



Boxer Retail Limited

Terms of Reference:
The Social, Ethics and
Transformation Committee

("SETC" or "the Committee")

1. CONSTITUTION

- 1.1. The Social, Ethics and Transformation Committee (“**SETC**” or “**the Committee**”) is constituted as a standing committee of the board of directors (“**the Board**”) of Boxer Retail Limited (“**the Company**”) in accordance with the requirements of the Companies Act No. 71 of 2008, as amended (“**the Act**”), read with the requirements of the Companies Regulations, 2011, the JSE Limited Listings Requirements (“**JSE Listings Requirements**”) and considering the recommendations of the King IV Report on Corporate Governance for South Africa, 2016.
- 1.2. The Company and all of its subsidiaries shall hereinafter be referred to as “**the Boxer Group**”.
- 1.3. The SETC reports to the Board and to the shareholders of the Company (“**Shareholders**”) in terms of its statutory responsibilities and in respect of all other duties assigned to it by the Board.
- 1.4. The roles and responsibilities of the members of the Committee as set out in these Terms of Reference (“**TOR**”) must be read and carried out in conjunction with those set out in the Company’s Board Charter.
- 1.5. The duties and responsibilities of SETC members as set out in these TOR are in addition to the duties and responsibilities that they have as members of the Board. The deliberations of the SETC do not reduce the individual or collective responsibilities of the Board members with regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations as members of the Board.
- 1.6. These TOR are subject to the provisions of the Act, the Company’s Memorandum of Incorporation, the JSE Listings Requirements and all other applicable laws or regulations (which take precedence over these TOR in the event of a conflict).

2. PURPOSE

The purpose of these TOR is to set out the role and responsibilities of the Committee and the formal requirements for its composition and meeting procedures.

3. COMPOSITION AND TERM

- 3.1. The Committee shall comprise at least three (3) members, provided that the majority of the Committee must be non-executive directors who (i) are not involved in the day-to-day management of the Company’s business, and (ii) must not have been so involved within the previous three financial years.
- 3.2. The members of the Committee must collectively have the necessary expertise, qualifications, knowledge, skills, experience and capacity required to execute their duties effectively. The Committee members must keep up to date with developments affecting the required skill set and their duties as members of the Committee.
- 3.3. For so long as is required by the Act, the Shareholders must, at each annual general meeting of the Company (“**AGM**”), elect the members of the Committee from a list of suitable candidates provided by the Nominations and Corporate Governance Committee (“**NomGov**”) and approved by the Board. During the time period between AGMs, the Board must, within 40 (forty) business days of a vacancy arising, appoint a non-executive director of the Board who complies with the requirements set out in paragraph 3.1 to fill a vacancy on the Committee on a temporary basis until the vacancy is filled by election by the Shareholders in accordance with the Act. If Shareholder approval is not required by the Act, the Board shall have the power to appoint members of the Committee based on recommendations from NomGov.
- 3.4. The Board has the power to remove any members of the Committee and to fill any vacancies created by such removal in accordance with paragraph 3.2 above.
- 3.5. Should a Committee member cease to be a member of the Board, such member’s membership of this Committee shall automatically terminate.
- 3.6. Members of the Committee may resign by giving written notice thereof to the chairperson of the Committee (“**Committee Chair**”), with a copy to the company secretary of the Company (“**Company Secretary**”). The Company Secretary must notify the Board and the NomGov of any resignations or removals of any members of the Committee as soon as reasonably possible.
- 3.7. Following nominations from the NomGov, the Board shall appoint the Committee Chair who shall be a non-executive director of the Company. The chairperson of the Board shall not be the Committee Chair but may be a member of the Committee.
- 3.8. NomGov shall review the composition and membership of the SETC annually and ensure that the members have sufficient knowledge, skills, experience and capacity to fulfil their duties. The outcome of this review is reported to the Board.
- 3.9. The Company Secretary, or their nominee, shall act as the secretary for the Committee, attend all SETC meetings, ensure that the Committee receives all necessary information and meeting packs in a timely manner to enable full and proper consideration and preparation for the meeting and ensure that all proceedings, discussions and decisions taken at the SETC meetings are minuted. In the event that the Committee secretary is absent from any meeting, the Committee Chair shall nominate a member of the Committee to keep notes of the discussions and/or decisions for record purposes.

4. ROLE AND MANDATE

- 4.1. The role of the SETC is to assist the Board with the:
 - 4.1.1. monitoring and oversight of the Company’s social and economic development status as a good corporate citizen and the fulfilment of the functions of a social and ethics committee in terms of the Act; and
 - 4.1.2. monitoring and reporting on the manner and extent to which the Boxer Group protects, enhances, invests in and impacts on the economy, society, the workplace and the environment in which it operates.
- 4.2. The detailed responsibilities of the SETC are set out in paragraph 5 below.

- 4.3. The SETC acts in accordance with the delegated authority mandated by the Board, as recorded in these TOR. The Board supports and endorses the SETC, which operates independently of management and is free of any organisational impairment.
- 4.4. The SETC makes recommendations to the Board that it deems appropriate on any area within the ambit of its TOR where action or improvement is required. Furthermore, the Committee Chair should report to the Board after each Committee meeting on matters dealt with and decisions taken by the Committee.

5. RESPONSIBILITIES

The SETC shall operate within the Board's delegation of authority. In discharging its responsibilities to the Board and Shareholders, the Committee will oversee and report on the Boxer Group's organisational values and ethics as required by law and prescribed by the Board, including monitoring the Company's performance in terms of the following:

5.1. Social and economic development

- 5.1.1. The Committee shall monitor the Boxer Group's standing in terms of the goals and purposes of:
 - 5.1.1.1. the ten (10) principles set out in the United Nations Global Compact Principles (universally accepted principles in the areas of human and labour rights, environmental responsibility and anti-corruption);
 - 5.1.1.2. the Organisation for Economic Co-operation and Development (OECD) recommendations regarding corruption;
 - 5.1.1.3. the Employment Equity Act No. 55 of 1998, as amended, and the Skills Development Act No. 97 of 1998, as amended; and
 - 5.1.1.4. the Broad-Based Black Economic Empowerment Act No. 53 of 2003, as amended.

5.2. Good corporate citizenship and ethical behaviour

- 5.2.1. The Committee shall review and monitor the Boxer Group's policies, procedures and initiatives, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, related to:
 - 5.2.1.1. social governance, including human rights, anti-corruption, employment equity, empowerment and transformation and the prevention of unfair discrimination;
 - 5.2.1.2. social and economic development, including enterprise development and the contribution to the development of the communities in which it trades;
 - 5.2.1.3. local, ethical and sustainable procurement, including the integrity of food products sold, human rights and ethical labour practices and the ethical treatment of animals; and
 - 5.2.1.4. corporate social investment, including sponsorships, donations and charitable giving.
- 5.2.2. The Committee shall be responsible for monitoring and reporting on the ethical conduct of the Company, its subsidiaries, its Board, executives and senior officers in terms of the Company's Code of Ethics and related policies, including Anti-Bribery and Corruption, Whistleblowing, Conflicts of Interest, Insider Trading, Gifts, Entertainment and Hospitality Policies and creating platforms to help employees and other stakeholders to familiarise themselves with the Company's ethical standards.
- 5.2.3. The Committee shall review the Company's Whistleblowing Policy and the processes by which concerns about possible wrongdoing may be raised confidentially, ensuring that the processes allow for balanced and fair investigation and appropriate resolution.
- 5.2.4. The Committee shall review the societal impact of its corporate social investment and sponsorship initiatives and provides strategic guidance in terms of the initiatives supported.

5.3. Environmental sustainability

- 5.3.1. The Committee shall monitor and review the Boxer Group's compliance with all relevant material legislation, other legal requirements and any prevailing codes of best practice relating to the environment.
- 5.3.2. The Committee shall assess the environmental impact of the Boxer Group's business activities and review the sustainability strategy implemented to reduce such impact, including the development and publication of appropriate targets and the Boxer Group's performance against its targets.
- 5.3.3. The Committee shall review and approve the Company's annual Environmental, Social and Governance (ESG) Report for publication to stakeholders.

5.4. Health and public safety

- 5.4.1. The Committee shall monitor the Boxer Group's compliance with all relevant material legislation, other legal requirements, any prevailing codes of best practice and internal policies and procedures relating to health and public safety.
- 5.4.2. The Committee shall review all material health and safety reports, including inter alia the number of reported accidents on duty, customer injuries in-store, product recalls and all other health and safety-related incidents to ascertain any evidence of non-compliance or a break-down of internal control and to ensure adequate and ethical response and resolution.

5.5. Consumer and other stakeholder relationships

- 5.5.1. The Committee shall review and monitor the Boxer Group's compliance with all relevant material legislation, other legal requirements and any prevailing codes of best practice relating consumer protection.
- 5.5.2. The Committee shall monitor the Boxer Group's consumer relationships, ensuring that all its engagement, advertising, media and public relations practices are aligned with applicable legislation and Company policies.
- 5.5.3. The Committee shall approve and monitor the Company's stakeholder engagement strategy and plan and the overall management of stakeholder risk.

5.6. Transformation

- 5.6.1. The Committee shall review and monitor the targets for the broad-based black economic empowerment (“B-BBEE”) contributor levels and ratings for the Company, including the targets for the individual scorecard components and reviews the Boxer Group’s progress against those targets.
- 5.6.2. The Committee shall approve the appointment of a B-BBEE verification agency and annually review the report and certificate issued by the verification agency and ensure external publication of the results, in line with prevailing regulations.
- 5.6.3. The Committee shall monitor the Boxer Group’s performance against its employment equity targets and review reports submitted to the South African Department of Labour.
- 5.6.4. The Committee (in association with the Remuneration Committee) shall monitor the Boxer Group’s progress in relation to the promotion of race and gender equality and the elimination of any race or gender income differentials across the Boxer Group.
- 5.6.5. The Committee shall review the adequacy of the overall budget, internal capacity and external resources to facilitate the Company’s transformation strategy.

5.7. Labour and employment

- 5.7.1. The Committee shall monitor the Boxer Group’s standing in terms of the International Labour Organisation Protocols on decent work and working conditions.
- 5.7.2. The Committee shall monitor the Boxer Group’s compliance with all relevant material legislation, other legal requirements and any prevailing codes of best practice relating to employment and labour.
- 5.7.3. The Committee shall ensure that employees’ rights to freedom of association and collective bargaining are recognised and upheld.
- 5.7.4. The Committee shall oversee the Boxer Group’s employment relationships and its contribution towards the training and skills development of its employees.
- 5.7.5. The Committee shall review impact assessments of training programmes and any measurable return on investment on learning and development across the Boxer Group.
- 5.7.6. The Committee shall oversee policies and actions taken to prevent unfair discrimination and harassment.

6. AUTHORITY

The SETC shall:

- 6.1. act in accordance with the delegated authority of the Board as recorded in these TOR;
- 6.2. have the power to investigate, at the cost of the Company, any activity within the scope of these TOR, which includes the right to obtain independent professional advice and/or assurance to assist with the execution of its duties, subject to a Board-approved process;
- 6.3. in the fulfilment of its duties, have the right to call upon the chairpersons of other Board committees, other directors, Company employees, or assurance providers to provide it with information, subject to a Board-approved process;
- 6.4. have reasonable access to the Company’s records, facilities, employees and any other resources necessary to discharge its duties and responsibilities subject to following a Board-approved process;
- 6.5. have the right to form sub-committees and delegate authority to (i) such sub-committees, (ii) one or more designated members of the Committee, or (iii) one or more members of the executive management team to perform certain tasks on its behalf; and
- 6.6. have the right to obtain independent outside professional advice to assist with the execution of its duties, at the Company’s cost, subject to a Board-approved process being followed, as provided for in the Company’s Board Charter.

7. MEETINGS PROCEDURE

7.1. Frequency

- 7.1.1. Committee meetings shall be held at least three (3) times a year. Additional Committee meetings may be held at the request of any member of the SETC or the Board as required.
- 7.1.2. Meetings shall be scheduled in accordance with the annual Board calendar, with reference to the annual board calendar of the Controlling Shareholder (Pick n Pay Stores Limited, or any other shareholder of the Company holding more than 50% of the voting rights attaching to the shares of the Company from time to time).

7.2. Notice

Unless agreed otherwise, notice of each meeting confirming the venue, time and date together with an agenda and supporting documents shall be forwarded to each member of the Committee, and any other person required/invited to attend, no fewer than seven (7) days prior to the date of the meeting.

7.3. Agenda and minutes

- 7.3.1. The Committee shall establish an annual workplan for each year to ensure that all relevant matters, as laid out in these TOR, are covered by the agendas of the meetings planned for the year.
- 7.3.2. The Committee Chair may meet with the Chief Executive Officer of the Company, chief financial officer of the Company, members of senior management and/or the Company Secretary prior to a SETC meeting to discuss important issues and finalise the meeting agenda.
- 7.3.3. Minutes of Committee meetings shall be completed by the Company Secretary and approved by the Committee Chair as soon as practicable after the meeting and circulated to the Committee members timeously.
- 7.3.4. The minutes shall be formally approved by the SETC at the next meeting.

7.4. Attendance

- 7.4.1. Committee members should attend all scheduled meetings of the Committee, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, has been submitted to the Committee Chair and Company Secretary.
- 7.4.2. Invitations to Committee meetings may be extended to any members of senior management and professional advisors as deemed appropriate.
- 7.4.3. Any other member of the Board shall be entitled to attend the Committee meetings as an observer.
- 7.4.4. In addition to those invited on a discretionary basis, there shall be standing invitations to all Committee meetings to representatives of the Controlling Shareholder. These invitees will include, but are not limited to, the Chair of the Social, Ethics and Transformation Committee, the Head of ESG, and the Head of Corporate Affairs of the Controlling Shareholder. These standing invitees shall attend all meetings unless specifically excused by the Committee Chair. The Committee Chair retains the discretion to request any standing invitees to leave the meeting when discussing confidential or sensitive matters.
- 7.4.5. Committee members must be fully prepared for meetings in order to provide appropriate and constructive input on matters discussed and to properly report to the Board on its activities and recommendations.
- 7.4.6. The meetings of the Committee may be held in person, or by electronic communication, as circumstances may require, provided that the required quorum is met and that the members can speak and hear one another during the meeting.
- 7.4.7. The Committee Chair will be required to attend certain sessions of the meetings of the Social, Ethics and Transformation Committee of the Controlling Shareholder, as these sessions pertain to relevant social, ethics and transformation matters of the Company.

7.5. Quorum and voting

- 7.5.1. The quorum required for a meeting shall be a majority of Committee members present in person or via electronic communication facilities throughout the meeting. In the absence of the Committee Chair, the members present may nominate and elect one (1) of the members present to act as Committee Chair for the duration of the meeting, provided the member is a non-executive director.
- 7.5.2. Invitees in attendance at Committee meetings are encouraged to take part in Committee discussions, but do not form part of the required quorum and do not vote on resolutions.
- 7.5.3. A decision of the Committee at a meeting shall be approved by a majority of votes cast by the members of the Committee who are eligible to vote at a meeting.
- 7.5.4. A resolution in writing adopted by the majority of the Committee members is valid and effective as if it had been passed at a duly called and constituted meeting, provided that each director has received notice of the matter to be decided. Such resolution shall be presented at the next meeting for noting and signature by the Committee Chair.
- 7.5.5. Where a member is recused from the meeting, the meeting shall remain quorate during his/her absence.
- 7.5.6. In the absence of a quorum and subject to the discretion of the Committee Chair, the meeting can either be postponed to a later date or can proceed as an informal meeting with all resolutions required to be taken at the meeting being formally approved by way of a written resolution.
- 7.5.7. No resolutions tabled for approval by the Committee at a meeting which is not quorate shall be implemented or given effect to until formally approved via written resolution or a formal meeting.
- 7.5.8. The written resolution circulated in terms of paragraphs 7.5.6 and 7.5.7 above, requires unanimous approval, in the absence of which a special meeting of the committee shall be convened for the matter to be discussed and formally approved during this special meeting.

7.6. Declaration of interest

- 7.6.1. At the commencement of each meeting, all Committee members should declare whether they have any conflict of interest in respect of any matter on the agenda.
- 7.6.2. Such conflict should be recorded in the minutes and conflict of interest register (where applicable).
- 7.6.3. The Committee should discuss the conflict and decide upon its severity, impact and determine the appropriate management of such conflict.
- 7.6.4. Depending on the outcome of the above, when the relevant agenda item arises, the affected Committee member should be recused from the meeting for the duration of that matter being discussed and shall not have a vote on the matter.

7.7. Confidentiality

All Boxer Group, Company and/or divisional information that is shared with / comes to the attention of the SETC members and invitees must be kept confidential.

7.8. In-committee meetings

- 7.8.1. In-committee meetings shall be held as and when required, as determined by the Committee Chair. Subject to paragraph 7.8.2, only Committee members shall be present at in-committee meetings.
- 7.8.2. The Company Secretary may be required to attend an in-committee meeting for purposes of minute taking. In the event that the Company Secretary is excused from the meeting, the Committee Chair shall nominate a member of the Committee to keep notes of the discussions and/or decisions for record purposes.
- 7.8.3. Separate in-committee meeting minutes shall be prepared for each in-committee meeting and shall be circulated to Committee members via electronic communication for confirmation. Following receipt of confirmation from each Committee member, the in-committee meeting minutes shall be signed by the Committee Chair.

7.9. Reporting to the Board and the Controlling Shareholder

The Committee Chair shall report on all key matters addressed by the Committee at the Board meeting following the Committee meeting (or sooner, as appropriate). In addition, the Committee Chair will provide a report on all key matters to the chair of the SETC Committee of the Controlling Shareholder.

8. ANNUAL REPORTING TO STAKEHOLDERS

- 8.1. The Committee Chair shall annually prepare a SETC report, to be included in the integrated annual report of the Company (“**Integrated Annual Report**”) and presented at the AGM, which describes the Committee’s mandate, composition and responsibilities and how these responsibilities were discharged during the financial year, including key areas of Committee focus and the key decisions taken.
- 8.2. Furthermore, the SETC will ensure that adequate and relevant information is provided in the Integrated Annual Report in relation to the Company’s organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships, including key current and future focus areas of the Committee.
- 8.3. The Committee Chair, or other members of the Committee as determined by the Committee Chair, shall attend each AGM and be prepared to respond to any Shareholder questions on the Committee’s activities.
- 8.4. The Committee shall ensure that the Company complies with the reporting requirements of the Controlling Shareholder.

9. REMUNERATION OF SETC MEMBERS

- 9.1. Non-executive members of the Committee, excluding the Committee Chair, shall be paid such remuneration in respect of their appointment as recommended by the Remuneration Committee and the Board and approved annually by Shareholders.
- 9.2. The Committee Chair shall be paid such remuneration in respect of his/her appointment as recommended by the Remuneration Committee and the Board and approved annually by Shareholders.

10. BOARD EVALUATION OF SETC PERFORMANCE

- 10.1. The SETC shall perform a self-evaluation of its effectiveness every year and report the results thereof to NomGov.
- 10.2. In addition, NomGov performs a formal annual evaluation of SETC performance and effectiveness, with its conclusions and recommendations (as relevant) submitted to the Board for approval.

11. REVIEW OF TERMS OF REFERENCE

The SETC shall review these TOR, to ensure that they remain consistent with its statutory duties and the Board’s objectives and responsibilities. These TOR may be amended as required, subject to the approval of the Board.

12. APPROVAL OF TERMS OF REFERENCE

These TOR are endorsed by the Committee Chair and approved by the Board.

10 October 2024

Date of Board Approval