



## POLICY AND PROCEDURES

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### PEPKOR HOLDINGS LIMITED

REGISTRATION NUMBER 2017/221869/06

(*"The Company" or "Pepkor"*)

### EMPLOYMENT EQUITY POLICY

Pepkor recognises the national and business imperatives of Employment Equity and supports the goals and objectives thereof. Employment Equity is therefore viewed as an integral element of the overall transformation requirements encompassed in South Africa's Broad Based Black Economic Empowerment efforts. This is an opportunity for Pepkor to strategically position itself in achieving its competitive business objectives.

The policy acknowledges and takes into account the constitutional and legislative policy framework, within which the Group functions, which includes but is not limited to, the Constitution of the Republic of South Africa, the Employment Equity Act (55 of 1998), the Skills Development Act (97 of 1998), the Basic Conditions of Employment Act (3 of 1997) and the Labour Relations Act (66 of 1995).

The principles, values and objectives, must guide all interpretations, applications, and extensions of this policy.

The Group therefore, through its Employment Equity policy, commits itself to:

- Be an equitable employer that offers a non-discriminatory workplace and employment climate, respectful of human diversity and the human dignity of all, irrespective of race, gender, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV/AIDS status, conscience, belief, political opinion, culture, language and birth, or on any other arbitrary ground.
- Eliminate all forms of unfair discrimination and to take corrective action, in the form of constructive actions to remedy under-representation of designated groups and diversity imbalances in the composition of its workforce, to remedy the legacy of past discriminatory practices and policies.
- Strive to promote and maintain an environment that empowers all its employees to achieve their highest potential without fear of prejudice or bias.
- Strive to recognize, appreciate, manage and harmonize diversity in a balanced way.

To give effect to Employment Equity legislation, operating businesses within Pepkor, will have appropriate Employment Equity plans and reporting documents. In line with legislation and pragmatic requirements, the policy will set out the principles for managing Employment Equity and serve as a guide for decision making.

Pepkor Holdings has decentralised operations and accordingly, has various employers and employment brands in the Group. Employment Equity plans and reports are developed and where required, submitted and shared by the operating businesses. Plans and reports are not consolidated at a Pepkor Group level but at the level of each operating business or employer unit.

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## 1. OBJECTIVE

The policy will serve as the Pepkor Holdings Employment Equity (EE) Policy. In Instances where an operating business does develop its own policy, the basic principles and framework contained herein will be included in such policy.

## 2. PURPOSE

**2.1.** The purpose of this Policy is to provide the guiding principles, the institutional framework and basic strategies for the development and implementation of the Group's Employment Equity initiatives and by doing so, achieve equity in the workplace. This includes:

- 2.1.1. Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination.
- 2.1.2. Implementing affirmative action measures to redress the disadvantages in employment experience by black people, women and people with disabilities, with the objective of equitable representation in all occupational categories and levels in the workforce.
- 2.1.3. Actively recruiting, training, developing and advancing suitable qualified people from designated groups.
- 2.1.4. Creating a work environment that encourages diversity and allows all people to develop and contribute to their full potential to achieve organisational success.
- 2.1.5. Promote Employment Equity as a business imperative that addresses the equitable appointments, development and promotion of designated people. Providing for the Company's present and future needs for skilled, managerial and leadership roles.
- 2.1.6. Ensuring that the Company becomes known as an equal opportunity employer and employer of choice, committed to the transformation of South Africa.
- 2.1.7. Ensure that the Company creates a workplace conducive and supportive of people with disabilities e.g. reasonable accommodation of disabled people in terms of access to the buildings/premises, restrooms etc.

## 3. SCOPE

**3.1.** This Policy applies to all permanent and non-permanent employees of the Group. Where applicable, "employee" shall include job applicants.

**3.2.** The Company will endeavour to have designated persons equitably represented at levels identified within the Company as far as reasonably practicable. The definition of equitable representation will be based on a number of factors prevailing at a point in time, including:

- 3.2.1. National and regional demographic profile of the economically active population within the retail industry or sector.
- 3.2.2. The availability of internal talent and the availability in the market of appropriate skills. This is especially relevant in job categories where we are under-represented in relation to benchmarks of occupational levels.
- 3.2.3. Economic and financial factors relevant to the retail industry as well as the present and anticipated economic and financial circumstances of our Company.
- 3.2.4. The number of present and planned vacancies that exist in the various levels in our Company as well as our staff turnover.

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3.2.5. Different operating businesses will have different goals and timings based on the above factors and consideration.

3.3. All employment policies and practices are reviewed for unfair discrimination and related barriers which are unjustified. This includes the identification and elimination of unfair discrimination on the basis of the factors listed in the Employment Equity Act.

3.4. The Company will ensure commitment to the Employment Equity process and implementation of Employment Equity as far as is reasonably practicable and non-delivery in this regard by any manager or relevant employee will be deemed to be serious under-performance.

#### 4. DEFINITIONS:

The following terms and definitions generally apply throughout this Policy:

**"Affirmative action"** means measures designed to ensure that suitably qualified persons from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce.

**"black people"** is a generic term which means Africans, Coloureds and Indians.

**"designated employer"** means an employer who employs 50 or more employees or an employer who employs fewer than 50 employees, but has a total annual turnover that is equal to or above the applicable annual turnover of a small business in terms of the Employment Equity Act.

**"designated groups"** means black people, women and people with disabilities, who are citizens of the Republic of South Africa by birth or descent or became citizens of the Republic of South Africa by naturalisation before 27 April 1994 or after 26 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date but who were precluded by apartheid policies.

**"designated person(s)"** means a person(s) from designated groups.

**"Employment Equity"** means the Employment Equity Act, No. 55 of 1998.

**"employment policy or practice"** includes, but is not limited to recruitment procedures, advertising and selection criteria; appointments and the appointment process; job classification and grading; remuneration, employment benefits and terms and conditions of employment; job assignments; the working environment and facilities; training and development; performance evaluation systems; promotion; transfer; demotion; disciplinary measures other than dismissal; and dismissal.

**"learnership"** means learnership as defined in the Skills Development Act.

**"people with disabilities"** means people who have a long-term or recurring physical or mental impairment which substantially limits their prospects of entry into, or advancement in, employment.

**"reasonable accommodation"** means any modification or adjustment to a job or to the working environment that will enable a person from a designated group to have to or participate or advance in employment.

#### 5. VISION AND MISSION

##### 5.1. Vision

The Group undertakes to recruit, employ, retain, empower and provide opportunities for capable people to grow and develop to their full potential, in an organisation where they can become valued contributors in sustaining the Group's competitive advantage.

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To achieve this, the Group commits itself to an Employment Equity programme to accelerate its culture of diversity and inclusion. The primary components hereof will be to manage diversity, provide for affirmative action and to address the matter of understanding differences. Skills development to ensure availability of suitable talent will underpin the programme.

## **5.2. Mission**

The Group will focus on true skills development with the endeavour to have skilled designated persons adequately represented at all levels within the Group.

The definition of 'adequate representation' will be based on statutory provisions, consultation, operational needs and best practice.

## **6. GUIDING PRINCIPLES**

In order to realise the objective of creating an equitable work environment for its workforce, this policy must be interpreted and implemented in accordance with the following principles:

### **6.1. Fairness**

6.1.1. The duty to ensure the equitable representation of designated groups in all employment categories and levels must be fulfilled in a fair and equitable manner, by taking into account and balancing all relevant interests and considerations, which include the employment interests and legitimate aspirations of non-designated groups, the Group's commitment to operational excellence, and the need for managerial and administrative efficiency.

6.1.2. The implementation of this principle implies, inter alia, that special weight must at all times be accorded to the transformation commitment to redress the effects of historical discrimination at the work place to achieve a diverse workforce broadly representative of the people of South Africa. The policy must promote a culture of respect for the dignity of all employees, irrespective of different backgrounds and traditions, and to create an overall sense of belonging.

### **6.2. Empowerment**

6.2.1. Barriers to the full utilisation of the potential of all appointees must be removed.

### **6.3. Transparency**

6.3.1. All EE measures and decisions must be taken in a transparent manner, including the duty to justify such measures or decisions by providing adequate reasons to interested parties.

### **6.4. Accountability**

6.4.1. Final accountability for the successful implementation of this policy lies with the Chief Executive Officer (Pepkor CEO). All operating business Chief Executives, heads of departments, and line managers are responsible for implementation of their Employment Equity Policy and their commitment to its implementation will form part of their performance objectives.

### **6.5. Communication and consultation**

6.5.1. Each operating business will consult and communicate their policy, plans and reports as required by the relevant legislation.

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## 6.6. Resources

- 6.6.1. Each operating business shall ensure that adequate financial and other relevant resources are made available to support and realise the applicable EE policy.

## 6.7. SPECIFIC MEASURES IDENTIFIED TO SUPPORT EMPLOYMENT EQUITY IMPLEMENTATION

### 6.7.1. Affirmative Action Measures

- 6.7.1.1. EE measures will be initiated to ensure that suitably qualified people from designated groups have equal employment opportunities and are equally represented in all occupation categories and levels in the workforce.

### 6.7.2. Recruitment

- 6.7.2.1. All recruitment advertisements or communications must indicate the commitment of the Group to EE and diversity.

- 6.7.2.2. Guidelines and training must be provided regarding the implementation of EE in recruitment to all staff involved in recruitment.

- 6.7.2.3. All persons responsible for recruitment must demonstrate that a reasonable effort was made to recruit suitably qualified members of the designated groups.

*...suitable qualified person for a job, according to the EE Act, means a person who has one or any combination of the following:*

- *Formal qualification;*
- *Prior learning;*
- *Relevant experience;*
- *Capacity to acquire, within a reasonable time, the ability to do the job.*

### 6.7.3. Appointments

- 6.7.3.1. Appointments and promotions will be based on ability, appropriate skills, qualifications and potential.

- 6.7.3.2. Where two or more job applicants hold similar or comparable profiles for a position, preference could be given to the applicant from the designated group to fulfil the EE Plan mandate without compromising the business requirements.

### 6.7.4. Staff Development and Enhancement

- 6.7.4.1. In order to create a supportive and enabling environment which will empower appointed persons and enhance their job performance, the operating businesses will take reasonable steps to:

- a. establish induction programmes for all staff appointed/promoted/transferred to a new position or post within the Group,
- b. provide appropriate mentoring and development programmes for staff from designated groups where required;
- c. establish internal and competency-based in-service training and learnerships, where applicable

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- d. recognise that training is fundamental for the successful implementation of an EE plan if Group standards are to be achieved.

6.7.5. Dispute Resolution

The Operating Business shall ensure that appropriate dispute resolution and grievance procedures relating to unfair discrimination and Employment Equity are put in place and communicated to all staff.

**6.8. AMENDMENTS AND UPDATES**

This Policy must be updated and amended as and when required with new developments, and must at least be reviewed every two years. The Social and Ethics committee will review this policy.

**6.9. MONITORING IMPLEMENTATION**

6.9.1. The Company shall monitor and track its performance on its EE Strategic business goals and related activities through the Human Resources and Remuneration Committee and the divisional committees.

6.9.2. Operating businesses will have appropriate reporting structures to give effect to 6.9.1.

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