

18 October 2023

Dear Supplier,

We are writing to inform you of the implementation of Social audits by Pick n Pay.

The Pick n Pay Code of Ethics sets out the fundamental principles of our company and outlines the minimum standards that all parties, including our suppliers, must adhere to. The Code of Ethics addresses ethical and sustainable environmental practices and is available for review via <https://bit.ly/PnPCodeOfEthics> or on the Supplier portal.

Under 3.4 of the Code of Ethics, you will find the stakeholders pledge that the Pick n Pay Group requires from its suppliers. It reads: "We will establish and maintain efficient and fair business practices for our mutual benefit and encourage the development and marketing of products in response to consumer needs and environmental imperatives."

To ensure compliance with the Code of Ethics and our commitment to ethical and sustainable environmental practices, we have decided to assess our supply chain in partnership with NSF International. NSF International is a global organization and certification body that offers integrated support to the entire food industry, from farm to fork.

The assessment process will consist of three phases, as outlined below:

Phase 1: PnP Assesses Suppliers to Determine Level of Conformance to Requirements, this needs to be completed by end January 2024.

- Suppliers will be given the opportunity to provide evidence of a third-party Social audit, the following audits are accepted:
 - SIZA
 - SIZA environmental
 - SMETA (2 pillar or 4 pillar)
 - WIETA
 - BSCI
 - SA8000
 - ICS
 - Fairtrade
 - ICTI
 - WRAP
 - Disney

Combined environmental schemes: SMETA (4 pillar), Rainforest Alliance

Other – will be evaluated on submission

- Suppliers can access the PnP supplier portal to answer relevant questions and upload documentation.
- If a supplier can provide evidence of conformance that is accepted by Pick n Pay, no further action will be required.

Phase 2: Suppliers that Have Not Completed a Social or Environmental Audit

If no previous audit is in place, NSF is required to do an assessment, the supplier audit status will be captured onto the Supplier portal, the information will be directed to NSF International, NSF will then send a confirmation email to you. Payment will need to be made to NSF.

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The cost of the assessment will be R1750 + VAT. The amount will be payable directly to NSF. Please use your Pick n Pay vendor number as Reference code when making a payment.

When payment has been received, you will receive a PDF document with the assessment requirements as well as log in details to the NSF connect platform where they you will be required to complete the SAQ and upload evidence.

Assessment (Part 1 and 2):

NSF will provide the assessment criteria to the supplier.

Part 1: The supplier will be required to complete an on-line self assessment. This will be done by commenting on each requirement and uploading evidence of conformance. Take note to make detailed comments and provide enough evidence of conformance as this information will be used to determine the level of conformance of each supplier.

The self assessment is to be completed and submitted on-line.

Part 2: NSF International will then contact the supplier to arrange a virtual meeting. The meeting will include the final part of the assessment and will be conducted using a virtual platform (e.g., Teams meeting, Zoom, etc.). The supplier has to arrange for stable internet during the time of the meeting. The assessor will verify the comments and evidence submitted during part 1 of the assessment to determine the level of risk. The outcome will be discussed at the end of the virtual meeting.

No additional evidence will be considered after the end of the assessment meeting.

Phase 3: Process Once NSF International Online Assessment Has Been Completed:

- Depending on the level of risk identified in the Phase 2 assessment, the supplier may be required to arrange a third-party ethical audit.
- If Phase 3 is required, the supplier can decide which audit they want to undergo (from the above list of approved audits) and obtain a relevant quote. The audit is for the suppliers account.

Timing:

Completion of PnP portal questions and upload of documentation: before end January 2024. Timeline for completion of NSF online assessment: before the end of March 2024. NSF can then schedule the assessments and supplier TEAMS meetings from March 2024 onwards.

We appreciate your cooperation in this process and look forward to working with you to ensure our mutual commitment to ethical and sustainable environmental practices.

If you have any questions or concerns, please do not hesitate to reach out to us.

Sincerely,



Cindy Jenks
Head of Technical
Pick n Pay



Vaughan Pierce
Executive EGS
Pick n Pay