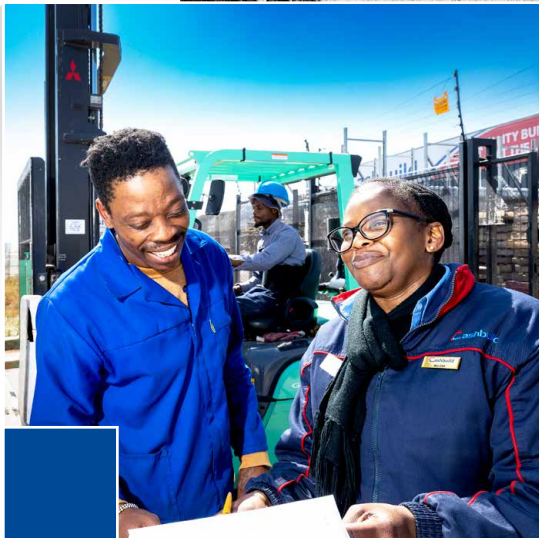


Cashbuild



2023



ESG Summary Report

for the year ended 25 June 2023

ESG Summary Report

for the year ended 25 June 2023

Cashbuild continues to enhance the ESG content disclosure within the 2023 Integrated Report. Whilst good corporate governance has been firmly on the radar for listed South African companies thanks to King IV™ and its predecessors, often putting local companies ahead of their international peers in this respect, social and environmental impacts have gained increasing significance over the past few years. Cashbuild remains committed to ensuring good corporate citizenship in this respect and supports the goals of ESG good practices. The IFRS Foundation formally announced the creation of the International Sustainability Standards Board (ISSB) at the end of 2022, which will sit parallel to the International Accounting Standards Board under the IFRS Foundation. This is the most significant development in ESG reporting for some time and is a major step towards convergence of the currently fragmented reporting landscape. The IFRS Foundation had already indicated that it would build on the work of the Task Force on Climate Related Disclosures (TCFD) when developing its first climate standard. The IFRS ESG Reporting Standard is expected to be effective for the 2025 financial year.

Although the Group's direct impact on the environment is not significant, where practical, Cashbuild is committed to reducing any impact its operations may have on the environment and we thus continually strive to improve our environmental performance as part of our business strategy.

It must be noted that Cashbuild is not involved in the production or manufacturing process of the products available in its stores. The Group is committed to sourcing products that comply with applicable building industry standards, such as those developed by the SABS and other relevant certification agencies. In line with Cashbuild's drive to be a responsible and sustainable retailer, the Group only sources products that comply with legislative requirements related to product labelling, including warning labels. In certain instances, particularly regarding products with finite lifespans such as paint or cement, Cashbuild constantly updates its procurement and inventory management practices to eliminate wastage from the disposal of expired products that can no longer be sold.

The Group's ESG Policy aims to identify material ESG risks and implement controls to mitigate these through sustainable strategies throughout the Group. However, as a Group it is acknowledged that this is a journey and that the Group needs to continue its understanding and disclosure of significant ESG impacts in order to make an informed decision on how long it will take to attain appropriate levels of mitigation.

For all ESG-related information on our environmental initiatives, social involvement as well as governance matters, please refer to the ESG Report commencing on page 46 of the 2023 Integrated Report.

The definitions and abbreviations used throughout this ESG Summary Report are available on pages 176 and 177 of the 2023 Integrated Report.

ESG Summary Report (continued)

for the year ended 25 June 2023

	Unit of measure	June 2023	June 2022	June 2021
STANDARD DISCLOSURES				
Stated reporting period of the report	Y/N	Y	Y	Y
Month of financial year end	Y/N	Y	Y	Y
Is the IAR, ESG and/or Sustainability Report GRI-compliant?	Y/N	N	N	N
Is the reporting aligned to SASB?	Y/N	N	N	N
Has the report undergone a process of Independent Third Party Assurance over the Sustainability/ESG Reporting?	Y/N	N	N – only a review	N
If so, by whom?	name	n/a	IRAS	n/a
Has the assurance provider identified specific data points that have been tested?	Y/N	N	Y	N
Is a standalone ESG data table provided...either in the IAR/ESG/Sustainability Report or as a supplemental document?	Y/N	Y	Y	N
Does the Company submit an annual CDP submission, or produce an annual Climate Change Report and/or report in accordance with TCFD?	Y/N	N	N	N
Does the Company submit a CDP-Water submission, or produce a Climate Change or Water Scarcity Report and/or TCFD disclosure?	Y/N	N	N	N
Does the report contain a King IV compliance checklist?	Y/N	Y	Y	Y
Is the Company a signatory of the UN Global Compact?	Y/N	N	N	N
Is the Company a signatory of any industry-specific regulatory body (e.g., ICMM) or the Equator Principles?	Y/N	N	N	N
Is the Company associated with any sustainability initiatives and/or sustainable memberships?	Y/N	N	N	N
Trading brands	number	2	2	2
Registered trademarks	number	7	7	7
Does the company provide mention of the UN SDGs?	Y/N	Y	Y	Y
Do the SDG disclosures extend to one or more of the 169 SDG targets?	Y/N	N	N	N
Does the company provide targets for one or more of the SDGs?	Y/N	N	N	N
Does the company provide progress against prior targets for one or more of the SDGs?	Y/N	N	N	N
FINANCIAL CAPITAL				
Total revenue generated	R'm	10 653	11 145	12 616
Total revenue generated in South Africa	R'm	9 470	9 906	11 313
Revenue generated in South Africa	%	88.9	88.9	89.7
Revenue generated from online sales	%	0.24	0.16	0.04
Total revenue generated per employee	R'000	1 762	1 806	2 022
Net PAT generated	R'm	115	479	670
Net PAT generated in South Africa	R'm	75	402	575
Net PAT generated outside of South Africa	%	50	16	14
Net PAT per employee	R'000	19	78	107
Total compensation paid to employees, including wages and benefits	R'm	1 127	979	1 145
Average compensation paid to employees, including wages and benefits	R'000	186	159	183
Total compensation paid to employees, including wages and benefits in South Africa	R'm	1 030	910	1 060
Total compensation paid to employees, including wages and benefits in South Africa	%	91	93	93
Compensation paid to employees – excluding the value of the Share Schemes	R'm	1 104	970	1 143
Average compensation per Executive Director – excluding the value of the Share Scheme	R'000	5 764	4 962	6 445
Income disparity ratio: average compensation paid to Executive Directors relative to average compensation paid to employees – excluding the value of the Share Schemes	ratio	31.71	32.20	36.17

ESG Summary Report (continued)

for the year ended 25 June 2023

	Unit of measure	June 2023	June 2022	June 2021
Value of the Share Scheme vested to Executive Directors	R'000	6 087	7 145	660
Compensation paid to Executive Directors – including the value of the Share Scheme	R'000	29 143	26 994	32 886
Average compensation per Executive Director – including the value of the Share Scheme	R'000	7 286	6 749	6 577
Income disparity ratio: average compensation paid to Executive Directors relative to average compensation paid to employees – including the value of the Share Schemes	ratio	40.10	43.40	36.85
Total compensation paid to prescribed officers – excluding the value of the Share Schemes	R'000	3 454	5 986	4 228
Average compensation per Executive Director and prescribed officer – excluding the value of the Share Schemes	R'000	5 302	5 133	6 076
Income disparity ratio: average Executive Director and prescribed officer compensation relative to average employee compensation – excluding the value of the Share Schemes	ratio	38.10	28.11	41.06
Value of the Share Schemes – prescribed officers	R'000	297	1 746	74
Average compensation per Executive Director and prescribed officer – including the value of the Share Schemes	R'000	6 579	5 788	6 198
Income disparity ratio: average Executive Director and prescribed officer relative to average employee compensation – including the value of Share Schemes	ratio	36.33	37.80	34.88
Companies Act Wage Gap – average compensation per Top 5% of all employees (including executives)	R	78 529	71 717	69 569
Companies Act Wage Gap – average compensation per Bottom 5% of all employees (including executives)	R	4 674	4 517	4 219
Companies Act Wage Gap – ratio of average compensation per Top 5% to average compensation per Bottom 5% of all employees	ratio	16.8	15.9	16.5
Average compensation per male employee	R	11 886	11 036	10 857
Average compensation per female employee	R	12 546	11 863	11 531
Gender pay gap – ratio of average compensation per male to average compensation per female	ratio	0.95	0.93	0.94
Ratio of Net PAT per employee to average compensation per employee	ratio	0.10	0.48	0.57
Total taxes paid, inclusive of VAT, income tax, royalties, rates and taxes, and all other payments to Government	R'000	531 602	683 052	845 634
Total taxes paid in South Africa	R'000	375 099	509 340	669 698
Total taxes paid in South Africa	%	70.56	74.60	79.20
Dividends paid to shareholders	R'000	249 167	666 741	231 895
Retained earnings	R'000	2 385 008	2 527 829	2 705 936
Payments to employees relative to dividends paid to shareholders	ratio	4.52	1.45	5.04
Payments to Government relative to dividends paid to shareholders	ratio	2.13	1.02	3.65
Current assets – total	R'000	3 414 730	3 618 284	4 241 101
Current assets – in South Africa	R'000	3 052 168	3 207 814	3 457 624
Current liabilities – total	R'000	2 911 913	2 827 244	3 226 461
Current liabilities – in South Africa	R'000	2 637 275	2 516 354	2 898 279
Share buybacks	R'000	258 923	0	0
Capital investment	R'000	158 907	263 223	196 096
Capital investment – in South Africa	R'000	151 735	261 335	179 954

ESG Summary Report (continued)

for the year ended 25 June 2023

	Unit of measure	June 2023	June 2022	June 2021
GOVERNANCE				
Board members	number	10	10	10
Executive Directors	number	4	4	4
Percentage of Executive Directors	%	40	40	40
Non-executive Directors	number	6	6	6
Percentage of Non-executive Directors	%	60	60	60
Independent Non-executive Directors	number	6	6	6
HDSA Board members	number	3	3	3
Percentage of HDSA Board members	%	30	30	30
Female Board members	number	2	2	2
Percentage of Female Board members	%	20	20	20
Prescribed Officers	number	1	2	2
Average length of Executive Director service at financial year-end	years	13	12	11
Average length of Non-executive Director service at financial year-end	years	6	5	4
Average age of directors	years	56	55	57
Overall Board and Committee meeting attendance	%	100	100	100
Independent Auditor	name	Deloitte	PwC	PwC
Auditor remuneration: non-audit fee percentage to total audit fees	%	1.6	3.5	1.3
Length of current Auditor's services ¹	years	1	24	23
Independence of Board Chairman	Y/N	Y	Y	Y
Publicly available policy on Board conflicts of interest and PEP	Y/N	N	N	N
Public disclosure on any/all Board member conflicts of interest	Y/N	Y	Y	Y
Does the Board sign off on publicly available Climate Related Financial Disclosures, as per TCFD?	Y/N	N	N	N
Publicly available Human Rights Policy	Y/N	N	N	N
ESG included in service level agreements with suppliers	Y/N	Y	Y	Y
Does the company formally audit suppliers and contractors for ESG compliance (including human rights)?	Y/N	N	N	N
Are shareholders given the right to vote on executive remuneration?	Y/N	Y	Y	Y
Is the vote on executive remuneration binding?	Y/N	N	N	N
Are shareholders given the right to vote on sustainability-related resolutions, and are the votes binding?	Y/N	N	N	N
Is executive remuneration linked to ESG (i.e., is a proportion of remuneration/bonuses linked to Health, Safety and/or Environmental performance)?	Y/N	Y	Y	N
HUMAN CAPITAL				
Total employees	number	6 046	6 170	6 238
Total delivery driver contractors	number	331	332	348
Total employees and delivery driver contractors	number	6 377	6 502	6 586
Total employees operating in South Africa	number	5 508	5 621	5 694
Employees operating in South Africa	%	91.1	91.1	91.3
Total employees – fixed term (>90 days, but not permanent)	number	223	82	145
Total employees – temporary (<90 days)	number	30	133	165
Management (Top and Senior) deemed HDSA	%	11.1	12.5	11.1
Management (Top and Senior) who are women	%	22.2	25.0	22.2
Employees who are deemed HDSA	%	92.4	91.3	87.1
Employees who are women	%	32.6	29.7	28.1
Employees who are permanent	number	5 793	5 955	5 928
Employees who are deemed 'disabled'	number	10	2	2
Employee turnover percentage	%	17.9	12.3	15.9
Average length of employee service	years	6.5	6	6
Total PHW – calculated (i.e., 1 824 HW multiplied by total workforce at year-end)	'000	11 063	10 862	10 813
Total employees trained, including internal and external training interventions	number	5 685	5 539	5 348
Employees trained in South Africa	%	89.95	90.18	90.22

ESG Summary Report (continued)

for the year ended 25 June 2023

	Unit of measure	June 2023	June 2022	June 2021
Employee training spend	R'000	11 813	7 571	9 820
Training spend in South Africa	%	100	100	100
Total person days lost due to absenteeism	number	4 145	4 749	5 843
Total person days lost due to absenteeism – calculated	%	0.22	0.33	0.41
Total person days lost due to industrial action (i.e., strike action)	number	0	0	0
Total person days lost due to industrial action – calculated	%	0	0	0
PROPERTY²				
Total floorspace under roof for stores	m ²	377 635	376 537	377 582
Total land used for stores	m ²	1 401 964	1 398 443	1 387 607
Revenue from sales per under roof for stores per m ²	R	28 210	29 599	32 466
Retail stores	number	318	318	319
Retail stores in South Africa	number	289	287	288
PRODUCTIVITY				
Total inventory as at financial year end	R'bn	1.70	1.52	1.55
Closing stock holding days	days	90	81	74
Total customer transactions	'000	14 732	15 886	19 672
Trading weeks	number	52	52	52
Average transactions per week	'000	283.3	305.5	378.3
Weekly transactions per store	number	890.9	960.7	1 185.9
Weekly transactions per employee	number	46.86	49.51	60.65
Average basket size	R	724	705	643
HEALTH AND SAFETY				
Fatalities (i.e., injuries on duty leading to death, excluding the deaths of workers not occurring 'at work')	number	0	0	0
Medical treatment cases (MTCs, i.e., injuries on duty leading to medical treatment, but no lost days). This was taken as injuries where the employee went to the doctor for treatment and returned to work with no lost working days	number	9	6	1
Lost Time Injuries (LTIs, i.e., injuries on duty leading to at least one lost day)	number	94	78	89
Total recordable injuries, including MTCs, LTIs and Fatalities – reported	number	103	84	90
Total recordable injuries, including MTCs, LTIs and Fatalities – calculated	number	103	84	90
Fatal Injury Frequency Rate (FIFR, i.e., number of Fatalities per 200 000 person hours worked) – Reported	number	0	0	0
FIFR i.e., number of Fatalities per 200 000 person hours worked) – calculated	number	0	0	0
LTIFR i.e., number of LTIs per 200 000 person hours worked) – reported (lost days)	number	1.74	1.42	1.61
LTIFR i.e., number of LTIs per 200 000 person hours worked) – calculated	number	1.74	1.42	1.61
Total Recordable Injury Frequency Rate (TRIFR) – reported all injuries	number	1.91	1.53	1.62
TRIFR – calculated	number	1.91	1.53	1.62
Does the company report a LTIFR and/or TRIFR target?	Y/N	N	N	N
Employee injuries per 1 000 transactions	number	0.007	0.005	0.005
Staff Covid-19 cases	number	4	569	358

ESG Summary Report (continued)

for the year ended 25 June 2023

	Unit of measure	June 2023	June 2022	June 2021
CUSTOMER SATISFACTION				
Total customer complaints	number	409	532	771
Customer complaints per 1 000 transactions	number	0.028	0.033	0.039
Poor service customer complaints	number	173	197	211
Poor service customer complaints per employee	number	0.029	0.032	0.034
Product returns by customers	R'm	342	354	416
ENVIRONMENTAL³				
Total direct energy consumption – i.e., from non-renewable fuels burned (e.g., diesel, petrol, etc.)	GJ	57 573.34	34 492.68	N/A
Total volume of diesel consumed	kl	1 778.59	1 020.38	N/A
Total volume of petrol consumed	kl	181.49	N/A	N/A
Total electricity consumed	kWh	14 419 112	N/A	N/A
Total stores converted through energy conservation projects to date	number	279	245	231
Energy spend as a percentage of total operational spend	%	1.7	0.9	n/a
Does the Company report a target for electricity consumption, or reductions, against a specific denominator (e.g., per PHW) ²	Y/N	N	N	N
Carbon intensity: average volume of carbon emissions per person hour worked	tonnes CO ₂ e/HW	1 266.49	404.91	N/A
Does the company report a target for carbon emissions, or reduction, against a specific denominator (e.g., per PHW) ²	Y/N	N	N	N
Total volume of waste sent for Recycling	tonnes	3.59	1.34	N/A
Total Environmental Incidents (Level 1, 2 and/or 3)	number	0	0	0
Total Environmental Fines and/or Non-Compliances	number	0	0	0
Total Environmental Complaints	number	0	0	0
Carbon Tax paid	R	0	0	0
Heavy delivery vehicles	number	69	70	70
SOCIAL CAPITAL – CSI AND SED				
CSI/SED expenditures – Reported	R'm	188.3	182.5	175.0
CSI/SED spend as a percentage of total revenue	%	1.8	1.6	1.4
CSI spend as a percentage of net profit after tax (NPAT)	%	163.8	38.1	26.1
Total CSI/SED spend in South Africa	%	100.0	100.0	100.0
CSI/SED spend on:				
– Education	R'm	3.2	5.5	0.0
– Small Business Development Projects	R'm	183.3	176.3	175.0
– Other	R'm	1.8	0.7	0
CSI/SED spend – calculated	R'm	188.3	182.5	175.0
Variance between Total CSI/SED spend reported vs calculated	R	0	0	0
Variance between Total CSI/SED spend reported vs calculated	%	0	0	0
Does the report include a comprehensive discussion of returns on CSI?	Y/N	Y	Y	Y
Are CSI/SED projects aligned to government's National Development Plan (NDP)?	Y/N	Y	Y	Y
Enterprise Development Spend (i.e., support for small business)	R'm	180.0	175.9	175.0

Source: The above table is an extract from the IRAS ESG Summary Table.

Notes:

N/A: Not available.

n/a: not applicable.

1. The Board appointed Deloitte as Cashbuild's external auditor with effect from 1 July 2022.

2. The Group has no warehousing nor distribution facilities, therefore not applicable.

3. The following ESG measurements have commenced for the financial year ended June 2023:

- Electricity usage at each store – Completed.
- Water usage at each store – Not done, commenced on 1 July 2023.
- Waste collection at each store – Completed.
- Developed a Delivery Driver App that tracks all deliveries made from Cashbuild and P&L Hardware directly to the customer.



QUALITY BUILDING MATERIALS AT THE BEST VALUE

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