Remuneration represents single figure for each respective year.

CEO

Five-year remuneration (Rm) vs DHEPS (cents)

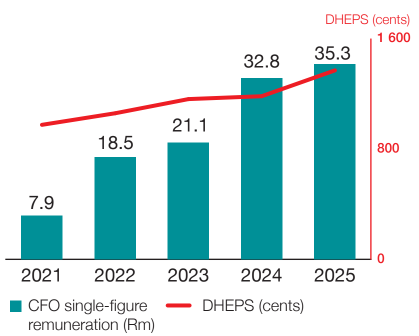


Five-year remuneration (Rm) vs share price (cents)

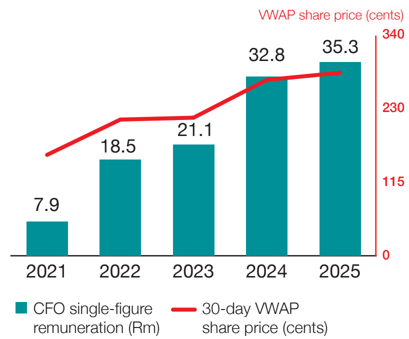


CFO

Five-year remuneration (Rm) vs DHEPS (cents)

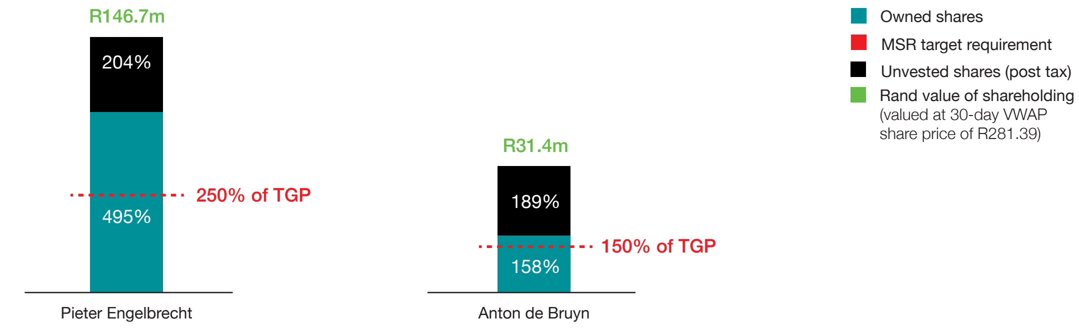


Five-year remuneration (Rm) vs share price (cents)



Minimum Shareholding Requirements (MSR)

The table below reflects Executive Directors' progress to comply with the MSR requirements. The five-year period to achieve the targets set for the CEO and CFO ends in 2027. The percentage shareholding reflected includes direct and indirect beneficial shareholding for both vested shares and unvested shares on a post-tax basis. Both directors are on track to meet and/or exceed the MSR targets by 2027.



Pieter Engelbrecht	Number of ordinary shares held	Vested	Unvested
Direct beneficial	317 165	40 180	276 885
Indirect beneficial	329 048	329 048	–
Total	646 213	369 228	276 885
Post tax* shareholding for MSR calculation	521 515	369 228	152 287*
Value of post-tax shareholding (Rm)**	146 749	103 897	42 852
TGP (in Rm)	20 971		
MSR	**700%**	**496%**	**204%**

Anton de Bruyn	Number of ordinary shares held	Vested	Unvested
Direct beneficial	124 755	14 054	110 701
Indirect beneficial	36 775	36 775	–
Total	161 530	50 829	110 701
Post tax* shareholding for MSR calculation	111 715	50 829	60 886*
Value of post-tax shareholding (Rm)**	31 436	14 303	17 133
TGP (in Rm)	9 042		
MSR	**348%**	**158%**	**190%**

* *Tax assumed at 45% for unvested shares*

** *Valued at 30-day VWAP of R281.39 per share*

PART 3

Remuneration report continued

STI scorecard outcome for executive management for FY 2025

The following targets, together with the actual outcomes against the targets, applied to the Executive Directors during FY 2025.

Allocation		Weighting	Performance measures	FY 2025 Targets			FY 2025 Actual		
				Threshold 80%	Target 100%	Stretch 120%	Continued operations actual performance	Weighted performance % achieved	Indicator
Financial 80%		40.0%	Trading profit (Rm)	**R11 744m**	**R14 680m**	**R17 616m**	R14 951m	40.7%	● (100%)
		15.0%	EBITDA margin	**8.2%**	**8.7%**	**9.2%**	9.4%	18.0%	● (100%)
		12.5%	Sales growth	**9.2%**	**9.7%**	**10.2%**	8.9%	0.0%	● (<80%)
		12.5%	Inventory to sales ratio	**12.3%**	**12.0%**	**11.7%**	11.8%	14.2%	● (100%)
Non-financial 20%	Renewable energy 10%	10%	Solar PV contribution (% of electricity consumption)	**6.0%**	**6.5%**	**7.0%**	7.2%	12.0%	● (100%)
	Waste recycling 5%	2.5%	Increase in cardboard recycling	**3.5%**	**4.0%**	**4.5%**	8.1%	3.0%	● (100%)
		2.5%	Increase in plastic recycling	**3.5%**	**4.0%**	**4.5%**	17.2%	3.0%	● (100%)
	Sustainable packaging (total private label) 5%	2.5%	% reusable, recyclable or compostable	**88.0%**	**90.0%**	**92.0%**	92.6%	3.0%	● (100%)
		2.5%	% recycled content	**39.0%**	**40.0%**	**41.0%**	42.2%	3.0%	● (100%)
		100%	**Total**				**Achievement**	96.9%	

Target achievement indicator

● <80% ● 80% – 99.9% ● 100%

Cash STI of Executive Directors for FY 2025

The final cash STIs payable to Executive Directors were calculated as follows:

Name	On-target STI rand value (A) R'000	Executive director STI achievement (B) %	Outcome AxB R'000
Pieter Engelbrecht	18 667	96.9%	18 088
Anton de Bruyn	6 300	96.9%	6 105

Deferred STI (EDI) of Executive Directors for FY 2025

The final deferred STIs (EDIs) awarded to Executive Directors were calculated as follows:

Name	On-target EDI rand value (A) R'000	Executive director EDI achievement (B) %	Outcome AxB R'000
Pieter Engelbrecht	16 117	96.9%	15 617
Anton de Bruyn	6 709	96.9%	6 501

Per the policy the EDI achievement for the 2025 financial year is 96.9%

PART 3 **Remuneration report** continued

LTI scorecard outcome (ESP) for performance period FY 2023 – FY 2025

September 2022 awards: Performance measures for the three-year cycle from FY 2023 to FY 2025 vesting in September 2025:

			Targets FY 2023 – FY 2025			Achievement		
Allocation	Weighting	Performance measures	Threshold 50%	Target 75%	Stretch 100%	Continued operations actual performance	Weighted vesting % achieved	Indicator
Financial 80%	40%	Adjusted ROIC	WACC + 2% = 15.5%	WACC + 2.5% = 16%	WACC + 3% = 16.5%	19.4%	40.0%	Green
			Note 1					
	40%	Adjusted DHEPS three-year CAGR growth	CPI = 5.2%	CPI + 1% = 6.2%	CPI + 2% = 7.2%	10.6%	40.0%	Green
			Note 2					
Non-financial 20%	20%	Employment Equity	80% of approved plan	90% of approved plan	100% of approved plan	98.3%	19.1%	Orange
			Note 3					
		Achievement					99.1%	

Target achievement indicator

Red: <80% · Orange: 80% – 99.9% · Green: 100%

LTI (ESP) of Executive Directors for FY 2025

Full details of the quantum and number of awards that vested are disclosed under the single figure of remuneration and the table of unvested LTIs.

Executive Director	Award	Number of shares awarded	Performance factor	Performance adjusted number of shares	Year end 30-day VWAP R	Value of shares vesting R'000
Pieter Engelbrecht	2022 Performance shares	92 862	99.10%	92 026	281.39	25 895
	2022 Co-investment shares	16 387	100.00%	16 387	281.39	4 611
Total		109 249		108 413	281.39	30 506
Anton de Bruyn	2022 Performance shares	35 155	99.10%	34 839	281.39	9 803
	2022 Co-investment shares	6 204	100.00%	6 204	281.39	1 746
Total		41 359		41 043	281.39	11 549

Notes:

1: Weighted Average Cost of Capital (WACC) is calculated in terms of the Group policy at the end of the reporting period. For the 2025 financial year WACC is 13.5%.

	2025		
	ROIC Rm	IFRS 16 impact Rm	Adjusted ROIC Rm
Trading profit	14 951	(2 781)	12 170
Effective tax rate	27.4%		27.4%
Trading profit after tax	**10 851**	**(2 018)**	**8 833**
Invested capital	87 753	(40 655)	47 098
Average invested capital	**82 421**		**45 443**
ROIC	**13.2%**		**19.4%**
WACC	**12.1%**		**13.5%**

2: Consumer Price Index (CPI) is calculated as the three-year rolling average over the performance period as published by StatsSA. For FY 2025 the three-year rolling average CPI of 5.2% was calculated as the rolling 36-month average ending June 2025.

3: The Department of Employment and Labour (DoEL) Group target, approved by the Social and Ethics Committee, was set as the sum of each category of the weighted average of the Employment Equity plans for Shoprite Checkers, Transpharm and Freshmark. The approved plan for the performance period ending June 2025 is:

Category	Target	Actual achievement	% Achieved	Indicator
Top management	40.1%	**36.6%**	**91.2%**	Orange
Senior management	70.0%	**71.4%**	**102.1%**	Green
Middle management	83.0%	**84.2%**	**101.5%**	Green
		Achievement	**98.3%**	

PART 3 **Remuneration report** continued

Remuneration tables: CEO | Pieter Engelbrecht

The CEO received an inflationary increase of 6.0% to his salary for the FY 2025.

The executive salary structure changed during FY 2024 with the introduction of EDI. EDI achievement for the year is included in single figure, but deferred in shares for two years until payment in cash or settlement in equity occurs.

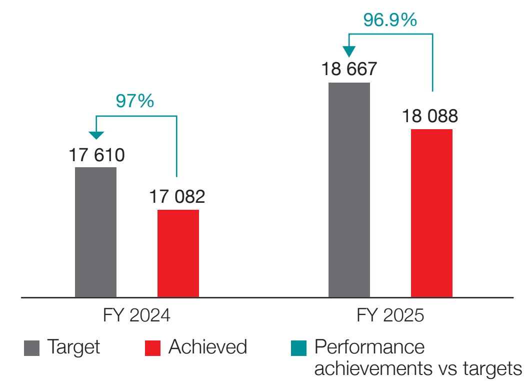
The table below reflects a breakdown of actual earnings of the CEO, including the deferred STI (EDI) that will only be paid out in September 2027.

Single figure

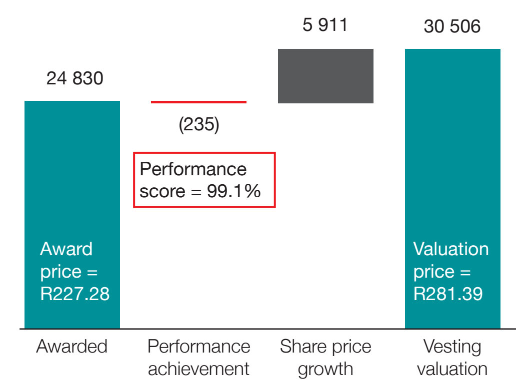
	2025 R'000	2024 R'000	Comments – FY 2025 payments
Salary	**20 019**	18 863	Inflation-based increase of 6.0% awarded in July 2024
Benefits	**500**	503	Pension fund and medical aid
Other	**452**	919	Car allowance/company car, subsistence allowances, employee discounts
Total Guaranteed Salary	**20 971**	20 285	
Short-term Incentive	**18 088**	17 082	96.9% achievement of one-year target set for FY 2025 (FY 2024: 97.0%)
ESP vesting	**30 506**	28 968	99.1% achievement of three-year target set in FY 2022 for performance period from FY 2022 to FY 2025 (99.1% for FY 2021 to FY 2024)
Qualifying dividends	**1 823**	2 188	Dividends received on unvested shares
Total earnings	**71 414**	68 523	
STI deferral (EDI)	**15 617**	14 749	STI target achieved and deferred in shares for two years. Payment will only be made in September 2027 (FY 2024 achievement paid in September 2026)
Total	**87 005**	83 272	

STI cash outcome (R'000)

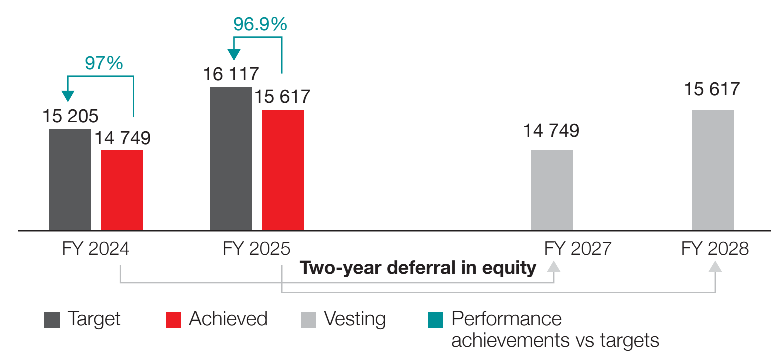
The 96.9% STI performance in FY 2025 (97% in FY 2024) results in both a cash and deferred share award lower than target. It should be noted that in a year where the STI results are greater than 100%, the EDI award is capped at 100%.



ESP vesting 2022–2025 cycle outcome (R'000)



STI deferral outcome (EDI) (R'000)



PART 3
Remuneration report continued

Outstanding and settled LTIs

P Engelbrecht

	FY 2025							FY 2024						
	Number of shares					ZAR		Number of shares					ZAR	
	Opening balance	Granted during 2025	Forfeited during 2025	Vested balance during 2025	Closing balance 30 June 2025	Value of receipts during 2025[1]	Estimated closing fair value[2]	Opening balance	Granted during 2024	Forfeited during 2024	Vested balance during 2024	Closing balance 30 June 2024	Value of receipts during 2024[1]	Estimated closing fair value[2]
ESP (performance shares)														
11-Sep-20								94 757			(94 757)		11 217 362	
10-Sep-21	**80 894**		**(728)**	**(80 166)**		**11 200 038**		80 894				80 894	551 697	21 676 874
23-Sep-22	**92 862**				**92 862**	**363 546**	**25 895 264**	92 862				92 862	633 319	18 832 414
15-Sep-23	**62 251**				**62 251**	**327 898**	**13 137 607**		62 251			62 251	424 552	12 624 503
16-Sep-24		**56 147**			**56 147**	**542 314**	**11 849 403**							
ESP (retention shares)														
11-Sep-20								12 635			(12 635)		1 495 718	
10-Sep-21	**10 786**			**(10 786)**		**1 506 767**		10 786				10 786	73 561	2 916 534
ESP (co-investment shares)														
11-Sep-20								18 956			(18 956)		2 243 839	
10-Sep-21	**16 179**			**(16 179)**		**2 260 298**		16 179				16 179	110 341	4 374 802
23-Sep-22	**16 387**				**16 387**	**95 700**	**4 611 138**	16 387				16 387	111 759	4 431 045
EDI (deferred shares)														
16-Sep-24		**49 238**			**49 238**	**287 550**	**13 855 081**							
Total	**279 359**	**105 385**	**(728)**	**107 131**	**276 885**	**16 584 111**	**69 348 493**	**343 456**	**62 251**		**(126 348)**	**279 359**	**16 862 148**	**64 856 171**

ESP

100% performance based.

Retention shares removed since FY 2023.

Co-investment shares removed since FY 2024

EDI

Introduced in FY 2024 which is a deferred STI. Performance shares are awarded in September 2024 after one-year performance targets are achieved and deferred for another two years until vesting.

1. *Value of receipts reflects the dividends received during the year on unvested shares and the cash value earned on the settlement of shares*
2. *Estimated closing fair value of unvested shares is valued at the 30-day VWAP of R281.39 (FY 2024: R270.40). The performance share awards were adjusted for the expected vesting as follows:*
   > 10 September 2021 – 99.1% in FY 2024
   > 23 September 2022 – 75.0% in FY 2024 and 99.1% in FY 2025
   > 15 September 2023 – 75.0% in FY 2024 and 75% in FY 2025
   >16 September 2024 - 75% in FY 2025

Remuneration tables: CFO | Anton de Bruyn

An executive benchmark conducted in FY2024 revealed that the TGP for the CFO is below what was observed in the market. A 7.5% increase was awarded to the CFO in July 2024.

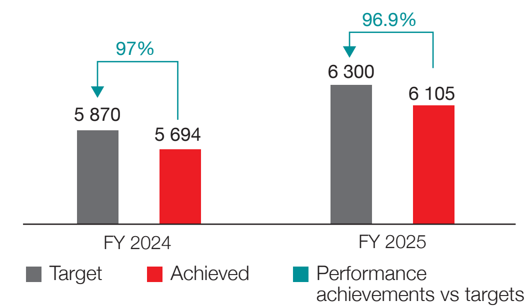
The executive salary structure changed during FY 2024 with the introduction of EDI. EDI achievement for the year is included in single figure, but deferred in shares for two years until payment in cash or settlement in equity occurs.

The table below reflects a breakdown of actual earnings of the CFO, including the deferred STI (EDI) that will only be paid out in September 2027.

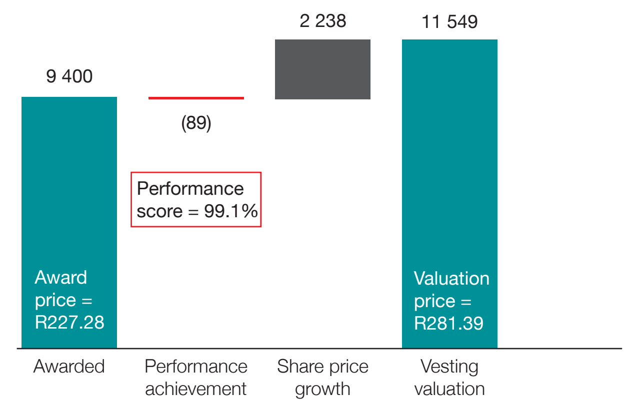
	Single figure 2025 R'000	Single figure 2024 R'000	Comments – FY 2025 payments
Salary	**8 345**	7 765	7.5% increase awarded for FY 2025 based on inflation and market adjustment
Benefits	**398**	393	Pension fund and medical aid
Other	**299**	341	Car allowance, subsistence allowances, employee discounts
Total Guaranteed Salary	**9 042**	8 499	
STI cash	**6 105**	5 694	96.9% achievement of one-year target set for FY 2025 (FY2024: 97.0%)
VOB vesting	**1 398**	1 262	Virtual Option Bonus awarded in 2019 at a share price of R132.39
ESP vesting	**11 549**	10 547	99.1% achievement of three-year target set in FY 2022 for performance period from FY 2022 to FY 2025 (99.1% for FY 2021 to FY 2024)
Qualifying dividends	**667**	762	Dividends received on unvested shares
Total earnings	**28 761**	26 764	
STI deferral (EDI)	**6 501**	6 082	STI target achieved and deferred in shares for two years. Payment will only be made in September 2027 (FY 2024 achievement paid in September 2026)
Total	**35 262**	32 846	

STI cash outcome (R'000)

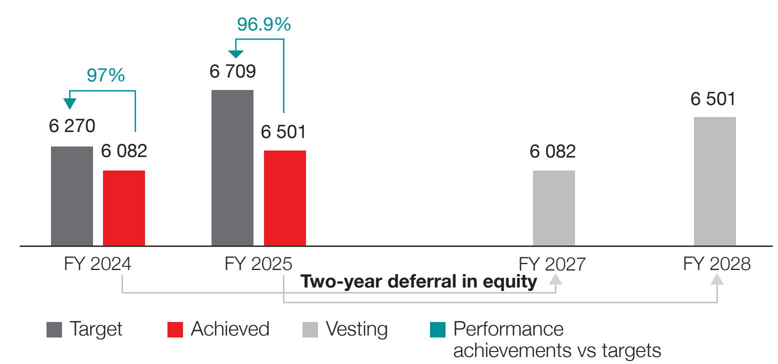
The 96.9% STI performance in FY 2025 (97% in FY 2024) results in both a cash and deferred share award lower than target. It should be noted that in a year where the STI results are greater than 100%, the EDI award is capped at 100%.



ESP vesting 2022–2025 cycle outcome (R'000)



STI deferral outcome (EDI) (R'000)



PART 3

Remuneration report continued

Outstanding and settled LTIs continued

A de Bruyn	FY 2025							FY 2024						
	Number of shares					ZAR		Number of shares					ZAR	
	Opening balance	Granted during 2025	Forfeited during 2025	Vested balance during 2025	Closing balance 30 June 2025	Value of receipts during 2025[1]	Estimated closing fair value[2]	Opening balance	Granted during 2024	Forfeited during 2024	Vested balance during 2024	Closing balance 30 June 2024	Value of receipts during 2024[1]	Estimated closing fair value[2]
Virtual Option bonus														
30-Oct-18														
Tranche 3								2 291			(2 291)		578 427	
30-Oct-19														
Tranche 1														
Tranche 2								4 662			(4 662)		1 177 052	
Tranche 3	4 666			(4 666)		1 397 665		4 666				4 666	19 364	1 261 686
ESP (performance shares)														
11-Sep-20								21 121			(21 121)		2 452 824	
10-Sep-21	27 476		(247)	(27 229)		8 156 240		27 476				27 476	187 386	7 362 645
23-Sep-22	35 155				35 155	205 305	9 803 235	35 155				35 155	239 757	7 129 434
15-Sep-23	25 669				25 669	149 907	5 417 250		25 669			25 669	175 063	5 205 673
16-Sep-24		23 370			23 370	136 481	4 932 063							
ESP (retention shares)														
11-Sep-20								4 526			(4 526)		525 407	
10-Sep-21	5 888			(5 888)		1 763 706		5 888				5 888	40 156	1 592 115
ESP (co-investment shares)														
11-Sep-20								4 526			(4 526)		525 407	
10-Sep-21	5 888			(5 888)		387 589		5 888				5 888	40 156	1 592 115
23-Sep-22	6 204				6 204	36 231	1 745 744	6 204				6 204	42 311	1 677 562
EDI (deferred shares)														
16-Sep-24		20 303			20 303	118 570	5 713 061							
Total	110 946	43 673	(247)	(43 671)	110 701	12 351 694	27 611 353	122 403	25 669		(37 126)	110 946	6 003 310	25 821 230

Virtual Option Bonus

Prior to awards made in September 2019, long-term incentive awards were made under the VOB scheme. In terms of this scheme, awards were subject to continued employment as opposed to prospective performance conditions. In September 2025 the last portion of the awards vested in terms of the VOB scheme.

ESP

100% performance based.

Retention shares removed since FY 2023.

Co-investment shares removed since FY 2024.

EDI

Introduced in FY2024 which is a deferred STI. Performance shares are awarded in September 2024 after one-year performance targets are achieved and deferred for another two years until vesting.

1. *Value of receipts reflects the dividends received during the year on unvested shares and the cash value earned on the settlement of shares*
2. *Estimated closing fair value of unvested shares is valued at the 30-day VWAP of R281.39 (FY 2024: R270.40). The performance share awards were adjusted for the expected vesting as follows:*
   > 10 September 2021 – 99.1% in FY 2024
   > 23 September 2022 – 75.0% in FY 2024 and 99.1% in FY 2025
   > 15 September 2023 – 75.0% in FY 2024 and 75% in FY 2025
   >16 September 2024 - 75% in FY 2025

Non-executive Director remuneration and composition

The table below sets out the fees paid to Non-executive Directors for the year under review.

	FY 2025			FY 2024		
	Board fees paid R'000	Committee fees paid R'000	Total fees paid R'000	Board fees paid R'000	Committee fees paid R'000	Total fees paid R'000
WE Lucas-Bull	**4 007**	**–**	**4 007**	3 775		3 775
P Cooper	**583**	**628**	**1 211**	549	592	1 141
L de Beer	**583**	**748**	**1 330**	549	616	1 165
GW Dempster	**583**	**413**	**996**	549	389	938
NN Gobodo	**844**	**672**	**1 516**	947	633	1 580
MLD Marole	**583**	**146**	**729**	549	138	687
S Maseko	**583**	**332**	**915**	520	127	647
H Mathebula	**583**	**255**	**838**	520	116	635
PD Norman	**583**	**307**	**889**	549	289	838
CH Wiese	**583**	**628**	**1 211**	549	591	1 140
EA Wilton	**583**	**499**	**981**	549	376	924
Total	**10 095**	**4 528**	**14 623**	9 605	3 865	13 470

Non-executive Directors' remuneration for FY 2025 as disclosed reflects the approved fees paid during the current year, excluding VAT to the extent that VAT is apportioned to the taxable supplies of the Group.

07

APPENDICES

This section reviews our disclosure in terms of the IFRS S1 and S2 Sustainability Disclosure Standards, provides a performance data table of financially-material sustainability-related metrics, summarises our retail footprint, and provides relevant shareholder information.

SHOPRITE ACHIEVES SUSTAINABLE PACKAGING TARGETS

In FY 2025, Shoprite achieved 92.6% reusable or compostable private label packaging with 42.2% recycled content, meeting our 2025 sustainable packaging targets. This milestone reflects the success of our innovation-driven approach to circular packaging. Key achievements include developing South Africa's first recyclable 7kg potato bags in-house. Now on shelf, this innovation is diverting millions of bags from landfill, while our redesigned Ubrand safety-first thin bleach bottle sets the benchmark for affordable, sustainable packaging. Made from 100% post-consumer recycled plastic with braille labels and a child-safe lid, this innovation earned the top honour at the SAPRO Awards 2024.

IFRS S1 and S2 content index

This content index is based on IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures released by the International Sustainability Standards Board (ISSB) in June 2024.

IFRS reference	Disclosure requirement	Location	Additional information
Governance			
Board oversight			
IFRS S1 27(a) IFRS S2 6(a)	Describe the governance body responsible for overseeing sustainability-related risks and opportunities, detailing their mandate and key oversight processes.	IR page 46 SR pages 15-16	
Management's role			
IFRS S1 27(b) IFRS S2 6(b)	Describe management's role in governance processes for monitoring, managing and overseeing sustainability and climate-related risks and opportunities, detailing key roles and responsibilities, and the integration of formal procedures.	SR page 18	
Strategy			
Sustainability- and climate-related risks and opportunities			
IFRS S1 30-31 IFRS S2 10-12	Describe the sustainability- and climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects over the short, medium and long term.	IR page 29 SR pages 18-19	
Business model and value chain			Details of our climate-, biodiversity- and water-related risks are provided in our separately available CDP Climate Change, Forests and Water Security responses
IFRS S1 32 IFRS S2 13	Describe the current and anticipated effects of sustainability- and climate-related risks and opportunities on the entity's business model and value chain.	SR page 19 (high-level only)	
Strategy and decision-making			
IFRS S1 33 IFRS S2 14	Describe the effects of sustainability- and climate-related risks and opportunities on the entity's strategy and decision-making, including information about sustainability and transition plans.	SR page 19 SR pages 58-61	Additional detail is provided in our CDP responses as noted above
Financial position, financial performance, and cash flows			
IFRS S1 34-40 IFRS S2 15-21	Describe the effects of sustainability- and climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability- and climate-related risks and opportunities have been factored into the entity's financial planning.	SR page 19 (high-level only)	Additional detail is provided in our CDP responses as noted above
Resilience			
IFRS S1 41-42 IFRS S2 22	Describe the resilience of the entity's strategy, business model and finances to sustainability- and climate-related changes, developments and uncertainties, taking into consideration the entity's identified sustainability- and climate-related risks and opportunities, and detailing the specific assessments or scenario analysis processes carried out.	SR page 19 (high-level only)	Additional detail is provided in our CDP responses as noted above
Risk management			
Management processes			
IFRS S1 43-44 IFRS S2 25-26	Describe the processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability- and climate-related risks and opportunities, including whether and how climate-related scenario analysis is applied, and the extent to which these processes are integrated into and inform the entity's overall risk management process.	IR pages 30-31 SR page 19	
Metrics and targets			
Performance			A review of our performance on our sustainability-related metrics and targets is provided in the performance section of our SR (page 6), and summarised in the Sustainability/ESG data table SR (pages 70-76)
IFRS S1 46-53 IFRS S2 28-37	Describe the entity's performance in relation to its sustainability- and climate-related risks and opportunities, including progress towards any targets it has set, and any targets it is required to meet by law or regulation, as well as information required to clearly understand these metrics and targets, and the entity's sustainability and climate change performance.	SR page 20 SR pages 72-85	

Sustainability-related metrics

The following table presents the applicable Sustainability Disclosure Topics and Metrics listed in the SASB Food Retailers and Distributors Sustainability Accounting Standard.

Topic	Metric	FY 2025	FY 2024
Fleet fuel management	Fleet fuel consumed (GJ)	**59 820 252**	40 119 717
	Percentage renewable (%)	**–**	–
Air emissions from refrigeration	Gross global Scope 1 emissions from refrigerants (Mt CO_2-e)	**457 957**	525 993
	Percentage of refrigerants consumed with zero ozone-depleting potential (%)	**51.1**	45.8
Energy management	Operational energy consumed (GJ)	**2 097 248**	1 920 104
	Percentage grid electricity (%)	**92.8**	93.5
	Percentage renewable (%)	**7.2**	6.5
Food safety	High-risk food safety violation rate	**–**	–
	Number of food-safety-related recalls	**–**	–
	Number of food-safety-related units recalled	**–**	–
	Percentage of food-safety-related units recalled that are private-label products (%)	**–**	–
Product labelling and marketing	Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	**5**	
	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labelling practices (ZAR)	**–**	
	Revenue from products labelled as: containing genetically modified organisms (GMOs) and non-GMO (ZAR)		
Labour practices	Average hourly wage (ZAR)	**37.69**	34.29
	Percentage of in-store and distribution centre employees earning minimum wage by region:		
	Angola (%)	**0.3**	–
	Botswana (%)	**–**	22.0
	Eswatini (%)	**13.7**	–
	Ghana (%)	**–**	–
	Lesotho (%)	**6.3**	1.02
	Malawi (%)	**43.8**	–
	Mozambique (%)	**10.8**	45.2
	Namibia (%)	**29.0**	10.0
	South Africa (%)	**6.0**	6.4
	Zambia (%)	**–**	–
	Percentage of active workforce covered under collective bargaining agreements (%)	**31.1**	30.0
	Number of work stoppages	**6**	2
	Total days idle	**2.5**	2hrs
	Total monetary losses as a result of legal proceedings associated with labour law violations and employment discrimination (ZAR)		
Management of Environmental and Social Impacts in Supply Chain	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	See SR page 44	
	Discussion of strategies to reduce the environmental impact of packaging	See SR pages 64-65	

Note: Blank cells denote that data was unavailable at the time of reporting and all dashes (-) represent zero (0).

Our retail footprint

5 164 813m² across our total retail footprint

Discontinued operations

	South Africa	Angola	Botswana	Eswatini	Ghana	Lesotho	Malawi	Mozambique	Namibia	Zambia
Shoprite	682	25	13	18		8		14	27	44
Usave	494		1	7		11			26	
Checkers	310		2			1			8	
Checkers Hyper	40									
Other	218									
Checkers LiquorShop	311		2			1			7	
Shoprite LiquorShop	522	1	7	17		5		1	21	1
OK Furniture										
House & Home										
Medirite Plus	18									
Total stores excl. franchise	**2 595**	**26**	**25**	**42**		**26**		**15**	**89**	**45**
OK Franchise	537			17					**61**	
Total stores incl. franchise	**3 132**	**26**	**25**	**59**		**26**		**15**	**150**	**45**

The 122 Medirite pharmacies form part of Other operating segments but are excluded from these numbers, as these Medirite pharmacies are located within supermarkets.

Administration

Shareholders' diary

June
Financial year end

August
Reviewed results

September
Full year financial results announcement and presentation
Payment of final ordinary dividend

October
Publication of Integrated Report and Notice of Annual General Meeting

November
Annual General Meeting

December
End of financial half-year

March
Interim results announcement and presentation

April
Payment of interim ordinary dividend

Please consult our website www.shopriteholdings.co.za for the latest published diary dates.

Executive Directors

PC Engelbrecht (CEO), A de Bruyn (CFO)

Independent Non-executive Directors

WE Lucas-Bull (Chairman), P Cooper, L de Beer, GW Dempster, NN Gobodo, MLD Marole, SN Maseko, H Mathebula, PD Norman, EA Wilton

Non-executive Director

CH Wiese

Alternate Non-executive Director

JD Wiese

Company Secretary

LM Goliath

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Website: **www.shopriteholdings.co.za**

Transfer secretaries

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Facsimile: +27 (0)11 688 5238
E-mail: **web.queries@computershare.co.za**
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Website: **www.nedbank.co.za**

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Facsimile: +27 (0)21 443 1200
Website: **www.ey.com/en_za**

For verification of 5 key indicators
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South Africa
Telephone: +27 (0)10 448 7793
Website: **www.motlanalo.co.za**

Glossary

Adjusted ROIC	To reflect operating lease expenses as previously recognised, adjusted ROIC is calculated by adjusting trading profit and invested capital to exclude the impact of IFRS 16. Trading profit is adjusted to add back depreciation on right-of-use assets while including lease payments as an operating expense, ensuring comparability with periods prior to the implementation of IFRS 16.
AFS	Annual Financial Statements
AGM	Annual General Meeting
AI	Artificial Intelligence
ARC	Audit and Risk Committee
ASESA	Active Service Excellence South Africa
ATM	Automated teller machine
B-BBEE	Broad-Based Black Economic Empowerment
CAGR	Compound Annual Growth Rate
CCTV	Closed-Circuit Television
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGCSA	Consumer Goods Council of South Africa
Covid-19	Coronavirus (SARS-CoV-2)
CPI	Consumer Price Index
CSI	Corporate social investment
CTO	Chief Technology Officer
DC	Distribution centre
DHEPS	Diluted Headline Earnings Per Share
DoEL	Department of Employment and Labour
DSTI	Deferred short-term incentive
EAS	Electronic article surveillance
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECD	Early childhood development
EDI	Executive deferred incentive
EE	Employment equity
ERM	Enterprise risk management
ERP	Enterprise resource planning
ESD	Enterprise and supplier development
ESG	Environmental, social and governance
ESP	Executive Share Plan
ESSI	Executive Super Stretch Incentive Scheme
EWT	Endangered Wildlife Trust
EY	Ernst & Young Inc.
FIC	Finance and Investment Committee
FMCG	Fast-Moving Consumer Goods
FSC	Forest Stewardship Council
FY	Financial year
GDP	Gross Domestic Product
Gen AI	Generative Artificial Intelligence
GHG	Greenhouse gas
GNU	Government of National Unity
GRI	Global Reporting Initiative
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IR	Integrated report
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
IT	Information Technology
JSE	Johannesburg Stock Exchange
Kl	kilolitre
King IV™	King IV Report on Corporate Governance™ for South Africa, 2016
KPI	Key performance indicator
LED	Light-emitting diode
LTI	Long-Term Incentive
LuSE	Lusaka Stock Exchange
MRF	Management Risk Forum
MSR	Minimum Shareholding Requirement
MWh	Megawatt-hour
NC	Nomination Committee
NED	Non-executive Director
NGO	Non-Governmental Organisation
NOx	Nitrogen oxide pollutants
NSX	Namibian Stock Exchange
OECD	Organisation for Economic Co-operation and Development
PIN	Personal Identification Number
POPIA	Protection of Personal Information Act
POS	Point of sale
PPE	Property, plant and equipment
(Pty) Ltd	Proprietary Limited
PV	Photovoltaic
RC	Remuneration Committee
RF	Retail Logistics Fund
RFID	Radio-frequency identification
ROIC	Return on invested capital
RRP	Retail Readiness Programme
RSA	Republic of South Africa
SA	South Africa
SACCAWU	South African Commercial Catering and Allied Workers Union
SAGEA	South African Graduate Employers Association
SAR	Share Appreciation Right
SASB	Sustainability Accounting Standards Board
SASSA	South African Social Security Agency
SASSI	Southern African Sustainable Seafood Initiative
SDGs	United Nations Sustainable Development Goals
SEC	Social and Ethics Committee
SENS	Stock Exchange News Service
SET	Shoprite Employee Trust
SFI	Sustainable Forestry Initiative
SMME	Small, medium and micro-enterprise
SR	Sustainability report
SRD	Social Relief of Distress
STI	Short-Term Incentive
tCO_2e	Tonnes of carbon dioxide equivalent
TGP	Total guaranteed pay
TSR	Total Shareholders' Return
UN	United Nations
USSD	Unstructured Supplementary Service Data
VOB	Virtual option bonus
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
WWF	World Wide Fund for Nature
YES	Youth Employment Services
ZAR	South African rand