2024
INTEGRATED REPORT

TRUWORTHS
INTERNATIONAL

Contents

NAVIGATION

REPORTING ON OUR CAPITALS

For ease of understanding and navigation of the report, icons have been used to indicate where the capitals are addressed throughout the Integrated Report.

FINANCIAL CAPITAL
The financial resources raised and available to the Group.

HUMAN CAPITAL
The skills, capabilities, experience and development of the board, management and employees.

MANUFACTURED CAPITAL
The physical infrastructure used in the distribution and selling of merchandise.

SOCIAL AND RELATIONSHIP CAPITAL
Stakeholder relationships and engagement, corporate reputation and values.

INTELLECTUAL CAPITAL
The knowledge across the business, systems, processes, trademarks, intellectual property and brands.

NATURAL CAPITAL
The environmental resources applied and utilised in the operations of the business.

OUR KEY STAKEHOLDERS

Our ongoing engagement with our key stakeholders enhances our relationships with them and improves our understanding of their legitimate needs and interests.

- SHAREHOLDERS
- CUSTOMERS
- EMPLOYEES
- SUPPLIERS
- REGULATORS

OUR BUSINESS ACTIVITIES

These are our four key business activities that contribute to our ability to create value over the short, medium and long term.

- ASPIRATIONAL FASHION
- SUPPLY CHAIN
- ACCOUNT MANAGEMENT
- RETAIL PRESENCE

This is an **interactive PDF document** which allows for navigation using the index links at the top of each page as well as the report, page and website references.

INTEGRATED REPORT

for the 52-weeks ended 30 June 2024

The Truworths International Integrated Report is supplemented by additional information which is relevant to shareholders and other stakeholder groups.

The following additional documents are available online at **www.truworths.co.za/reports**:

Financial Reporting
- Group Audited Annual Financial Statements 2024
- Annual Results Presentation 2024
- 10-Year Review 2024

Environmental, Social and Governance Reporting
- Report on Corporate Governance and Application of King IV Principles 2024
- Social and Ethics Committee Report 2024
- Environmental, Social and Sustainability Governance Report 2024

Annual General Meeting
- Notice to Shareholders (included in the Summarised Audited Group Annual Results and Notice of Annual General Meeting)
- Form of Proxy

Group Websites
Truworths: **www.truworths.co.za**
Office: **www.office.co.uk**

Readers should note the following references throughout the Integrated Report:
Truworths International Ltd and its subsidiaries are referred to as **'the Group'**
Truworths International Ltd is referred to as 'Truworths International' or 'the company'
The **Truworths Africa** segment is referred to as **'Truworths'**
The **UK-based Office** segment is referred to as **'Office'**

Prior period refers to the 52-week period from 4 July 2022 to 2 July 2023.

***Pro forma* current period** information refers to the results of the 2024 financial period, excluding the impact of the Office trademark impairment reversal, Office insurance recoveries received, consolidation of the Group's charitable trusts and net foreign exchange losses. Change on *pro forma* 52-week information compares the *pro forma* current period information to the *pro forma* 52-week prior period information.

***Pro forma* prior period** information refers to the results of the 2023 financial period, excluding the impact of the indirect tax settlement, civil unrest insurance recoveries received and net foreign exchange gains.

Refer to note 18 in the **Summarised Audited Group Annual Results for the 52 weeks ended 30 June 2024** for more detail.

REVIEW of 2024

RETAIL SALES UP 3.6% TO
R21.4 billion
(2023: R20.6 billion)

GROSS MARGIN
52.3%
(2023: 52.5%)

EXPECTED CREDIT LOSS ALLOWANCE TO ACTIVE TRADE RECEIVABLES
20.3%
(2023: 20.6%)

OPERATING MARGIN
27.3%
(*pro forma*: 22.0%)
(2023: 24.0%)

HEADLINE EARNINGS PER SHARE DOWN
6.3%
(*pro forma*: up 1.0%)

ANNUAL DIVIDEND PER SHARE DOWN 6.4% TO
529 cents
(2023: 565 cents)

NET ASSET VALUE PER SHARE UP 23.2% TO
2 553 cents
(2023: 2 073 cents)

CASH GENERATED FROM OPERATIONS
R4.7 billion
(2023: R3.8 billion)

NET DEBT REDUCED BY R544 MILLION TO
R306 million
(2023: R850 million)

NET DEBT TO EQUITY
3.2%
(2023: 11.1%)

RETURN ON EQUITY
45%
(*pro forma*: 36%)
(2023: 48%)

RETURN ON ASSETS
30%
(*pro forma*: 24%)
(2023: 30%)

GROUP FINANCIAL PERFORMANCE

GROUP

Cash generated from operations totalled R4.7 billion, with **R2.2 billion returned to shareholders** through dividends.

All medium-term financial targets were met or exceeded, and the Group's metrics are currently the highest or equal to the highest when compared to our selected local and international benchmarks.

Contribution from online sales increased from 15% to 18% of total Group retail sales.

Truworths International's 2023 Integrated Report was ranked **7th in the Ernst & Young 2024 Excellence in Integrated Reporting Awards**, the 17th successive year that the Group has been ranked in the top 10 of these awards.

TRUWORTHS – SOUTH AFRICA

Trading impacted by **sustained pressure on disposable income** and persistently low consumer confidence in the challenging macro environment.

Global shipping challenges and congestion at local ports adversely impacted inventory levels and sales from November 2023 into the early months of the winter 2024 season.

The **late onset of winter** in South Africa constrained demand for warm winter merchandise, impacting retail sales in the final quarter of the financial period.

The store footprint was **expanded** and the new Truworths Emporium Re-imagined concept was introduced in the V&A Waterfront, Constantia Village, Canal Walk and Clearwater Mall stores. Further Identity Megastores, Kids Emporiums and Sync stores were opened.

The business attracted 5.3 million account applications, highlighting the strong demand for Truworths' premium-quality, aspirational fashion merchandise, with a record of approximately 900 000 new accounts opened.

The **new Truworths distribution centre** was completed and will be commissioned on a phased basis from November 2024 through to March 2025, by when it is expected to be fully operational.

Refer to the Retail trading environment on page 61.

OFFICE – UNITED KINGDOM

Retail trading conditions in the UK remained under pressure due to the decline in real disposable income, high interest rates and modest economic growth.

Office **traded well in-store and online** as its branded fashion footwear offering proved resilient in the constrained consumer spending environment.

Relationships with key global suppliers were strengthened and new branded footwear partners were introduced into Office and Offspring.

Accessibility of the Office brand continues to be a key attraction for customers and brand partners, with its blend of online and stores in key locations and markets.

Continued investment in the **store development and remodelling programme** with trading space increasing by 11.4% as a net five new stores were opened and three flagship stores were modernised and extended.

Refer to the Retail trading environment on page 61.

Outlook for 2025

TRUWORTHS

While consumer disposable income is expected to remain constrained in the short term, recent economic and political developments are positive for the prospects of South African consumers and supportive of a medium-term turnaround in retail spending. The benefits of the more buoyant environment are likely to take time to filter through following many years of muted economic growth.

Interest rate relief, lower inflation, savings withdrawals from the new two-pot retirement system and higher forecast economic growth are all potential catalysts to stimulate consumer spending and improve the outlook for the credit environment.

Truworths aims to sustain growth by focusing on the appeal of its quality, aspirational fashion ranges and the strength of its account portfolio of approximately three million active customers.

Sales growth will be supported by opening new stores and updating store formats, refining the retail concepts launched in recent years, investing in the omni-channel customer experience and driving online sales.

OFFICE

Consumer spending is expected to benefit from lower inflation, possible further interest rate relief and improving consumer confidence.

Office will continue to leverage its unique market positioning, the strength of its store portfolio with the world's leading footwear brands and its loyal customer base across the Office and Offspring brands.

Sales growth will be driven by the strong online presence and investment in digital marketing, together with the expansion of Office's store portfolio through new openings and the remodelling and extension of existing stores in strategic retail locations.

Introducing our 2024 Integrated Report

We have pleasure in presenting the Group's Integrated Report for the financial period ended 30 June 2024. Through our reporting, we aim to demonstrate in a balanced way how the Group has adapted and responded to the constrained economic and trading environment to create, preserve or erode value over the short, medium and long term. As always, our reporting is aligned with our Business Philosophy, with its focus on creating long-term, sustainable value for our stakeholders.

We report to shareholders on the differing outcomes of our businesses in South Africa and the United Kingdom. In SA, consumer spending and confidence continued to be impacted by rising living costs and the higher interest rate environment, resulting in the deterioration in the credit health of consumers and pressure on disposable income. The latter stages of the financial period were dominated by the build up to the national elections, followed by the transition to the formation of the country's first post-democracy coalition government. In the UK, the inflation rate has moderated to a level within the Bank of England's target range and economic growth prospects have improved. However, consumer spending remains constrained due to pressure on household disposable income from higher living costs (refer to Retail trading environment on page 61).

Our 2024 Integrated Report is targeted primarily at our shareholders who are the principal providers of the Group's financial capital. We also recognise and acknowledge the role of our key stakeholders in the value-creation process, being our customers, employees, suppliers, lenders and regulators.

REPORTING FRAMEWORKS AND COMPLIANCE

The IFRS Foundation's Integrated Reporting Framework (January 2021) has again been applied in preparing our Integrated Report, together with the JSE Sustainability Disclosure Guidance (June 2022). The application of these reporting frameworks was proposed by management and approved by the board.

The Integrated Reporting Framework recommends reporting in terms of the capital resources applied in the creation, preservation and erosion of value. The impact of these six capitals on the Group's business activities and their role in creating, preserving or eroding value are covered in the relevant sections of this report.

Financial capital relates to the financial resources raised and available to the Group from the providers of capital.

Manufactured capital is the physical infrastructure used in the distribution and selling of merchandise, including distribution centres, retail stores and online platforms.

Intellectual capital focuses on the knowledge across the business, systems, processes, trademarks, intellectual property and brands.

Human capital deals with the skills, capabilities, experience and development of the board, management and employees.

Social and relationship capital covers stakeholder relationships and engagement, corporate reputation and values.

Natural capital relates to the environmental resources applied and utilised in the operations of the business.

For ease of understanding and navigating the report, the above visual icons have been included throughout the report to indicate where these capitals are addressed in the commentary.

All Group financial reporting complies with IFRS Accounting Standards, the South African Companies Act (71 of 2008, as amended) and the JSE Listings Requirements.

The King IV Report on Corporate Governance™* for South Africa, 2016 (King IV) has been applied throughout the reporting period and the directors confirm that the Group has, in all material respects, applied the principles of the code. The application of King IV is detailed in the Report on Corporate Governance and Application of King IV Principles 2024 on the website **www.truworths.co.za/reports**.

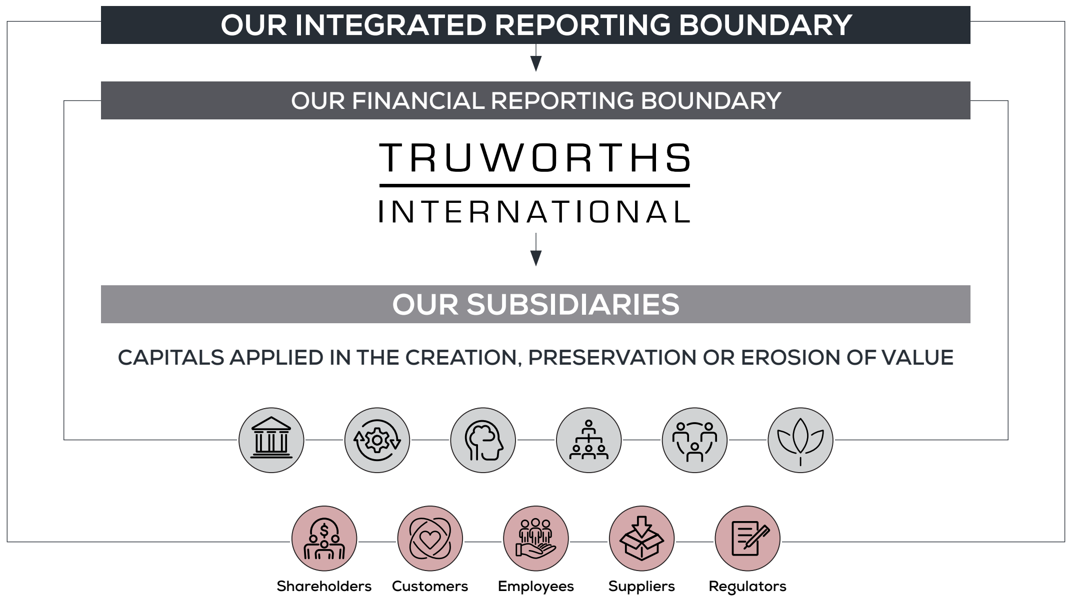
The inaugural global sustainability reporting standards of the International Sustainability Standards Board are effective from the Group's 2025 financial reporting period, although the adoption of the standards is not yet mandatory in South Africa. An external review of the Group's sustainability reporting is being undertaken which will include an assessment of the disclosure requirements of IFRS S1 and S2 relative to current reporting.

REPORTING SCOPE AND BOUNDARIES

The report covers material information relating to the business model, strategy, material issues and risks, governance and the performance of the Group for the financial period ended 30 June 2024. The report is supplemented by the Group Audited Annual Financial Statements 2024 which are available on our website.

The integrated reporting boundary has been set so that the report covers risks, opportunities and outcomes relating to the Group's operating environment, its retail businesses, capital resources and engagement with key stakeholders that could influence the Group's ability to create and sustain value, and also the extent to which the Group's objectives have been achieved.

The financial reporting boundary covers the results of the Truworths and Office operating segments. Truworths operates primarily in South Africa and Office operates primarily in the United Kingdom.



Introducing our 2024 Integrated Report continued

INTEGRATED REPORTING PROCESS

The Group's Integrated Reporting process is managed by a working group led by the Chief Financial Officer (CFO). The process commences each year with an evaluation of the previous year's Integrated Report and detailed feedback from an independent integrated reporting specialist to identify opportunities to enhance disclosure and continually align with best reporting practices.

The individual reports included in the Integrated Report are prepared based on discussions with executives, written submissions, internal presentations, and board and committee papers. Draft reports are initially reviewed by divisional executives, followed by a panel of executives, including the CFO, and finally by the Chief Executive Officer (CEO).

The board has delegated responsibility for the final approval of the report to an integrated reporting sub-committee which includes members of the Audit Committee.

MATERIALITY

We continue to apply the principle of materiality in determining the disclosure in the report. In aligning our reporting with the JSE Sustainability Disclosure Guidance, we have again applied the **double materiality** approach across our reporting suite.

Reports targeted at shareholders and providers of capital, which deal with the Group's financial performance and are used by investors in assessing the future value of the Group, also referred to as enterprise value, apply the principle of **financial materiality**. The primary report in this case is the Integrated Report.

Multi-stakeholder reports which cover the Group's environmental, social and governance (ESG) reporting apply the **impact materiality** approach which relates to the economy, environment and society.

The application of the double materiality approach is reflected in the components of our annual reporting suite:

Financial reporting	Financial materiality
• Integrated Report 2024 • Group Audited Annual Financial Statements 2024 • Summarised Audited Group Annual Results 2024 • Annual results presentation 2024 • 10-year review 2024	Reporting on matters that impact on financial performance and the assessment of enterprise value

Environmental, social and governance reporting	Impact materiality
• Environmental, Social and Sustainability Governance Report 2024 • Report on Corporate Governance and Application of King IV Principles 2024 • Social and Ethics Committee Report 2024	Reporting on matters that reflect the Group's impact on the economy, environment and society

RESPONSIBILITY OF DIRECTORS

The board acknowledges its responsibility for ensuring the integrity of the Integrated Report. The directors confirm that the report fairly represents the Group's performance for the period under review, as well as the growth strategies, material issues, risks and opportunities, and prospects of the Group.

The directors confirm that the Integrated Report has been prepared in accordance with the Integrated Reporting Framework and the JSE Sustainability Disclosure Guidance.

Hilton Saven
Chairman

Michael Mark
Chief Executive Officer

Emanuel Cristaudo
Joint Deputy Chief Executive Officer and Chief Financial Officer

Sarah Proudfoot
Joint Deputy Chief Executive Officer

Rob Dow

Dawn Earp

Hans Hawinkels

Tshidi Mokgabudi

Thabo Mosololi

Daphne Motsepe

Wayne Muller

Roddy Sparks

Tony Taylor

MATERIAL ISSUES

Each year, the directors together with management identify the issues that could have the most significant impact on the Group's ability to create sustainable value for stakeholders. In determining these material issues, the directors consider potential positive and negative impacts internally and externally, including the Group's strategic objectives, key risks, the needs, expectations and concerns of our main stakeholders and the economic and trading environment.

The material issues for the 2024 financial year are unchanged. The risks and opportunities relating to these material issues provide shareholders with insight into the factors that create, preserve or erode value (refer to Material issues, risks and opportunities on page 20).

EXCELLENCE IN INTEGRATED REPORTING AWARDS

The quality of our Integrated Reporting was again recognised in the Ernst & Young 2024 Excellence in Integrated Reporting Awards. The Truworths International 2023 Integrated Report was ranked 7th in the Ernst & Young 2024 Excellence in Integrated Reporting Awards among the 100 largest companies on the JSE.

The Group's report has been ranked in the top 10 for the past 17 consecutive years of these awards, and 'Excellent' for the last 22 years.

No other company on the JSE has come near to achieving this prestigious recognition.

INDEPENDENT ASSURANCE

Reporting elements	Assurance process
Integrated Report	The Integrated Report has been reviewed by the directors and management; it has not been independently assured.
Financial reporting	The Group's external auditor, Deloitte & Touche (Deloitte), has provided assurance on the Group Audited Annual Financial Statements 2024 and expressed an unmodified audit opinion. Deloitte has also inspected the consistency of the financial information extracted from the Annual Financial Statements that appears in the Integrated Report.
ESG reporting	Accredited service providers have measured and provided assurance on selected ESG metrics disclosed in the Integrated Report, including: – AQRate independently reviewed and verified the Group's B-BBEE rating in terms of the Broad-Based Black Economic Empowerment Act, 53 of 2003; – Verify CO_2 undertook an independent review of the Group's carbon emissions; and – Global corporate governance and remuneration consultants to the Remuneration Committee reviewed the Remuneration policy and Implementation report contained in the Remuneration Committee report.

About Truworths International

Truworths International Ltd is an investment holding and management company based in Cape Town, South Africa. The main operating companies, Truworths Ltd (Truworths, operating in South Africa) and Office Holdings Ltd (Office, operating primarily in the United Kingdom), are leading retailers of fashion clothing, footwear and related merchandise. The company listed on the JSE and the Namibian Stock Exchange in 1998, and on A2X Markets in 2022.

MORE THAN 100 YEARS OF FASHION

Founded in 1917 as The Alliance Trading Company, the business later changed its name to Truworths Fashion House and then to Truworths Ltd in 1940. By the 1950s the chain had expanded to 80 stores. Accounts were introduced into the business in 1955 and sales reached R1 million in 1959. Truworths continued to expand across South Africa and by the late 1970s had a footprint of 280 specialised boutique stores.

Recognised as one of the leading retailers in Africa with 802 mainly Truworths and Identity stores, and the Group has 86 Office stores and concessions in the UK and the Republic of Ireland. Physical retail stores are supported by a world-class online business in Office, contributing 46% of Office's sales, together with a fast-growing online store in Truworths contributing 5% of retail sales.

The Group's retail sales exceed R21 billion and operating profit R4.5 billion (on a *pro forma* basis), with financial and operating metrics among the highest of fashion retail companies worldwide.

EVOLUTION OF THE BRAND PORTFOLIO

Truworths is synonymous with superior quality, aspirational fashion and has a portfolio of some of South Africa's most desired apparel brands, most of which are owned by the Group and have been developed over the past four decades.

- Daniel Hechter (under a long-term licence agreement since 1984)
- Inwear (1986)
- Truworths Man (1988)
- Truworths Jewellery (1989)
- LTD (1992)
- Identity and Truworths Elements (1999)
- Ginger Mary (2004)
- Hey Betty (2011)
- Office London (2017)
- Context and ID Kids (2019)
- Fuel and Sync (2021)
- Loads for Kids (2022)

DOMESTIC EXPANSION THROUGH ACQUISITION

The organic expansion of the brand portfolio has been complemented by the acquisition of specialist brands in South Africa:

- Young Designers Emporium (2003)
- Italian-inspired menswear brand Uzzi (2006)
- Ladieswear brand Earthaddict (2015)
- Kidswear brands Earthchild and Naartjie (2015)
- Homeware and linen retailer Loads of Living (2017)

INTERNATIONAL EXPANSION

Truworths International expanded into the northern hemisphere retail market in 2015 with the acquisition of the Office fashion footwear chain in the United Kingdom, trading under the Office and Offspring brands. The acquisition formed part of the Group's strategy to diversify its mass market customer base into both developed and emerging market countries as well as diversifying the Group's earnings profile. Office offers fashion-forward footwear with a unique range of branded footwear and sneakers and own-branded fashion shoes.

TRUWORTHS

Market positioning
Market-leading fashion apparel retailer offering internationally inspired, superior quality, aspirational fashion clothing, accessories and footwear for ladies, men, teenagers and kids, and fragrances, cosmetics and homeware in the mainstream middle to upper-income market.

Brands
Exclusively owned (or licensed) brands include Truworths, Truworths Man, Inwear, Identity, Daniel Hechter (licensed), LTD, Ginger Mary, Uzzi, Hey Betty, Earthaddict, Earthchild, Naartjie, Office London, Loads of Living, Context, Fuel, Sync and specialist glamour agency, YDE.

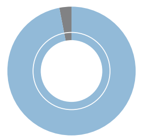
Store footprint
Retail footprint of 769 stores across all brands in South Africa and 33 stores in five other southern African countries.

Online retail
The store network is complemented by a fast-growing e-commerce platform which accounts for 5% of Truworths retail sales.

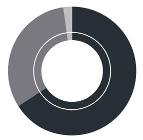
Accounts
Account facilities are offered to customers across all brands and sales channels in South Africa, Namibia, eSwatini and Botswana. The active account customer base is 2.9 million. Truworths' debtors book is self-funded and offers credit facilities with six, nine or 12-month payment plans to customers to facilitate the sale of merchandise.

TRUWORTHS INTERNATIONAL

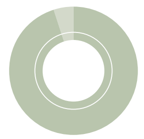
RETAIL SALES



R14.5 billion
- South Africa – 97%
- Rest of Africa – 3%

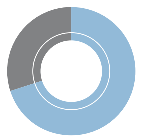


R21.4 billion
- South Africa – 66%
- UK and Republic of Ireland – 32%
- Rest of Africa – 2%

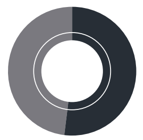


£290.4 million
- United Kingdom – 95%
- Republic of Ireland – 5%

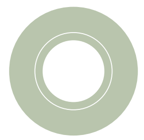
CASH: ACCOUNT SALES



R14.5 billion
- Account – 70%
- Cash – 30%

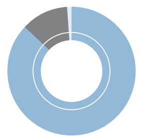


R21.4 billion
- Cash – 52%
- Account – 48%

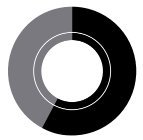


£290.4 million
- Cash – 100%

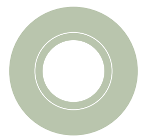
PRODUCT MIX



R14.5 billion
- Clothing and accessories – 87%
- Footwear – 12%
- Homeware – 1%

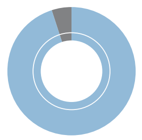


R21.4 billion
- Clothing and accessories – 58%
- Footwear – 42%
- Homeware – 0%*

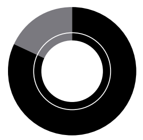


£290.4 million
- Footwear – 100%

SALES CHANNELS



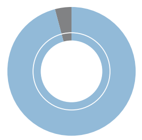
R14.5 billion
- Stores – 95%
- Online – 5%



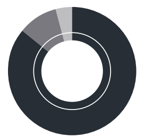
R21.4 billion
- Stores – 82%
- Online – 18%

£290.4 million
- Stores – 54%
- Online – 46%

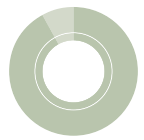
STORE LOCATIONS



802 stores
- South Africa – 96%
- Rest of Africa – 4%



888 stores
- South Africa – 86%
- UK and Republic of Ireland – 10%
- Rest of Africa – 4%



86 stores
- United Kingdom – 92%
- Republic of Ireland – 8%

** Due to rounding.*

OFFICE

Market positioning
Leading fashion footwear retailer in the UK for fashionable 16 to 29 year olds in the mid-level price range. A curated range of the latest in-demand styles and brands is offered in aspirational physical and digital environments to complement the fashion look.

Brands
Private label and major global third-party footwear brands, including Nike, Adidas, Converse, Veja, New Balance, OnRunning, Dr Martens, Birkenstock, UGG, Timberland, Asics, Hoka and Crocs, sold through Office and Offspring outlets.

Store footprint
Office has 86 stores in the UK and the Republic of Ireland, including 11 concession outlets in high-profile department store retailers.

Online retail
Well-established e-commerce business accounts for 46% of Office retail sales across a range of digital platforms.

Creating value through sustainability

The Group is committed to sustainable business operations and responsible environmental, social and governance (ESG) practices, and recognises its responsibility to enhance reporting on sustainability to assist investors in assessing the risks and impact of its sustainability programme on enterprise value.

The Group welcomed the inaugural sustainability reporting and disclosure standards of the International Sustainability Standards Board published in June 2023. The introduction of IFRS S1, which covers sustainability-related risks, opportunities and financial disclosures, together with IFRS S2 on climate-related disclosures, collectively create a much-needed global standard that will benefit companies and investors alike.

The adoption of the standards is not yet mandatory in South Africa. The Group has commissioned an independent review of its sustainability reporting, including an assessment of the disclosure requirements of IFRS S1 and S2 relative to current reporting. The board has delegated responsibility for the adoption of the new standards to the Group's finance function, supported by the Sustainability Committee.

SUSTAINABLE DEVELOPMENT GOALS

The Group seeks to balance, meeting its business needs with those of the environment and society. The Truworths sustainability strategy is aligned with seven of the United Nations (UN) Sustainable Development Goals (SDGs), the global objectives developed by the UN member states to be achieved by 2030. These selected SDGs can be categorised as follows:

Enterprise value impact, being the SDGs which impact on the assessment of the Group's enterprise value.

Sustainability impact, being the SDGs where the Group can have the most impactful societal role.

SUSTAINABLE DEVELOPMENT GOALS

Enterprise value impact	Sustainability impact
4 Quality education; 8 Decent work and economic growth; 12 Responsible consumption and production; 13 Climate action	1 No poverty; 3 Good health and well-being; 5 Gender equality

The fashion industry globally contributes significantly to carbon emissions, waste to landfill and water consumption. The Group is encouraging a circular economy and addressing its negative environmental impact by tracking energy and water use, and actively promoting waste reduction through reuse and recycling, while engaging suppliers to reduce resource consumption and costs. At the same time, the Group is addressing social sustainability by ensuring a positive contribution to employee wellbeing and development and improving living conditions for local communities.

By supporting these SDGs, the Group is advancing the sustainability of the business and contributing towards a better society.

Shareholders will note that the sustainability activities addressed in this report relate primarily to Truworths. Office UK has developed an ESG strategy and as its sustainability activities are progressed, the scope of the Group's reporting will be extended to include Office.

SELECTED SDGs	TRUWORTHS' ROLE IN SUPPORTING SDGs	PROGRESS IN SUPPORTING SDGs IN 2024
1 No poverty End poverty in all its forms everywhere	... supporting direct and indirect job creation and facilitating unemployed women to become self-sustaining through social programmes.	• Donated more than 425 000 garments and 189 000 metres of fabric with a value of R44 million to community programmes • Over 740 000 garments donated to Taking Care of Business since 2019 in support of creating self-employment opportunities for women in townships • Small and medium-sized black-owned businesses supported through the Truworths Enterprise Development Trust
3 Good health and well-being Ensuring healthy lives and promote wellbeing for all at all ages	... supporting the health and wellbeing of employees, as well as funding community health facilities for disadvantaged South Africans.	• R23 million invested in upgrading 24 public healthcare facilities since 2010 • Funded the upgrade of the paediatric ward at Greys Hospital in KwaZulu-Natal in partnership with Smile Foundation • Through a long-standing partnership with The Reach for a Dream Foundation, funded Dream Rooms for critically ill paediatric patients at four hospitals • 67% of Group employees covered by a healthcare plan
4 Quality education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	... supporting education through training and skills development of employees and social investment in educational institutions.	• Invested R129 million in employee skills development and learning • 11 706 employees participated in 253 training programmes in South Africa • 2 610 employees participated in leadership development programmes • 50 employees on bursary programme • Funded upgrades at two LEAP Science and Maths Schools in Gauteng and Limpopo (South Africa) totalling R1.7 million over the past two years
5 Gender equality Achieve gender equality and empower all women and girls	... supporting the empowerment of women and actively countering gender-based violence (GBV).	• 76% of employees are female, including 30% of top management • Zero tolerance policy to any form of GBV • Supporter of 16 Days of Activism against GBV in South Africa • Financial support provided to charities nationally that support victims of GBV
8 Decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	... supporting sustainable growth through all economic cycles, employing over 12 000 people and creating thousands more jobs indirectly.	• 12 007 employees across the Group • 45% of Truworths' apparel produced by local manufacturers • Signatory to Retail – Clothing, Textile, Footwear and Leather Master Plan to support the sustainability of the local manufacturing sector in South Africa • Funded electricity generators for nine cut-make-trim (CMT) operators to enable them to continue production during load shedding and preserve employment • Loan funding provided to a strategic CMT partner to fund expansion
12 Responsible consumption and production Ensure sustainable consumption and production patterns	... supporting responsible consumption and production, and applying the environmental principles of reduce, reuse and recycle.	• 4.4 million plastic clothing hangers reused • Recycled 99 tonnes of plastic • Recycled 585 tonnes of cardboard cartons • Volume of cardboard boxes purchased decreased by 26% to 217 tonnes • Paper and stationery consumption decreased 36% to 208 tonnes • Truworths shopping bags made from at least 50% recycled materials
13 Climate action Take urgent action to combat climate change and its impacts	... supporting the reduction of carbon emissions across our business and throughout the international and local supply chain.	• Total carbon emissions increased by 5.1% to 75 936 tCO_2e • Store electricity consumption reduced by 0.02% to 59 966MWh • Electricity meters installed in 564 stores, approximately 73% of the South African store base • Saved approximately R8 million through LED lighting which is currently in 36% of South African stores • Water consumption decreased by 6.9% to 154 459Kl • New distribution centre (DC) certified to EDGE (Excellence in Design for Greater Efficiencies) Advanced green building standards • Emissions-reducing water, energy and packaging features have been incorporated into the new DC

The activities undertaken in support of the SDGs are detailed in the Environmental, Social and Sustainability Governance Report 2024 on the website at www.truworths.co.za/reports.

2. Creating sustainable value

'Our ability to create value for our shareholders is closely linked to the value we create for our customers, employees, all other stakeholders as well as the broader society in which we trade.'

In this section:

Our Business Philosophy

OUR BUSINESS PHILOSOPHY IS OUR DNA

Our Business Philosophy fundamentally describes the essence of who we are. It is our DNA that makes us unique and differentiates us from our competitors.

OUR LEADERS

play an essential role in ensuring that we remain true to our DNA. We believe in and actively practise our core beliefs.

WE CREATE

the platform and environment for teams and individuals to deliver our Purpose and live our Values so that we can deliver on our stakeholders' expectations.

WE PRACTISE

a leadership style that is realistic but cautiously optimistic, that focuses on our Values, and that ensures solutions are found and opportunities identified are capitalised on, particularly in adversity.

WE ARE RESOLUTE

in our focus on our Business Philosophy, which drives our strategy and our behaviour.

OUR BUSINESS PHILOSOPHY AND OUR STRATEGY

Our Business Philosophy is core to the ongoing success of the business. We rigorously apply our Business Philosophy to consistently focus on creating value for our stakeholders.

Our strategic objectives are aimed at achieving the objectives of our Business Philosophy as defined by our Purpose statement and our Vision for stakeholders. We strive to achieve these strategic objectives through the successful execution of various plans and actions. We measure our success by comparing our achievements to our Vision, allowing us to identify areas where we can strive to improve.

Our Business Philosophy is the heart and soul of our business. It drives our operating philosophies, principles and decision making across Truworths and Office and comprises three synergistic elements:

1 OUR PURPOSE

defines the essence and fundamental ingredients of how we aim to meet our customers' expectations

2 OUR VALUES

shape the business culture and behaviours required to achieve our Purpose

3 OUR VISION

describes the expectations of our primary stakeholders (customers, employees and shareholders) and how these stakeholders expect management to execute innovative strategies which deliver significant value over time

Reinforcing our refreshed Values

In 2023, the Values of Truworths and Office were reviewed and two additional Values were incorporated into the Business Philosophy. The first, 'Contribution focused', aims to further promote this behaviour, and the second, 'Embrace the power of inclusive teams', reflects our commitment to creating a more inclusive working environment for all employees, regardless of gender, race, religion, culture or any other personal preference. Formal inclusive leadership training, facilitated by the Group's leadership and Human Resources department, has raised employee awareness of the refreshed Values and the positive change will ensure we deliver our Vision for stakeholders.

Our Business Philosophy continued

We are always guided by our Business Philosophy which directs our consistent focus on the long-term Purpose as a guiding light through good and bad times to deliver our Vision

OUR PURPOSE
defines the essence and fundamental ingredients of how we aim to meet our customers' expectations

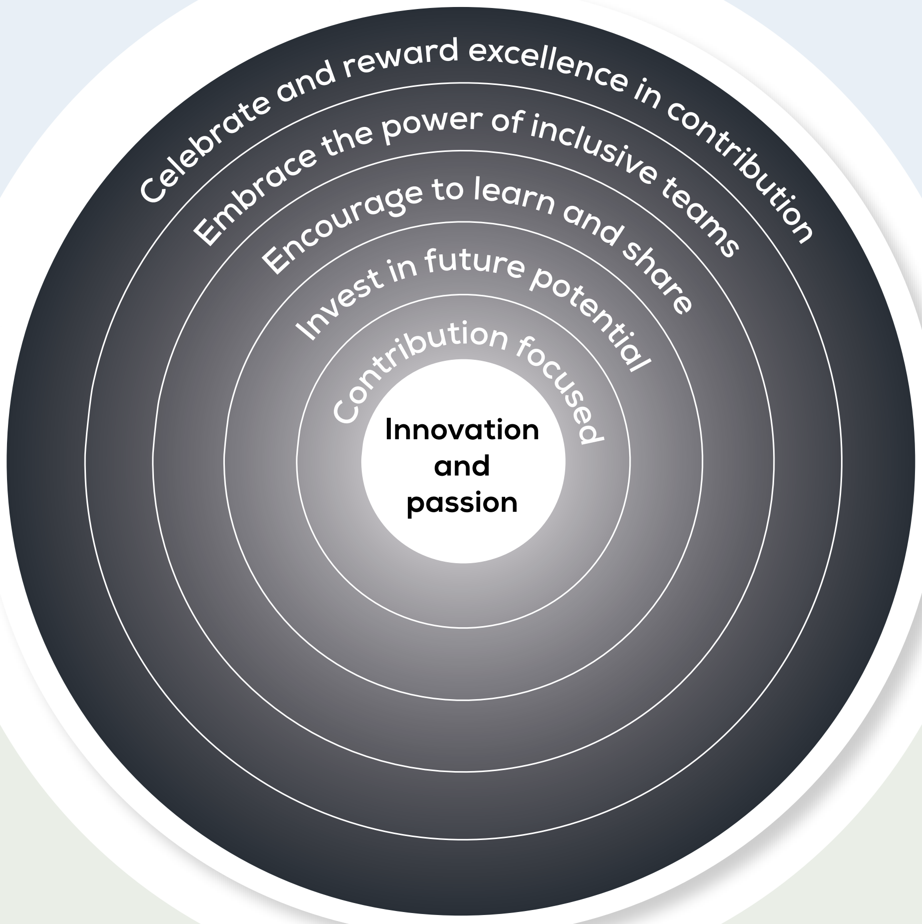
OUR VALUES
shape the business culture and behaviours required to achieve our Purpose using 'sequenced conditionality'

OUR VISION
describes the expectations of our stakeholders and how the business is assessed in terms of creating value for our stakeholders

TRUWORTHS

THE TRUWORTHS PURPOSE STATEMENT

Youthful, fashionable South Africans want to look attractive and feel successful and confident. Truworths entices them into exciting and visually appealing, aspirational real and virtual retail emporiums, which are staffed by passionate and knowledgeable team members and which offer wide ranges of curated and tasteful fashion of superb quality and intrinsic value. The ranges of unique aspirational fashionable brands are an innovative and adventurous blend of colour, fabric and fashion styling.



THE VISION FOR OUR TRUWORTHS CUSTOMERS

'Truworths helps me look attractive and feel successful and confident. Shopping at Truworths is exciting because it offers wide ranges of curated and tasteful fashion of superb quality and intrinsic value in retail emporiums that are visually appealing and staffed by passionate and knowledgeable staff.'

OFFICE

THE OFFICE PURPOSE STATEMENT

Youthful, fashionable customers want to look attractive and feel cool and confident. Strongly influenced by the iconic London fashion culture, Office presents them with a wide, curated, high-quality, relevant range of the latest in-demand styles and brands they desire. Office relates to each individual's unique preferences by offering its range in a fashionable, aspirational, physical and digital environment that allows them to create their ultimate shoe wardrobe.

THE VISION FOR OUR OFFICE CUSTOMERS

'Office is the first place I go when I want to see a wide range of the latest high-quality shoes from in-demand fashionable brands, that make me feel attractive, cool and confident. Shopping at Office is effortless, whether I am online or in store, with a range that allows me to express my individuality and create my shoe wardrobe.'

THE VISION FOR OUR EMPLOYEES

'I am totally committed because my team members and I are encouraged to contribute innovatively, and celebrate and reward excellence in contribution.'

THE VISION FOR OUR SHAREHOLDERS

'We are long-term investors in Truworths International because we trust in management's capacity to execute innovative strategies which deliver significant value over time.'

Our Business Philosophy continued

CORE BELIEFS

Each of us has our own personal values, some of which are likely to differ from the Values of our business. While we do not strive to change personal values, we do expect individuals to behave according to the Values of the Group when representing the business.

Ten core beliefs guide our behaviour:

1. Contribute more than you consume and contribute before you consume. We aim to encourage a culture of 'contribute before you withdraw' (aligned with the Golden Goose fable).
2. Business is a marathon, not a sprint. We always think long term and although we do take note of and evaluate them, we do not overreact to short-term events.
3. Focus on what you can do, not what others should do, to be the best you can be, and encourage others around you to do the same.
4. It is not what people say, it is what they do. Actions speak louder than words.
5. Do not buy growth in market share at the expense of profit; growth as an objective instead of an outcome is not enduring.

6. Be frugal in good and bad times, but nevertheless invest generously in fashion, stores, our people and our systems in achieving the Vision of our Business Philosophy into the future.
7. In Truworths Africa, the Truworths Emporium always comes first, ahead of our other concepts because it epitomises our Purpose.
8. Always ask, 'What is the lesson to learn, so it is not repeated?' You learn from your mistakes.
9. A problem in one area is probably a broader problem, so solve the broader problem, not only the one problem.
10. Nurture our company and our business, what we call the 'Golden Goose'. We are here to promote the business, not ourselves.

Creating stakeholder value

Our approach to value creation is guided by our Business Philosophy through both buoyant and constrained trading conditions, ensuring a consistent focus on long-term value creation.

OUR APPROACH TO VALUE CREATION

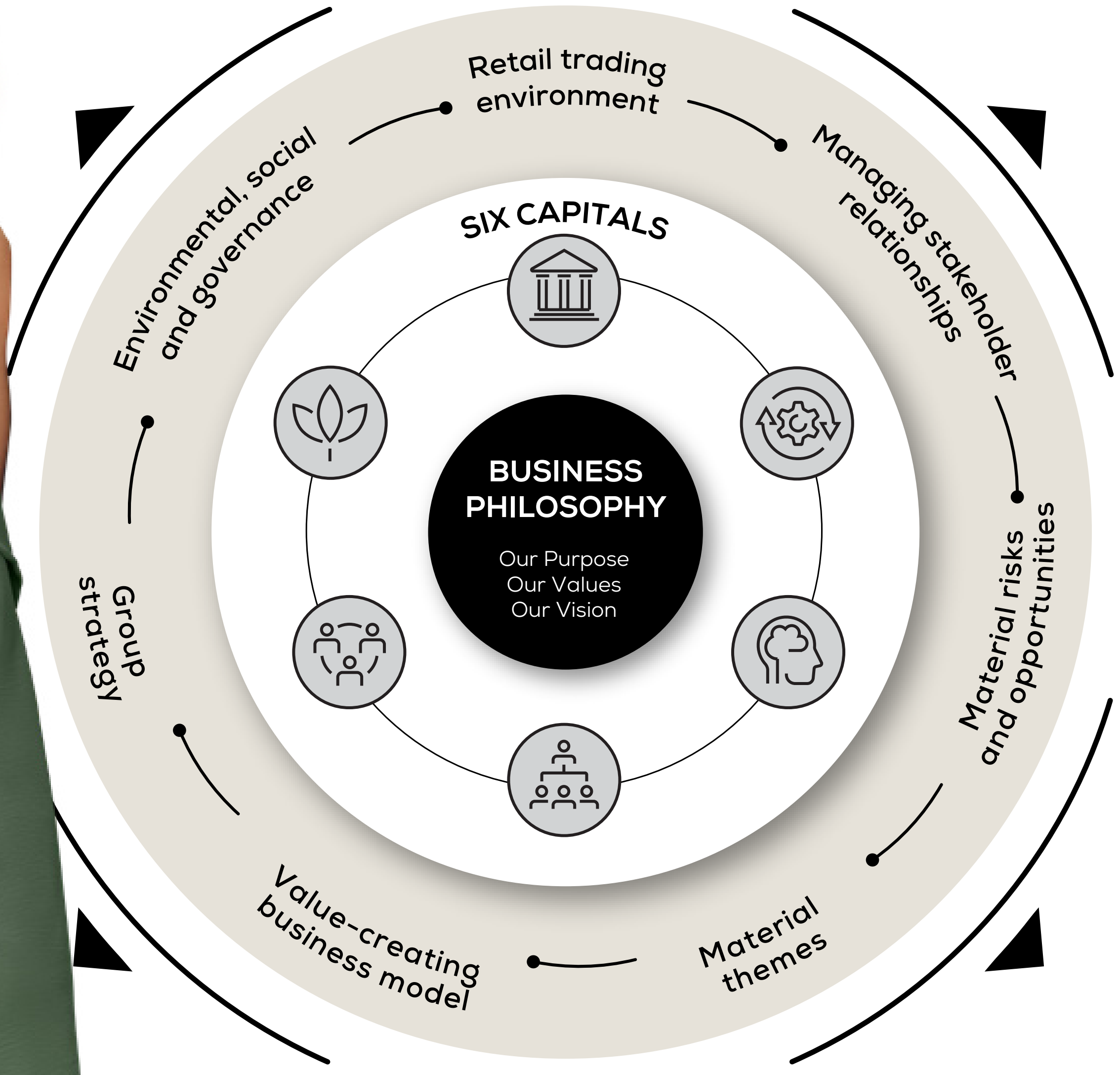
IMPACT MATERIALITY

Environmental, social and governance practices
This section underscores how our alignment with and commitment to seven of the United Nations Sustainable Development Goals aims to create broader societal and environmental value (refer to the Environmental, Social and Sustainability Governance Report 2024 on the website **www.truworths.co.za/reports**).

INTEGRATED BUSINESS MODEL AND STRATEGY

Group strategy (page 30)
This section outlines how strategic objectives are developed with a view to creating value over the short, medium and long term by delivering on our Vision for shareholders, customers and employees as outlined in our Business Philosophy.

Value-creating business model (page 13)
This section explains how our business model, underpinned by our Business Philosophy, distinguishes the Group from its peers and aims to ensure a sustainable competitive advantage, with the successful execution of this business model creating value for all our stakeholders.



CONTEXT IN WHICH THE GROUP OPERATES

Retail trading environment (page 61)
This section outlines the Group's operating context and factors in the macroeconomic environment in its two major markets of South Africa and the United Kingdom, which influence trading and, ultimately, the value-creation process.

Managing stakeholder relationships (page 17)
This section explains how the key engagement issues of each primary stakeholder group influence value creation, and how Truworths and Office have responded to the needs and interests of its stakeholders.

Material risks and opportunities (page 20)
This section describes how risks and opportunities are identified, based on an analysis of our operating context, business model and available capital resources.

FINANCIAL MATERIALITY

Material themes (page 21)
This section explains how, based on the assessment of the risks and opportunities, broad themes are determined that are likely to have the most material impact on the Group's value-creation process.

VALUE CREATION, PRESERVATION AND EROSION OVER TIME CONTRIBUTE TO THE INCREASE, DECREASE OR TRANSFORMATION OF THE GROUP'S CAPITALS. THE GROUP STRIVES TO CREATE VALUE IN THE FOLLOWING WAYS:

- Generating competitive financial returns
- Maintaining a strong balance sheet
- Investing in people, stores, distribution facilities, technology and infrastructure for future growth
- Retaining income for growth as well as organic and acquisitive expansion
- Delivering societal, environmental and broader stakeholder benefits

Creating stakeholder value continued

KEY PERFORMANCE INDICATORS AND TARGETS

FINANCIAL

Metric		**2024** *Pro forma*	2023 *Pro forma*	Medium-term targets	Local benchmark#	Global benchmark^	Report reference
Gross margin	(%)	**52.3**	52.5	49 – 53	43.7	51.6	Chief Financial Officer's report
Operating margin	(%)	**22.0**	22.2	18 – 23	12.8	11.9	
Return on equity	(%)	**36**	44	31 – 36	18	20	
Return on assets	(%)	**24**	27	22 – 27	15	12	
Inventory turn	(times)	**4.3**	4.2	3.5 – 4.5	2.8	3.5	
Asset turnover	(times)	**1.1**	1.2	0.9 – 1.3	1.1	1.1	
				Target			
Return on invested capital	(%)	**25**	28	›WACC*			

The local benchmarks are based on the average ratios for comparable JSE-listed apparel retailers, being Mr Price Group (year ended 30 March 2024) and TFG (year ended 31 March 2024).
^ The global benchmarks are based on the average ratios for listed global fashion retailers (with a 70% weighting to the average), being H&M (year ended 30 November 2023), Inditex (owner of the Zara fashion chain) (year ended 31 January 2024) and Lojas Renner (year ended 31 December 2023) and listed sportswear retailers (with a 30% weighting to the average), being Frasers Group PLC (year ended 28 April 2024) and JD Sports Fashion PLC (year ended 3 February 2024).
* Weighted average cost of capital = 15% at June 2024 and 14% at June 2023.

SUSTAINABILITY

Metric		**2024**	2023	Target	Report reference
Board diversity					
Female representation	(%)	**31**	33	30~	Governance creating value
Black representation	(%)	**23**	25	30~	
Employment equity (South Africa only)					
Female representation	(%)	**76**	75	73*	Truworths Human capital report
Black representation	(%)	**94**	94	95*	
Environmental management					
Store electricity carbon emissions	Wh/m²	**15.52**	15.72	16.00	Environmental, Social and Sustainability Governance Report 2024

~ Medium-term target.
* Target set for 2029.

Our ability to create value for our **shareholders** is closely linked to the value we create for our **customers** and **employees**, as well as **other stakeholders**, including suppliers, regulators, lenders, landlords, governments and the broader society in which we trade.

HOW WE CREATE VALUE | **HOW WE MEASURE THE VALUE CREATED**

SHAREHOLDERS

Our shareholders are the principal providers of financial capital and by delivering sustainable, long-term value, the Group ensures continued access to capital.

Refer to page 9 for our Vision for shareholders.

How we create value:
- Delivering on short and medium-term action plans and projects to achieve the Group's strategic objectives
- Preserving and expanding margins by growing revenue faster than expenses over time
- Maintaining tight control of inventory levels
- Generating healthy returns and maintaining an efficient capital structure
- Managing the accounts portfolio efficiently and responsibly
- Prudently managing cash, working capital, operating and capital expenditure, and gearing levels
- Returning funds to shareholders through dividends and share repurchases

How we measure the value created:
- Gross margin, operating margin, inventory turn, return on equity, return on assets, and asset turnover are within management's guided target ranges
- Return on invested capital is greater than the weighted average cost of capital
- Dividend growth and long-term share price appreciation as measured through long-term total shareholder return

CUSTOMERS

The members of the public who are our customers are the consumers of our products and services, and our primary source of revenue. This revenue-generating capability enables us to ultimately create financial value for shareholders.

Refer to page 9 for our Vision for customers.

How we create value:
- Offering fashion that enables customers to look attractive and feel successful and confident
- Designing, procuring and selling wide ranges of curated and tasteful apparel, footwear and homeware of superb quality and intrinsic value
- Showcasing unique aspirational fashion brands through an extensive footprint of exciting and visually appealing stores, complemented by the convenience of online shopping
- Enabling customers to buy merchandise by offering multiple payment methods, including account payment and lay-by options
- Developing knowledgeable employees to service customers with passion
- Launching new merchandise brands and store concepts to maintain customer appeal
- Delivering superior quality and value in the products we offer

How we measure the value created:
- The net promoter score measures customers' likelihood of recommending Truworths and Office
- Growth in retail sales
- Growth in new account applications and the number of active accounts are indicators of the demand for Truworths' merchandise
- Social media following is an indication of the fashionability and desirability of merchandise
- Growth in our loyalty programme base
- Monitoring online customer engagement metrics

EMPLOYEES

Through our employees, we strive to create value by meeting our customers' fashion, quality and service needs, and by providing the Group's business support services.

Refer to page 9 for our Vision for employees.

How we create value:
- Providing employment and creating job opportunities
- Transforming the employee base to reflect diversity and equality
- Preserving jobs, even during challenging times, through prudent human resource practices
- Creating an inclusive environment where employees are motivated and encouraged to contribute innovatively and passionately
- Paying employees market-related salaries and benefits, and rewarding employees for excellence in contribution through incentive schemes
- Encouraging learning and sharing of knowledge and developing staff to exceed customer expectations

How we measure the value created:
- Job maintenance and creation through the number of permanent employees
- Diversity, employment equity and gender equality through the percentage of employees from designated groups
- Employee satisfaction and retention through the annual turnover rate of permanent employees
- Commitment to training and development through skills development expenditure
- Organisational surveys which measure perceptions of our adherence to our Values
- Review of exit interviews with departing employees to understand if we are falling short in delivering on our Values

OTHER GROUP STAKEHOLDERS

Our broader stakeholder base includes groupings that have a material direct or indirect impact on our business and influence our ability to create value in the long term.

How we create value:
- Contributing to national and local governments and regulatory institutions
- Supporting local and offshore manufacturers of products, lenders, service providers and property landlords, thereby promoting employment and the sustainability of these stakeholders
- Assisting in growing and developing society through good corporate citizenship, transformation, black economic empowerment and job creation across the supply chain
- Adopting sustainable business practices aimed at minimising our impact on the environment and contributing to the betterment of society

How we measure the value created:
- Government: contribution of corporate taxes and duties and legislative compliance
- Suppliers and landlords: purchases of merchandise and other services, and lease rentals
- Lenders: meeting interest and capital repayment obligations timeously
- Communities and broader society: social value created through corporate social investment, supplier and enterprise development, and environmental programmes

Value-creating business model

The Group's business model is underpinned by the Business Philosophy and distinguishes the Group from its industry peers, with its unique DNA providing a sustainable competitive advantage. The Group's Purpose, as defined in the Business Philosophy, is to provide exclusive and aspirational apparel to youthful, fashionable consumers using predominantly company-owned brands in Truworths and third-party brands in Office. The successful execution of this business model will create value for the Group's primary stakeholders as defined in the Group's Vision for shareholders, customers and employees, as well as for other stakeholders, including suppliers, lenders, landlords and the regulators in the countries in which the business operates.

As a fashion retailer, the Group's business model is to interpret the fashion trends, design and procure merchandise through an efficient local and international supply chain, and to sell it to consumers for cash or on account through its network of retail stores and e-commerce platforms.

ASPIRATIONAL FASHION

Business activity

- Predict and interpret latest trends in fashion apparel, footwear and homeware
- Design, develop and source own-branded exclusive fashion merchandise from both local and international suppliers (Truworths)
- Collaborate with third-party brands on trends and most wanted exclusive styles (Office)
- Consistently update and refresh established brands and create new and enticing range extensions

Business activity outputs and outcomes

- Unique and aspirational superior quality own-brands that provide differentiation
- Adventurous blends of colour, fabric and fashion styling create enticement
- Broad curated ranges of latest 'in-demand' fashion footwear comprising exclusive third-party product lines combined with own-brand styles (Office)

Refer to **Aspirational fashion** on pages 79 and 92 for more detail.

SUPPLY CHAIN

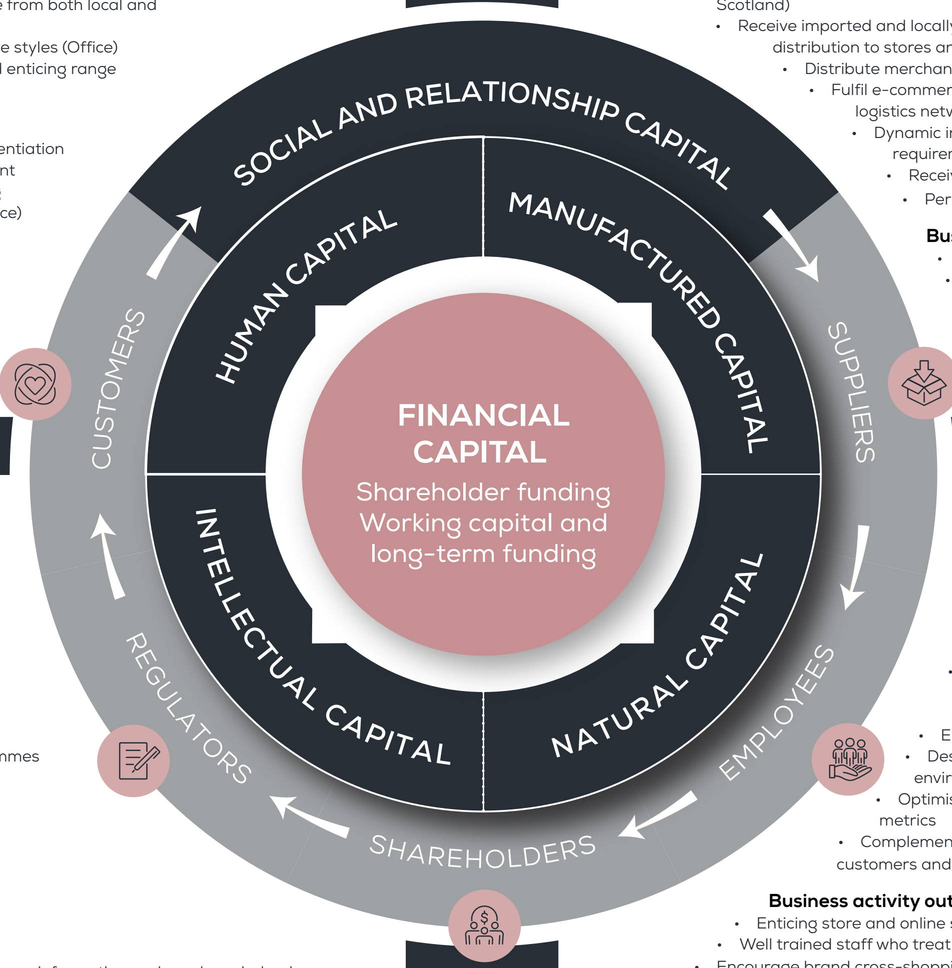
Business activity

- Operate a centralised distribution model (Truworths in Cape Town, South Africa and Office in Kilmarnock, Scotland)
- Receive imported and locally manufactured merchandise from suppliers at distribution centres for onward distribution to stores and e-commerce customers
- Distribute merchandise via third-party transport and distribution networks
- Fulfil e-commerce orders from stores and distribution centres, leveraging the distribution and logistics networks
- Dynamic interaction with local and foreign suppliers that are aligned with business requirements and profile
- Receive fabric and trims for local manufacture
- Persistent focus on dynamic planning systems and processes

Business activity outputs and outcomes

- Merchandise distributed to stores when required
- Optimal inventory levels to satisfy customer demand and contain markdowns
- Efficient supply chain that meets targeted inventory turn levels

Refer to **Supply chain** on pages 81 and 93 for more detail.



ACCOUNT MANAGEMENT*

Business activity

- Offer accounts and lay-bys in South Africa and selected other African countries to enable retail sales
- Continuously refine existing and develop new credit products and strategies
- Account granting and approval functions centralised at Truworths head office
- Collections and customer engagement through stores and call centres
- Increase basket size and frequency of purchases through loyalty programmes for account customers and loyalty members
- Leverage customer loyalty through targeted marketing
- Continually refine scorecards to improve their predictive capability

Business activity outputs and outcomes

- Enable sales to mass middle market
- Grow sales through responsible credit granting
- Balanced cash and account sales mix
- Account portfolio managed within acceptable risk levels
- Enhanced customer loyalty through understanding and reacting to customer information and purchase behaviour

Refer to **Account management** on page 83 for more detail.

RETAIL PRESENCE

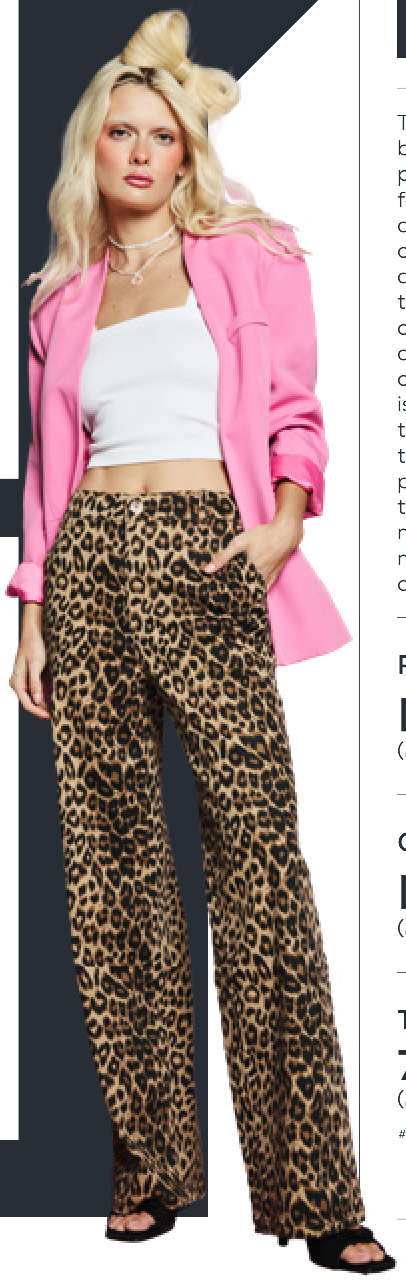
Business activity

- Offer a portfolio of exclusive and aspirational ladies', men's and kidswear fashion apparel and footwear, including third-party exclusive styles, and homeware
- Stock, display and sell merchandise in stores (operating from leased premises) and online, as well as to wholesale partners and from concession outlets (Office only)
- Emporium store concept showcases multiple brands in one store (Truworths)
- Design new and refine existing store concepts to ensure an enticing retail environment
- Optimise trading space to promote sales and enhance productivity and return metrics
- Complement store sales with e-commerce merchandise offering to service online customers and provide convenient delivery and collection options

Business activity outputs and outcomes

- Enticing store and online shopping environments
- Well trained staff who treat customers with respect and serve them well
- Encourage brand cross-shopping

Refer to **Retail presence** on pages 85 and 94 for more detail.



OUTPUTS

OUR PRODUCTS, BY-PRODUCTS AND WASTE

The Group's value-creating business model is focused on producing fashion clothing, footwear, homeware and related merchandise of international styling and quality to cater for the lifestyle needs of our customers. An inevitable consequence of the creation of our products is the creation of waste in the supply chain during the course of production, packaging, distribution and transportation processes, mostly undertaken and managed by our suppliers and service providers.

RETAIL SALES OF
R21.4 billion
(2023: R20.6 billion)

COST OF SALES
R9.9 billion
(2023: R9.4 billion)

TOTAL EMISSIONS#
75 936tCO_2e
(2023: 72 274tCO_2e)

Including freight from offshore to SA and deliveries beyond SA borders.

* Including lay-bys and loyalty (Truworths).

Value-creating business model continued

THE CAPITALS OF VALUE CREATION

Inputs into the Group's business activities comprise the financial, manufactured, intellectual and human capitals available to and utilised by the Group as well as the social and relationship capital evident in the important relationships and partnerships with stakeholders.

Through its supply chain, which outsources the manufacturing and transportation processes to suppliers, the Group indirectly consumes **natural capital** in the form of raw materials such as cotton, wool and leather, as well as water and carbon-depleting energy resources. The Group's operations also utilise water and carbon-depleting energy resources in its head offices, distribution centres and stores, and the business travel undertaken by its employees. Inputs provided below are measured at the end of the 2024 reporting period.

INPUTS

FINANCIAL CAPITAL

Financial capital relates to the funding received from the providers of capital and the financial resources available to the Group.

- Equity of R9.5 billion (2023: R7.7 billion)
- Net debt of R306 million (2023: net debt R850 million)

MANUFACTURED CAPITAL

Manufactured capital is the physical infrastructure used in the distribution and selling of merchandise, including the distribution centres, leased retail stores and the information technology systems (including websites) throughout the business.

- 888 (2023: 876) stores
- Three (2023: three) main distribution centres
- Eight (2023: seven) e-commerce sites

INTELLECTUAL CAPITAL

Intellectual capital focuses on knowledge in the organisation, systems, processes, trademarks, intellectual property and brands.

- More than 40 own brands across Truworths and Office
- Sophisticated merchandise, distribution and account management systems and processes
- Policies, procedures, and manuals

HUMAN CAPITAL

Human capital relates mainly to employees' skills, capabilities, development and experience.

- 12 007 (2023: 12 126) employees
- Values-driven corporate culture
- Market-leading merchant trainee programme
- Extensive skills training and management development

SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital deals broadly with stakeholder relationships and engagement, corporate reputation and values.

- 2.9 million (2023: 2.8 million) active account customers
- 20.9 million (2023: 18.9 million) loyalty programme members
- More than 500 merchandise suppliers across the Group
- Three trusts fund the corporate social investment (CSI) programme with investments totalling R267 million (2023: R239 million)

NATURAL CAPITAL

Natural capital relates to environmental resources directly or indirectly utilised by the Group.

- Natural materials depleted in the manufacturing of merchandise and packaging materials
- Consumption of fossil fuels in the supply chain
- Electricity and water consumed in operations

CONSTRAINTS

FINANCIAL CAPITAL

The Group has access to borrowing facilities of R3.6 billion in South Africa. With net debt of R306 million (less than 10% of total funding facilities) the Group does not face any immediate financial capital constraints. In addition, should the need arise, the Group could raise further financial capital through an issue of shares or by utilising its robust balance sheet to raise additional loan funding.

Refer to Chief Financial Officer's report on page 65 for more detail.

MANUFACTURED CAPITAL

Constraints include distribution centre capacity during peak periods (which will be alleviated once the new DC has been commissioned in the 2025 financial period), local manufacturing capacity and the financial viability of the local supply base. Securing additional retail space in key locations where the Group's existing stores are overtraded is a further constraint. International and local supply chain challenges, including congestion at South African ports, increases the delivery time of merchandise to the DCs and stores.

Refer to Material issues, risks and opportunities on page 20 for more detail.

INTELLECTUAL CAPITAL

Ageing merchandise and warehouse management systems in Office are preventing further efficiencies from being unlocked.

Refer to Material issues, risks and opportunities on page 20 for more detail.

HUMAN CAPITAL

Scarcity of specialist skills and portability of skills which are in demand in other countries, as well as pressure on salaries.

Refer to Human capital on page 87 (Truworths) and 95 (Office) for more detail.

SOCIAL AND RELATIONSHIP CAPITAL

South African consumers are under pressure with reduced disposable income as they contend with high electricity, food, borrowing and general living costs, negatively affecting account payments and credit scores. These factors constrain both account acquisition growth and account purchase behaviour, as well as cash sales.

Refer to Material issues, risks and opportunities on page 20 for more detail.

NATURAL CAPITAL

Electricity and water supply in South Africa is unstable due to the failing infrastructure.

Refer to Material issues, risks and opportunities on page 20 for more detail.

EXTERNAL FACTORS IMPACTING VALUE CREATION

Several factors that are partially or wholly outside the control of the Group could have a significant impact on value creation, preservation or erosion. The external factors influencing the Group's financial performance and our response to these factors are addressed in the relevant sections throughout the Integrated Report.

OUTCOMES

IMPACT OF BUSINESS ACTIVITIES ON CAPITALS

The outcomes of the Group's operational and financial performance have created value for stakeholders, supported by the Group's Business Philosophy (see page 8). The Group continued to generate robust cash flows, and maintained its dividend payout ratio.

The impact of our business activities on the capitals is outlined on the following pages.

FINANCIAL CAPITAL

Financial capital has increased owing to higher retail sales, increased interest income due to higher interest rates, offset by reduced margins, higher trading expenses and finance costs. The Group returned R2.2 billion of financial capital to shareholders through dividends, and interest of R189 million to lenders.

MANUFACTURED CAPITAL

Manufactured capital was increased through the 1.2% increase in trading space across the Group and the investment in the construction of the new Truworths distribution centre.

INTELLECTUAL CAPITAL

Intellectual capital deployed by the Group has increased, mainly through new account management technology and processes, the enhancement of the e-commerce platforms and the ongoing refinement of newly launched brands. The Group's focused efforts to turn around the performance of Office and rebuild the brand, has increased the value of the Office trademarks by more than R1 billion.

HUMAN CAPITAL

Human capital deployed by the Group benefitted from the increased investment in training and development, while the number of employees in Office decreased over the prior period.

SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital deployed by the Group has increased, as evidenced by the Group's strong stakeholder relationships, the growth in the account and loyalty customer base, the strengthening of relationships with suppliers, the growth in CSI investments and distributions to communities, and the improvement in the Group's B-BBEE score.

NATURAL CAPITAL

The rate of depletion of **natural capital** has increased in line with the growth in business activity. However, the depletion is at levels that the Group believes are acceptable.

Value-creating business model continued

KEY: ✓ Improvement since prior period ✗ Deterioration since prior period

CAPITALS	KEY OUTCOMES	STAKEHOLDERS AND SDGs IMPACTED	REFERENCES

FINANCIAL CAPITAL

Continued access to financial capital through investor and financial market confidence

				2024	2023
Return on invested capital (ROIC): Weighted average cost of capital (WACC)		✗	(times)	**1.7**	2.0
Net debt to equity		✓	(%)	**3.2**	11.1
Diluted headline earnings per share down 6.5%		✗	(cents)	**805.8**	861.4
Period-end share price		✓	(cents)	**9 328**	5 660
Annual dividend per share down 6.4%		✗	(cents)	**529**	565
Dividend yield (based on weighted average share price)		✗	(%)	**7.1**	10.2
All medium-term financial targets met or exceeded		✓			

Chief Financial Officer's report (page 65)

MANUFACTURED CAPITAL

Ongoing investment in the Group's stores, distribution capability and e-commerce platforms to promote and sustain growth

				2024	2023
Capital expenditure		✓	(Rm)	**770**	717
Growth in trading space		✓	(%)	**1.2**	1.1
Net number of stores opened/(closed)		✓		**12**	(1)
Increased e-commerce contribution to retail sales		✓	(%)	**18**	15

Supply chain (pages 81 and 93)
Retail presence (pages 85 and 94)

INTELLECTUAL CAPITAL

Expanding our market-leading brand portfolio and developing new and streamlining existing business processes and systems

New technology and processes implemented to enhance Truworths' ability to deliver an omni-channel experience to customers	✓
Artificial intelligence applied in the new account conversion process	✓
Enhanced online fulfilment processes result in shorter delivery lead times, lower costs and improved profitability of e-commerce channel	✓
Partial reversal of Office trademark impairments	✓

Aspirational fashion (pages 79 and 92)
Supply chain (pages 81 and 93)
Account management (page 83)

HUMAN CAPITAL

Employment creation, employee development through skills training and workplace experience, and the promotion of fair labour practices

				2024	2023
Salaries and benefits paid to employees increased		✓	(Rbn)	**2.6**	2.5
Number of employees increased in Truworths		✓		**10 451**	10 395
Number of employees decreased in Office		✗		**1 556**	1 731
Maintained black employee representation in South Africa		✓	(%)	**94**	94
High level of female representation	Truworths	✓	(%)	**76**	75
	Office	✗	(%)	**61**	62
Trained more people across the Group		✓		**13 038**	12 588
Significant investment in skills development		✓	(Rm)	**129**	122
Higher skills development spend per employee		✓	(R'000)	**10.8**	10.1
Below the medium term target of 30% black representation on the Truworths International board		✗	(%)	**23**	25
Achieved medium term target of 30% female representation on the Truworths International board		✗	(%)	**31**	33
Below 2024 target for black representation at top management of 27.3%		✗	(%)	**20.0**	18.2
Achieved 2024 target for female representation at top management of 27.3%		✓	(%)	**30.0**	27.3

Human capital reports (pages 87 and 95)
Environmental, Social and Sustainability Governance Report
Remuneration Committee report (page 44)

SOCIAL AND RELATIONSHIP CAPITAL

Maintained positive relationships with stakeholders and invested in the wellbeing of the communities we operate in through our various CSI initiatives

				2024	2023
Truworths active account customer base increased		✓	(m)	**2.9**	2.8
Truworths loyalty programme customer base increased		✓	(m)	**20.9**	18.9
Net promoter score improved	Truworths	✓		**57**	55
	Office	✓		**81**	78
Increased CSI distributions		✓	(Rm)	**11.3**	4.9
Increased CSI investments		✓	(Rm)	**269**	237
Higher merchandise donations to socioeconomic and enterprise development beneficiaries		✓	(Rm)	**44**	41
Improved Broad-Based Black Economic Empowerment (B-BBEE) scorecard compliance		✓	(Level)	**4**	5
Growing social media following – Facebook,	Truworths	✓	(m)	**7.9**	7.6
Instagram and TikTok	Office	✓	(m)	**1.3**	1.2
Significant corporate tax payments		✗	(Rm)	**967**	1 068

Human capital reports (pages 87 and 95)
Environmental, Social and Sustainability Governance Report
Social and Ethics Committee Report

NATURAL CAPITAL

Depletion of environmental resources through our supply chain (indirect) and own business operations (direct)

			2024	2023
Total carbon emissions increased	✗	(tCO_2e)	**75 936**	72 274
Store electricity carbon emissions decreased	✓	(Wh per m^2)	**15.5**	15.7
Water consumption decreased	✓	(Kl)	**154 459**	166 120
Recycled plastic hangers decreased	✗	(tonnes)	**74.1**	84.6
Paper and stationery consumption decreased	✓	(tonnes)	**208**	283
Recycled cardboard cartons decreased due to focus on reuse	✓	(tonnes)	**585**	716

Environmental, Social and Sustainability Governance Report

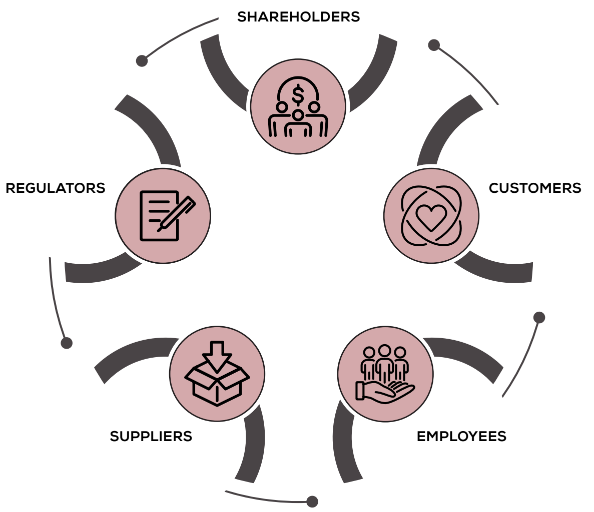
Value-creating business model continued

	ACTIONS TO ENHANCE OR MITIGATE OUTCOMES IN 2024	KEY TRADE-OFFS	REFERENCES
FINANCIAL CAPITAL	Ongoing active management of the Group's financial capital base: • Returned R2.2 billion to shareholders through dividend payments. • Reinvestment of R770 million in capital infrastructure. • Utilised revolving credit facility (Truworths R1.2 billion). • Utilised bank overdraft facilities (Truworths R1.1 billion). • Utilised green loan for new Truworths distribution centre (DC) construction (Truworths R268 million).	• Financial capital is applied to sustain and grow our business, typically with positive impacts on the manufactured, human, intellectual, and social and relationship capitals, and negative impacts on natural capital. • One of the core beliefs of the Group's Business Philosophy is that it will not buy growth in market share (ie higher sales and unit volumes) at the expense of profits. This results in a trade-off between market share and profitability, with the Group always preferring higher margins and profits over higher market share at lower profits. • A key trade-off in the account management process relates to the Group's risk appetite (and consequential level of bad debt) versus profit. The high margins in Truworths would allow the Group to take on more credit risk with incremental profit, but it would generate higher net bad debt and expected credit loss allowance levels that may not be acceptable to shareholders.	**Chief Financial Officer's report** (page 65)
MANUFACTURED CAPITAL	• Capital expenditure of R745 million on stores, distribution centres and buildings. • Continued consolidation of space and improving efficiencies through introducing new brands into existing stores and closing underperforming stores. • Construction of new Truworths DC completed. Commenced the installation of the materials handling equipment in the DC. • Accelerated new store opening and modernisation programme in Office. • Further R28 million spent on backup power solutions for SA stores to mitigate impact of load shedding. • Stores covering 92% of SA sales equipped with alternative power sources.	• Ongoing investment in the Group's store and distribution infrastructure requires significant capital investment and has a negative environmental impact. The Group strives to minimise its environmental impact by building energy-efficient stores, and the new DC is certified to EDGE Advanced green building standards. Furthermore, our commitment to investing for growth will contribute positively to financial capital in the medium to long term.	**Supply chain** (pages 81 and 93) **Retail presence** (pages 85 and 94)
INTELLECTUAL CAPITAL	• Several credit scorecards developed or refined to improve predictive power in account management. • Significantly increased digital engagement with customers across account acquisition, account management and collections. • Truworths' online functionality enhanced to align with in-store services, including opening an account online. • Continuous improvement of cybersecurity systems to mitigate cyber risks.	• Ongoing investment in business processes and new systems is growing our intellectual capital, and indirectly benefitting our human and social and relationship capitals, but negatively impacting financial capital in the short term.	**Aspirational fashion** (pages 79 and 92) **Supply chain** (pages 81 and 93) **Account management** (page 83)
HUMAN CAPITAL	• Diversity, equity and inclusion project initiated to create a culture where all employees feel a sense of belonging and feel included. • Women empowerment project introduced to develop female leaders. • Launched programme to develop and fast-track top talent from designated groups to prepare them for career progression. • Focused on aligning the human resources processes of Office with those of Truworths, including migrating Office employees onto the same human resource and payroll system as Truworths.	• Our commitment to the training and development of our employees reduces our financial capital but leads to increased human capital and intellectual capital. This will ensure that our employees are equipped to provide our customers with superior quality, aspirational fashion merchandise, and provide world-class customer service that will ultimately increase the value created for our shareholders.	**Human capital reports** (pages 87 and 95) **Environmental, Social and Sustainability Governance Report** **Remuneration Committee report** (page 44)
SOCIAL AND RELATIONSHIP CAPITAL	• Increased the number of CSI projects supported from 21 to 31. • Funded electricity generators for cut-make-trim operators to support the viability of the local manufacturing sector. • Continued focus on and regular communication with suppliers about B-BBEE compliance and progress. • Implemented a Group human rights policy in line with national and international standards. • Continued to donate merchandise to community organisations to create employment and generate funding while reducing waste to landfill. • Engaged regulators on key matters, including National Credit Regulator, Department of Employment and Labour, Department of Trade, Industry and Competition and revenue authorities.	• Through our commitment to socioeconomic, supplier and enterprise development, we are trading financial capital in the short term to boost social and relationship capital through the upliftment of communities and the development of our local supply chain. • The tough consumer environment is impacting negatively on the credit score of new applicants, resulting in a reduction in the number of risk-approved applications. In order to grow the active account base, the Group is required to increase marketing spend and invest in the development of new credit products and strategies. • In the current tough economic climate, our focus on containing costs through the negotiation of prices with suppliers and landlords, and by limiting the use of external service providers where work can be performed in-house, arguably weighs on our social and relationship capital in an effort to limit the reduction of our financial capital. This will, however, increase our human and intellectual capitals as in-house skills grow and develop.	**Human capital reports** (pages 87 and 95) **Environmental, Social and Sustainability Governance Report** **Social and Ethics Committee Report**
NATURAL CAPITAL	• All SA stores renovated during the period were fitted with energy-efficient lighting as well as electricity meters. • Partnered with organisations that recycle or reuse damaged goods or convert fabrics into garments for resale. • All suppliers required to commit to good environmental practices. • Materials associated with merchandise are recycled or reused where possible, while the business continues to seek ways to limit packaging on merchandise. • Measures implemented to decrease carbon emissions in the supply chain. • Continued effort to reduce water consumption at all facilities and stores. • All plastic bags made from at least 50% recycled materials.	• We consume natural resources and fossil fuels in the production, packaging and transportation of our merchandise, which impacts negatively on natural capital in order to increase financial capital, and indirectly all the other capitals of value creation. • Various environmental initiatives (installation of energy meters to track energy consumption, renewable energy at owned locations, LED lighting, water-savings initiatives, reducing and reusing packaging, plastics, paper and landfill) are aimed at reducing our impact on natural capital, often at a cost to financial capital, at least in the short term.	**Environmental, Social and Sustainability Governance Report**

Managing stakeholder relationships

Management proactively addresses the needs, expectations and concerns of stakeholders, recognising that they affect the Group's ability to create value, or minimise the erosion of value, over the short, medium and long term.

The stakeholder relationship programme continues to focus primarily on the five stakeholder groups that are most likely to influence the delivery of the Group's strategy and to impact the material issues within the business, namely:



QUALITY OF RELATIONSHIPS

Management assesses the quality of these relationships on an ongoing basis to ensure the Group understands, considers and responds to the legitimate needs and interests of its stakeholders.

A five-point internal rating scale is applied by management for rating the quality of stakeholder relationships:

●●●●●
Strong relationship of transparency, trust and mutual understanding

●●●●○
Good quality, value-adding relationship

●●●○○
Good relationship but needs to improve to add value

●●○○○
Functional, low-quality relationship

●○○○○
Poor quality to no relationship

SHAREHOLDERS

●●●●○
(Rating unchanged)

Rationale for engaging:
Shareholders are the Group's principal providers of financial capital. Engagement is focused on local and international institutional investors as well as fund managers and analysts. The Chief Executive Officer and Chief Financial Officer are responsible for investor relations, supported by various directors and divisional directors. The Group follows a hybrid investor relations model comprising personal engagement (one-on-one meetings and attendance at investor conferences) and written communication through a dedicated investor relations email channel, followed by one-on-one meetings if necessary. This hybrid approach ensures prompt multi-disciplinary responses to investor questions and enhances the quality and efficiency of engagement, with the investor relations team typically responding to written questions within 24 hours.

KEY ENGAGEMENT ISSUES

Impact of global shipping disruption and SA port congestion on the delivery of imported merchandise and the Group's ability to mitigate the impact of supply chain challenges on retail sales.

Growth opportunities for Truworths in a trading environment of lower discretionary spending due to inflationary pressures and higher-for-longer interest rates in South Africa.

Impact of the constrained credit environment on the health of the Truworths accounts portfolio.

Opportunities for sustained growth in Office.

The impact of global e-commerce competitors on South African retailers.

Aspects of the Group's Remuneration policy and implementation.

Response to engagement issues
Management addresses all key engagement issues directly with investors through a range of forums. These include interim and annual results presentations, post-results investor meetings, one-on-one engagement with shareholders and analysts, participation in investor conferences, written communication via the Group's investor relations email channel, and through formal communications on SENS and in the Integrated Report. Based on the materiality or price sensitivity of certain issues, this information is communicated on SENS before it is discussed with any market participants to ensure simultaneous and equal access to the information.

Managing stakeholder relationships continued

TRUWORTHS CUSTOMERS

●●●●●
(Rating unchanged)

Rationale for engaging: As the consumers of our merchandise and users of account facilities, customers are the primary source of revenue for Truworths and are the key source of social and relationship capital of the business. Engagement covers account and cash customers in South Africa and the rest of southern Africa. Store management and employees, call centre agents and customer relations employees are the main contacts with customers. Engagement takes place in stores, through call centres, social media platforms, e-commerce websites and digital communication channels. Customer satisfaction is monitored on an ongoing basis using the net promoter score as a universally comparable benchmark alongside an internally developed customer service rating scale. Truworths also analyses market share information as a measure of customer response to merchandise ranges, and to identify opportunities to enhance the merchandise offering in line with customer needs and preferences.

KEY ENGAGEMENT ISSUES

Latest fashion styles, trends and key looks for the season as well as sales promotion activity.

Response to engagement issue: Truworths communicates with loyalty programme and account customers about the latest fashion available in-store and online, merchandise promotions and sale activity. This is done using personalised emails, SMS, social media and e-commerce websites.

Account payments, including educating customers on the payment channels available and the implications of non-payment of accounts.

Response to engagement issue: An account customer engagement project was undertaken to improve payments through the implementation of additional payment channels to make account payments easier. The project addressed payment options, communication channels and content of communication.

TRUWORTHS EMPLOYEES

●●●●○
(Rating unchanged)

Rationale for engaging: Employees provide their talent and skills to ensure the business operates in an efficient and sustainable manner. Employees comprise the Group's human capital and are key custodians of our intellectual capital. Engagement includes all full-time and flexi-time employees, with line management being the key point of engagement, supported by the human resources division. Employee engagement takes place through formal communication issued by the business, formal and informal training, personal interaction with line management, the online platform to engage directly with the CEO, through in-house presentations covering topics such as business performance, as well as through the WhatsApp mobile channel.

KEY ENGAGEMENT ISSUES

Fostering a culture of inclusivity.

Response to engagement issue: Leadership training undertaken to promote the Business Philosophy with the refreshed Values and consciously foster a culture of inclusivity within teams. The desired outcome is that employees feel included, heard, can contribute, thrive and have a sense of belonging, irrespective of their gender, race, religion, culture or other personal preferences.

Embracing diversity in the workplace.

Response to engagement issue: Leadership training conducted to create an environment that allows individuals from diverse backgrounds to bring different experiences and viewpoints to the workplace. Harnessing diversity through the practice of inclusive leadership will enable the Group to deliver on the Business Philosophy, optimise teamwork, uncover unconscious bias and create awareness and understanding of a diverse workforce.

Development of black talent for succession.

Response to engagement issue: Identify talented and aspiring black employees who are aligned with the Truworths Values and develop these employees for progression and succession, with an emphasis on top and senior management roles in the business.

Empowering women.

Response to engagement issue: Truworths has a majority female workforce and programmes have focused on developing female employees. This includes enabling women to realise their potential and drive career progression, encouraging female contribution irrespective of life stage, raising awareness of issues particular to women and understanding and addressing historical barriers for women.

Advocating against gender-based violence (GBV).

Response to engagement issue: Demonstrate Truworths' zero-tolerance approach to any form of GBV in the workplace and in communities. Ensure that employees feel safe, regardless of their gender and sexual orientation.

Promotion and protection of human rights.

Response to engagement issue: In line with the Group's moral, ethical and legal commitment to the promotion and protection of human rights, a Group human rights policy was introduced. A human rights due diligence and impact assessment was conducted to identify, prevent and reduce human rights risks within the business. A human rights complaints procedure was implemented and management is committed to addressing the outcomes of the impact assessment to mitigate human rights risks within the business.

Cybersecurity awareness training.

Response to engagement issue: To ensure employees remain vigilant to cybersecurity attacks, ongoing and regular self-help training is conducted and participation and engagement is managed by the cybersecurity team to ensure employees remain apprised of the latest developments.

TRUWORTHS SUPPLIERS

●●●●○
(Rating unchanged)

Rationale for engaging: Suppliers are the providers of merchandise and other goods and services to Truworths. They are therefore the Group's source of manufactured capital, and the breadth and depth of our supply chain is a key measure of the Group's considerable social and relationship capital. Suppliers include local and international product manufacturers, landlords and various service providers. The primary sources of contact are executives, merchandise buyers and planners, and management. Engagement occurs formally and informally through supplier assessments, merchandise design and order negotiations, account management interaction and supplier development discussions.

KEY ENGAGEMENT ISSUES

The sustainability of local cut-make-trim (CMT) suppliers is a strategic priority. The financial viability of several CMTs is under threat and this is being compounded by the impact of load shedding on production output.

Response to engagement issue: Truworths has its own internal design capability, but also works in close collaboration with exclusive external design centres and CMT partners and supports these businesses by providing funding as well as technical and specialist skills to improve their operations and maximise efficiency. Financial support has been provided to certain CMTs to purchase generators to ensure factories remain operational during load shedding. Plant and machinery has also been provided on a loan basis to strategic CMT operators.

Production planning with CMTs, particularly in dealing with peak demand for specialist product.

Response to engagement issue: The design division planning teams have collaborated with key CMTs to develop production plans to manage large volumes of specialised product across the season and leverage low demand production periods to benefit both parties.

Improved planning and forecasting for key suppliers.

Response to engagement issue: Based on all suppliers' performance metrics and capabilities, Truworths has determined improved high-level estimates of production requirements.

Broad-Based Black Economic Empowerment (B-BBEE) scorecards of suppliers are considered by management to ensure that Truworths supports higher-rated B-BBEE suppliers.

Response to engagement issue: The Truworths Tender and Capital Expenditure Committee evaluates potential South African based suppliers on a range of criteria, including their commitment to B-BBEE. Where suppliers have a similar score, the supplier with the higher B-BBEE rating would have an advantage.

TRUWORTHS REGULATORS

●●●●○
(Rating unchanged)

Rationale for engaging: Regulators are the custodians of legislative and regulatory compliance and providers of licences to trade. These include government departments, regulatory bodies and local authorities, with the engagement being managed by the executive directors and finance, legal and account risk executives. Engagement occurs through regulatory filings and submissions, formal and informal discussions regarding key issues, dispute resolution mechanisms and through the National Clothing Retail Federation (NCRF). The recognition by regulators of the Group as a good corporate citizen with high levels of legislative compliance, that emerges from these engagements, reflects the investment by management in the Group's social and relationship capital.

KEY ENGAGEMENT ISSUES

Combating money laundering
Following amendments to the Financial Intelligence Centre Act in the 2023 financial period, Truworths, as a registered credit provider, is now classified as an accountable institution and is required to comply with numerous obligations in terms of the Act.

Response to engagement issue: Truworths has registered with the Financial Intelligence Centre, appointed a compliance officer, sought legal advice on the applicability and implementation of the legislation, and developed a risk management and compliance programme approved by the Truworths board.

Tax compliance
Truworths is involved in the ongoing resolution of requests for information, audits and disputes with the South African Revenue Service (SARS) and tax authorities in other countries.

Response to engagement issue: Truworths has engaged with revenue authorities in various countries of operation in relation to audits and requests for information in a constructive, transparent and compliant manner, and has sought to render tax payments and returns that are correctly determined and completed in a timeous manner.

Employment equity
Following amendments to the Employment Equity Act, the Minister of Employment and Labour issued revised draft regulations for public comment proposing employment equity targets for various industry sectors.

Response to engagement issue: As a member of the NCRF, Truworths has provided comments on the revised draft regulations published on 1 February 2024. There have been no further developments after the regulations were published for public comment, and an effective date in respect of the Employment Equity Amendment Act has not been promulgated. Truworths has consequently implemented a new five-year employment equity plan for 2024 to 2029, in compliance with the provisions of the current Employment Equity Act.

Managing stakeholder relationships continued

OFFICE CUSTOMERS

●●●●○
(Rating unchanged)

Rationale for engaging: Customers are the buyers of merchandise and the primary source of revenue for Office and are a key source of social and relationship capital. Engagement focuses on customers in the UK and Republic of Ireland, and both national and international online customers. Engagement occurs in stores and via the e-commerce sites as well as through social media platforms.

KEY ENGAGEMENT ISSUES

Customers who frequently visit stores want access to the latest in-fashion footwear and to be served by lively and committed staff members.

Response to engagement issue: Office continued its store modernisation programme which elevates the shopping environment, while a store incentive programme aims to enhance customer service.

Customers requesting more immediate notification of new product offers and being advised when product is back in stock.

Response to engagement issue: The new customer relationship management (CRM) application launched in June 2023 enables personalised customer communication, including earlier communications on new customer offers. Notifications of back-in-stock product or sizes went live in April 2024.

Office mobile app has outdated technology and limited functionality.

Response to engagement issue: An upgraded Office app with additional functionality will be developed and is planned to be launched in the 2025 financial period. The app will be integrated into the CRM system to enable personalised communications with targeted customers. A new app for Offspring will be developed in the second half of the 2025 financial period.

Customers would like to be rewarded for their loyalty to the brand.

Response to engagement issue: The upgraded mobile app will include functionality to provide loyal customers with instant notifications of app-only products, product restock alerts as well as offer previews for sales and promotions such as Black Friday.

Customers expect a consistent service experience across all service channels.

Response to engagement issue: A new customer service system has been implemented which enables a single view of customer contact, whether the customer has made contact via email, live chat or social media channels.

OFFICE EMPLOYEES

●●●●○
(Rating unchanged)

Rationale for engaging: Employees provide their talent and skills to ensure the business operates in an efficient and sustainable manner and are the key source of human capital and intellectual capital. Engagement includes all full-time and flexi-time employees, with line management being the key point of engagement, supported by the human resources department. Employee engagement occurs through formal communication and surveys, formal and informal training, personal interaction with line management and through direct communications with the Managing Director.

KEY ENGAGEMENT ISSUES

Inclusive, meaningful, positive working environment.

Response to engagement issue: Following on from the introduction of the refreshed Values as part of our Business Philosophy in August 2023, an employee engagement survey was conducted in February 2024. The outcomes of this survey have been incorporated into a strategic people project covering recruitment, induction, learning and development, retention, career progression and succession.

Developmental culture supported by management.

Response to engagement issue: A key focus of the strategic people project is on investing in upskilling and developing leadership teams to drive a supportive developmental culture using 360-degree feedback and coaching.

Recognition, reward and benefit.

Response to engagement issue: Office continues to focus on introducing new recognition and reward initiatives, with the successful Truworths ACE and annual Citations programme introduced into Office in 2023.

National minimum wage increase.

Response to engagement issue: The national minimum wage in the UK for 2024 increased between 9.8% and 21.2% depending on age grouping. Office salaries were reviewed in April 2024 and adjusted where applicable, resulting in an effective increase of 12.6%.

OFFICE SUPPLIERS

●●●●○
(Rating unchanged)

Rationale for engaging: Suppliers are the providers of merchandise and other goods and services, including international suppliers of branded and own-brand merchandise, and landlords. They are a key source of social and relationship capital for the business. The primary sources of contact are executives, merchandise buyers and management. Engagement occurs formally and informally through various channels, including merchandise range selection and development, order negotiations and account management interaction. Additionally, we collaborate with key brands on mutually beneficial alignment to launch and showcase product lines. Engagement with landlords is ongoing.

KEY ENGAGEMENT ISSUES

Merchandise suppliers:
Securing stock allocations of the 'must-have' seasonal styles.

Response to engagement issue: Long-standing relationships with key suppliers have enabled Office to secure larger stock allocations of the latest seasonal styles due to the strategic importance of Office to branded product partners.

Property landlords:
Lease negotiations in the challenging retail trading environment.

Response to engagement issue: Negotiations continued with landlords to renew leases, with some resulting in favourable rental reversions. Office's favourable business performance has also created opportunities to secure new store sites as many landlords seek to secure Office as a tenant.

OFFICE REGULATORS

●●●●○
(Rating unchanged)

Rationale for engaging: Regulators are the custodians of legislative and regulatory compliance and providers of licences to trade. They include government departments, regulatory bodies and local authorities, with the engagement being managed by the executive directors as well as finance and legal executives. Engagement occurs through regulatory filings and submissions, and formal and informal discussions regarding key issues.

KEY ENGAGEMENT ISSUE

Revenue office audits and requests for information.

Response to engagement issue: Office has engaged with revenue authorities, principally in the UK, in relation to audits conducted and requests for information in a constructive, transparent and compliant manner.

Office seeks to maintain co-operative and proactive relationships with the in-country tax revenue authorities by rendering accurate and timeous returns and payments in respect of all tax obligations. The business further promotes tax compliance by collaborating with suppliers to confirm tax details and verify their compliance prior to initial engagement.

Material issues, risks and opportunities

MATERIAL ISSUES

Material issues are the factors that are likely to have the most material impact on the Group's revenue, profitability and sustainability, and therefore influence its ability to create and sustain value, or limit value erosion, for stakeholders.

MANAGING MATERIAL ISSUES

The material issues are reviewed annually by executive management by applying the following process:

IDENTIFY factors that could have a material impact on the Group

- Operating context, macroeconomic and trading environment (page 61)
- Needs, expectations and concerns of primary stakeholders (page 17)
- Major risks identified on the Group's risk register (page 21)
- Material themes (page 21)
- Financial, manufactured, intellectual, human, social and relationship, and natural capital resources
- Legislative and regulatory framework

DETERMINE material issues

- Based on the outcome of the identification process, determine the issues that are likely to have the most material impact on performance in the year ahead, as well as in the longer term
- Strategic and tactical plans to address these issues are developed by executive management, and presented to and endorsed by the board
- The material issues are aligned with the Group's Business Philosophy, strategic objectives, plans and projects
- Measurable deliverables from the implementation of strategic plans and projects are incorporated into the performance targets for executives

INTEGRATE material issues

- Short and medium-term operational plans are developed annually for managing each material issue
- Key performance indicators are determined to monitor the progress in managing the material issues
- Risks and mitigation plans are outlined for each material issue
- Medium-term opportunities are identified that highlight the potential to create value over a two to four-year time horizon

REPORT on material issues

- Report to shareholders and other stakeholders on the material issues in the Integrated Report, at bi-annual results presentations and in the Environmental, Social and Sustainability Governance report
- Report to the board and board committees on material issues at quarterly meetings
- Outline progress in delivering on the operational plans, performance against targets, and challenges impacting the material issues

MATERIAL ISSUES FOR 2025

Following the review of the material issues in applying the process outlined alongside, the material issues for Truworths and Office are unchanged for the 2025 financial year.

The material issues are as follows:

TRUWORTHS

- Aspirational fashion
- Supply chain
- Account management
- Retail presence
- Human capital

OFFICE

- Aspirational fashion
- Supply chain
- Retail presence
- Human capital

Material issues, risks and opportunities continued

MATERIAL THEMES

Material themes have been included in the Integrated Report to give shareholders insight into the major factors currently influencing management's decision making. While the five material issues detailed in this report are aligned with the Group's business and operating model, the material themes are more dynamic and reflect current retail trends and major macroeconomic factors impacting the business and strategic focus areas internally.

The material themes have been determined with reference to the main risks on the Truworths and Office risk registers, along with a detailed analysis of the macroeconomic environment and the main topics frequently addressed by investors with the Group's investor relations panel.

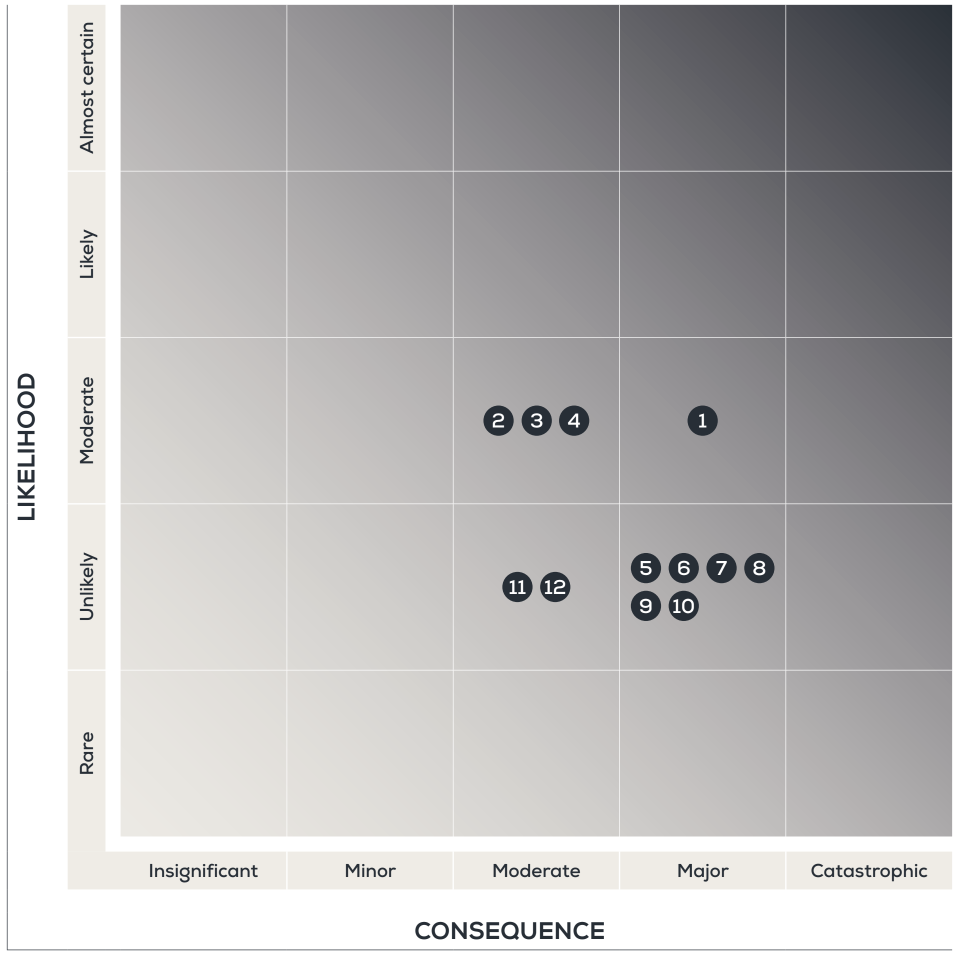
Ultimately, the material themes are management's view of the most pertinent factors affecting the Group in the reporting period, and are expected to be the most relevant themes in managing the business in the 2025 period.

1. Trading in the challenging macroeconomic environment
2. Growing revenue, profit and shareholder returns
3. Managing the risk of fashion
4. Managing inventory levels
5. Managing in-house credit risk
6. Managing disruption in the supply chain
7. Attracting and retaining critical skills and managing succession
8. Optimising retail presence
9. Seeking and developing opportunities in a highly competitive retail landscape
10. Managing data privacy and cybersecurity

MAJOR GROUP RISKS

The risk heat map is based on residual risk and focuses on 'moderate' to 'high' risks impacting the Group's operations. Accordingly, identified risks with a residual risk rating of 'low' are not included in the heat map below.

	RESIDUAL RISK	REPORT REFERENCE
1	Competition from global Asian online value-clothing retailers selling directly to consumers in South Africa	**Retail trading environment; Chief Executive Officer's report; Chief Financial Officer's report**
2	Managing the impact of the volatile Rand/US dollar exchange rate on retail selling prices of imported merchandise	**Truworths Material Issue:** Aspirational fashion
3	Scarcity of specialist skills	**Truworths and Office Material Issue:** Human capital
4	Succession for key executives and senior employees	**Truworths and Office Material Issue:** Human capital
5	Business interruption due to natural disaster resulting in loss of or damage to main business sites for an extended period	**Truworths and Office Material Issue:** Supply chain
6	Management of credit risk in Truworths	**Truworths Material Issue:** Account management



	RESIDUAL RISK	REPORT REFERENCE
7	Breach of cybersecurity could result in the loss of sensitive information and compromise customer privacy	**Truworths Material Issue:** Account management; **Office Material Issue:** Retail presence
8	Electricity load shedding in South Africa impacting the ability to trade	**Truworths Material Issue:** Retail presence
9	Disruption in the local and international supply chain	**Truworths and Office Material Issue:** Supply chain
10	Increasing competition from online and traditional retailers could impact the sustainability of margins	**Truworths and Office Material Issue:** Aspirational fashion
11	Suppliers not operating to contracted standards of ethical behaviour could result in interruption of supply and reputational damage	**Truworths and Office Material Issue:** Supply chain
12	Non-compliance with legislation and regulation could result in financial penalties, trading sanctions and reputational damage	**Governance creating value**

Material issues, risks and opportunities continued

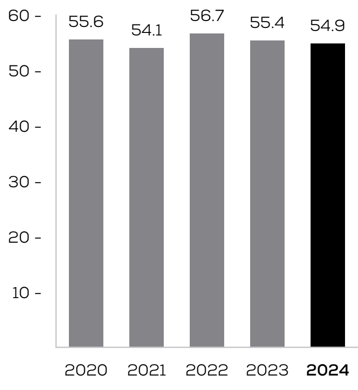
TRUWORTHS

ASPIRATIONAL FASHION

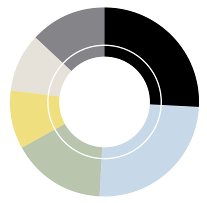
MATERIAL THEMES

- Trading in the challenging macroeconomic environment
- Growing revenue, profit and shareholder returns
- Managing the risk of fashion
- Managing inventory levels
- Seeking and developing opportunities in a highly competitive retail landscape

GROSS MARGIN (%)



RETAIL SALES CONTRIBUTION



- Ladieswear Emporium – **26%** (2023: 26%)
- Menswear Emporium – **25%** (2023: 25%)
- Identity – **16%** (2023: 16%)
- Ladieswear Designer Emporium – **10%** (2023: 10%)
- Truworths Kids – **10%** (2023: 10%)
- Other – **13%** (2023: 13%)

PERFORMANCE AGAINST PLANS

PLANS FOR 2024	PERFORMANCE IN 2024
Continue to drive sales growth in product areas where we are confident of growing market share, including in key under-represented categories	• Good progress in certain key opportunity categories. • Growth initiatives were constrained by supply chain challenges and challenging macroeconomic conditions. • Growing product sales in categories where we are under-represented or below market share targets is an ongoing focus area of the merchandise teams.
Renew focus on creating differentiated and elevated product across all brands, with their own DNA	• Ongoing review of DNA of each brand to ensure lifestyle differentiation and identify opportunities to further innovate and elevate product where necessary. • The wide range of unique brands continues to be a key differentiator of the business model and the buying teams utilise appealing external branding to increase the perceived value of the product.
Expand the presence of Fuel and continue testing Sync	• Both Fuel and Sync performed ahead of management's expectations. • Product offering of both brands extended to include shoes, bags and accessories. • Continued expansion of store presence: - Sync store count 26 (2023: 19) - Fuel total store and department count 52 (2023: 49)
Add product extensions to ensure all appropriate fashion lifestyles are covered	• Introduced products that complement existing ranges, such as lifestyle products aligned with the brands. • Product extensions introduced in new brands.
Continuous website and e-commerce improvement in the areas of user experience, personalisation, product offering, payments, account management and order fulfilment	• E-commerce user experience improved with continuous enhancements to the websites. • Communication enhanced to ensure customers are regularly updated on order delivery status. • Improved efficiencies have resulted in shorter delivery times for customers. • All product lines are now available on the website.

CHALLENGES ENCOUNTERED IN 2024

- Global supply chain challenges resulted in the late delivery of imported merchandise which particularly impacted seasonal products, from November 2023 through to the early months of the winter 2024 season. The delayed delivery of imported fabrics and trims impacted the efficiency and viability of local manufacturers, creating further challenges in delivering optimal stock volumes and merchandise mix to stores.
- Unseasonably warm weather stretching into late May and the late onset of the winter season negatively impacted sales of warm winter products such as coats, boots and knitwear.
- Managing the impact of the volatility of the Rand on product pricing in the uncertain social and political environment ahead of the general elections in May.

Refer to Aspirational fashion in the Truworths Operational review on page 79 for more detail.

2025

PLANS FOR THE YEAR AHEAD

- Continue to expand the presence of Sync and Fuel and introduce Fuel product into additional Truworths Man stores to further expand the reach of the brand.
- Grow accessories and other brand-enhancing lifestyle products.
- Implement changes to the buying process to focus on creativity and unique product development by brand.
- Leverage the close working relationship between the buying teams and the internal design centre that has been enabled by housing the Truworths Africa Design Division in the head office.
- Experiment with artificial intelligence (AI) applications across the merchandise development process.
- Ongoing improvements on the e-commerce platform, covering on-site functionality and customer delivery experience.

MEDIUM-TERM

OPPORTUNITIES

- Maximise replenishments and volume product opportunities to utilise the benefit of the integrated supply chain and new distribution centre.
- Enhance quick response reactivity to rapidly increase volumes of fast-selling product lines and replace slower-selling lines.
- Improve product mix and the level of 'fashion right' product through process, selection and system changes.
- Integrate AI into the merchandise process, both in creative product development and enhancing analytical merchandise planning capabilities.

RISKS AND MITIGATION STRATEGIES

1

Managing the impact of the volatile Rand/US dollar exchange rate on retail selling prices of imported merchandise.

- Forward exchange contracts (FECs) are used to cover merchandise imports to lessen the impact of exchange rate volatility. FECs are reviewed and adjusted during the course of normal business processes.
- Continue to seek opportunities to increase the local supply base and diversify the source of supply internationally.
- Improved fabric and product procurement processes, including capitalising on economies of scale through the in-house design centre.

2

Competition from global Asian online value clothing retailers selling directly to consumers in South Africa and increasing competition from online and traditional retailers could impact the sustainability of margins.

- Continue to invest in fashion intelligence capability through the in-house fashion studio to identify relevant fashion trends.
- Continue to differentiate and elevate product.
- Ensure high levels of customer experience through excellent, high-quality standards and consistent fits and sizing.
- Continue to invest in own brands.
- Leverage credit to facilitate sales to the target market.
- Utilise local design capability and local supply base to manufacture quick response fashion.
- Manage inventory levels to achieve terminal stockholding at the change of each season.
- Balance local and international supply base to achieve optimal product mix.
- Launch new retail store concepts and continue to enhance the online offering to create a seamless omni-channel experience.
- Focus on merchandise categories where Truworths is under-represented to grow market share.

Material issues, risks and opportunities continued

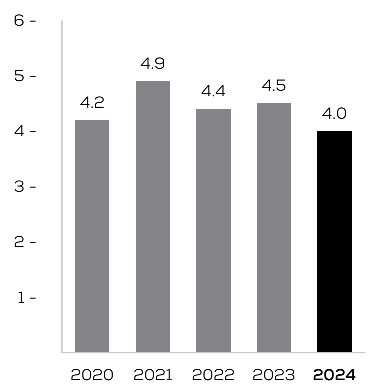
TRUWORTHS

SUPPLY CHAIN

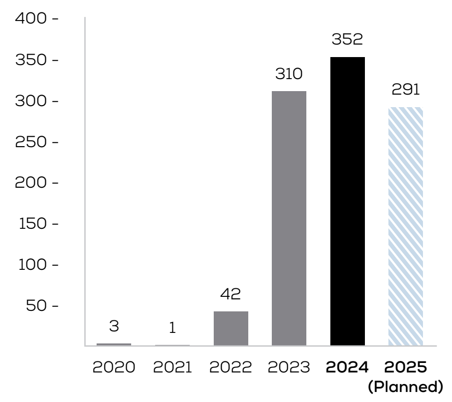
MATERIAL THEMES

- Growing revenue, profit and shareholder returns
- Managing inventory levels
- Managing disruption in the supply chain
- Seeking and developing opportunities in a highly competitive retail landscape

INVENTORY TURN
(Times)



CAPITAL EXPENDITURE ON DISTRIBUTION FACILITIES
(Rm)



PERFORMANCE AGAINST PLANS

PLANS FOR 2024	PERFORMANCE IN 2024
Continue to integrate design departments and standardise systems and processes to extract synergies and efficiencies across the Truworths Africa Design Division to increase speed to market	• Integration and restructure of the Bonwit and Barrie Cline design houses completed and operates as an integrated ladieswear design and manufacturing capability for local production. • Initial efficiency benefits have been achieved and these will be further leveraged in the new financial period. • Speed to market improvements were hampered by delays in the delivery of imported fabric and resourcing challenges. • Training programme introduced for scarce, in-demand skills in the design and manufacturing area.
Complete the construction of the new distribution centre (DC) by November 2023	• Building construction completed on time and within budget, with occupancy on 1 December 2023.
Commence the installation of the materials handling equipment in the new DC for completion by October 2024	• Equipment currently being installed and testing will commence in the first quarter of the 2025 financial period with progressive operational implementation from November 2024. • DC planned to be fully operational by March 2025.
Continue to support selected strategic cut-make-trim (CMT) partners	• Support for strategic CMT partners continued. In addition to financial support, plant and machinery and generators were also provided. • Backup power has resulted in reduced downtime during load shedding and improved efficiencies. However, efficiency gains were partially offset by delays in fabric imports that constrained production volumes.

CHALLENGES ENCOUNTERED IN 2024

- The global shipping crisis impacted the Group's supply chain. This resulted in container shortages in China as vessels faced extended shipping times and routings around Africa to European and US markets, with a significant increase in shipping freight rates.
- Supply chain challenges were compounded by the disruption at local ports due to infrastructure failure and operational inefficiency. These factors resulted in delays in the berthing and unloading of container vessels which were already experiencing extended delays.

Refer to Supply chain in the Truworths Operational review on page 81 for more detail.

2025

PLANS FOR THE YEAR AHEAD

- Complete the new DC to enable greater volumes of replenishment and part allocation of merchandise to stores, with testing commencing in November 2024 and the facility to be fully operational by March 2025.
- Review merchandise volume opportunities to leverage the efficiencies of the new DC and optimise allocation of stock to best-performing stores.
- Implement improved allocation techniques to best utilise the capabilities of the new DC.
- Leverage internal design capability to improve ability to respond quickly to trading patterns through local manufacture.

MEDIUM-TERM

OPPORTUNITIES

- Increase efficiency of the combined warehousing and distribution operations.
- Reduce distribution costs through road freight network optimisation.
- Refine the part-allocation approach by product category.
- Increase sales through the accurate and speedy replenishment by store.
- Maximise the flexibility of the new DC to achieve the optimal balance of allocation types and picking methods available.
- Relocate the raw materials from the separate warehouse to the larger and more efficient facility currently occupied by the main finished goods distribution operation in Epping.
- Realise cost savings from the integration of the current separate DCs into a consolidated facility.
- Enhance the disaster recovery capability of the DC.

RISKS AND MITIGATION STRATEGIES

1

Business interruption due to natural disaster resulting in loss of or damage to main business sites for an extended period.

- All DC assets are adequately insured.
- Fire and flood protection installed at all DCs.
- Disaster recovery plans in place, with the current main distribution facility being retained as a backup to the new DC.

2

Disruption in the local and international supply chain.

- Review supplier base to ensure the business has a well-balanced and sustainable range of suppliers across the wide range of product types.
- Identify alternative sources of supply and diversify countries of origin where necessary to manage supply chain risk.
- Continue to seek opportunities to increase local merchandise procurement to reduce reliance on imports.

3

Suppliers not operating to contracted standards of ethical behaviour could result in interruption of supply and reputational damage.

- Truworths' code of conduct included in all supplier agreements and compliance with the code is monitored through an internal audit process.
- Manufacturers are required to comply with ethical standards, labour, health and safety, and environmental legislation.
- Legislative compliance audits are conducted as part of the new supplier enrolment process in South Africa.

Material issues, risks and opportunities continued

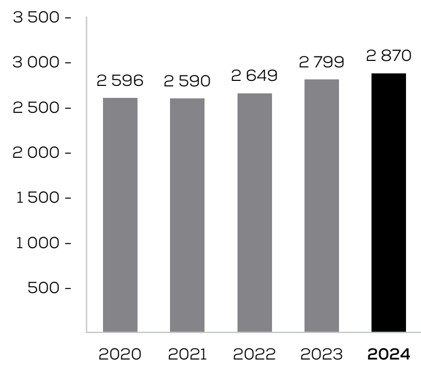
TRUWORTHS

ACCOUNT MANAGEMENT

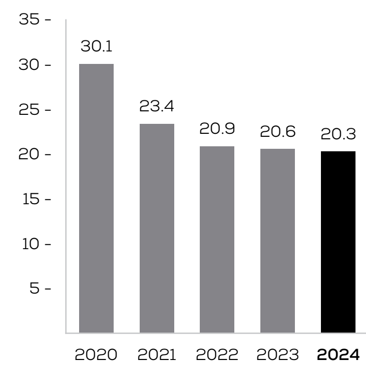
MATERIAL THEMES

- Trading in the challenging macroeconomic environment
- Growing revenue, profit and shareholder returns
- Managing in-house credit risk
- Seeking and developing opportunities in a highly competitive retail landscape
- Managing data privacy and cybersecurity

NUMBER OF ACTIVE ACCOUNTS (000)



EXPECTED CREDIT LOSS ALLOWANCE AS A % OF ACTIVE GROSS TRADE RECEIVABLES (%)



PERFORMANCE AGAINST PLANS

PLANS FOR 2024	PERFORMANCE IN 2024
Improve the predictive power of credit scorecards through the use of additional data sources and new model-building techniques	• Several credit scorecards were developed or refined to improve the predictive power in account management, including scorecards for new charged-off books. • Investment in new analytics technology has improved the scorecard development time. • Additional data used to improve scorecard accuracy. • New model-building techniques being evaluated.
Optimise customer acquisition process across channels	• 8% growth in new accounts opened was achieved with a reduction in acquisition spend. • Improved targeting of prospective customers to reach those most likely to qualify to open an account.
Refine credit limit management decision service to balance short-term customer needs with customer life-time value potential	• Further credit limit management strategies developed targeting growth in long-term account balances. • New strategies being monitored to assess impact on sales, revenue, bad debt and profitability.
Implement further strategies to improve customer payments, including new payment channels, timing of communication, and updated collections performance criteria	• Project undertaken to improve customer payments, including review of customer communications, collections performance and targets. • Enhanced auto-dialer strategies to improve customer contact rates.
Refine alternative new account product	• Alternative new account product adjusted and allocated to an increased portion of the account portfolio.

CHALLENGES ENCOUNTERED IN 2024

- High interest rates and other cost-of-living pressures impacted the ability of customers to service their debt and pay accounts. Credit management strategies were adjusted to reduce exposure to higher-risk customer groups while maintaining strategies for customers where the payment performance has been more consistent.

Refer to Account management in the Truworths Operational review on page 83 for more detail.

2025
PLANS FOR THE YEAR AHEAD

- Enhance new account acquisition by focusing on the cost per opened account, leverage the loyalty base and extend the use of the alternative new account product.
- Ensure consistent collections communications to customers in the appropriate channels.
- Focus on customer value management to balance short-term sales with the long-term profitability of account customers.

MEDIUM-TERM
OPPORTUNITIES

- Optimise the customer acquisition process across channels to increase conversion rate and customer life-time value.
- Significantly reduce the cost to service customers by integrating artificial intelligence (AI) assistants into all channels across customer and account engagement.
- Manage the credit risk of the account portfolio to historical norms by balancing the trade-off between sales on the one hand, and bad debt and provisioning on the other, to increase profitability.
- Focus on account rehabilitation for those customers in arrears but with a higher probability of payment.

RISKS AND MITIGATION STRATEGIES

1

Management of credit risk in Truworths.

- Apply account risk criteria and processes consistently using advanced analytics, AI, machine learning, scorecards and models.
- Review account management, collections and acquisition strategies regularly and refine these to leverage new data and predictive models.
- Implement and maintain best-of-breed account management tools that accurately execute policies, processes and strategies.

2

Breach of cybersecurity could result in the loss of sensitive information and compromise customer privacy.

- Ongoing improvement and delivery of cybersecurity prevention technologies and strategies.
- Data privacy and cybersecurity training is mandatory for all employees and is supported by regular awareness campaigns.
- Policy introduced to ensure information and data security through responsible use of AI to protect against business risks.
- Cyber insurance cover arranged.

Material issues, risks and opportunities continued

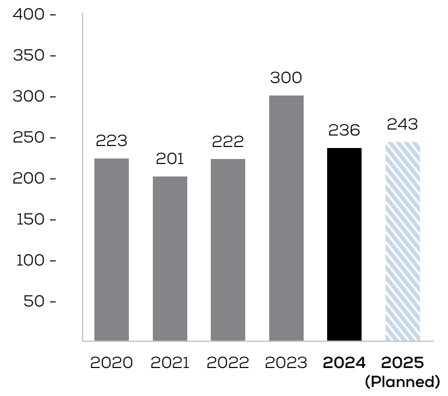
TRUWORTHS

RETAIL PRESENCE

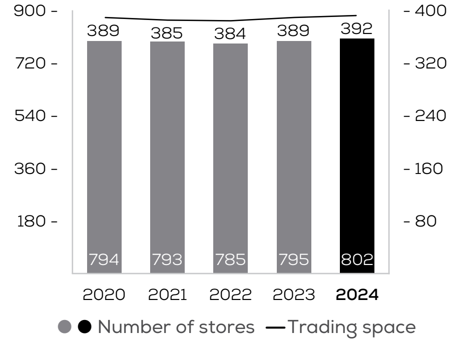
MATERIAL THEMES

- Trading in the challenging macroeconomic environment
- Growing revenue, profit and shareholder returns
- Optimising retail presence
- Seeking and developing opportunities in a highly competitive retail landscape

STORE DEVELOPMENT CAPITAL EXPENDITURE (Rm)



GROWTH IN STORE BASE (Number of stores) ('000 m²)



PERFORMANCE AGAINST PLANS

PLANS FOR 2024	PERFORMANCE IN 2024
Trading space to be expanded by approximately 2%	• Trading space increased by 0.9% (1.8% added due to new stores and expansions and 0.9% decrease due to closed stores and reductions). • 20 stores opened across all brands, 13 stores closed. • 18 stores expanded, consolidated, converted or relocated. • 802 stores at period-end (2023: 795).
R286 million committed to store development, including further backup power solutions	• R236 million (2023: R300 million) invested in store development. • R28 million spent on backup power solutions during the year, with 92% of South African sales protected by period-end.
Ongoing rationalisation and consolidation of space to improve trading densities, and close underperforming stores	• 13 stores closed, including nine where the brand is now incorporated into the Truworths store. • Trading space reduced in five stores.
Implement the Emporium Re-imagined store concept to large-format Truworths stores in selected locations	• First Emporium Re-imagined store launched in August 2023 with the opening of the remodelled V&A Waterfront store. • Concept implemented in a further three high-profile shopping malls during the period; Constantia Village, Canal Walk and Clearwater Mall. Cavendish Square opened shortly after period-end. • Encouraging uplift in sales in stores following implementation of the Emporium Re-imagined concept. • Five large-format Emporium Re-imagined stores are planned for the 2025 financial period.
Continue to grow online sales contribution while enhancing fulfilment processes to reduce cost and delivery lead times	• E-commerce sales increased by 34% and accounted for 4.9% of total retail sales (2023: 3.5%). • Enhanced fulfilment processes resulted in shorter delivery lead times, lower costs and improved profitability of the e-commerce channel.
Improve the functionality of the online offering to match the services received in-store	• Online functionality enhanced to align with in-store services, including opening a Truworths account and completing the affordability assessment online; account payment options as well as promotions and offers consistent with those available in-store.

CHALLENGES ENCOUNTERED IN 2024

- Lower foot traffic in malls due to a combination of macroeconomic factors, including inflationary cost pressures adversely affecting consumer spending, higher fuel prices and the resultant increased cost of public transport, and high levels of unemployment which were particularly evident in the closure and downsizing of mining operations in the Free State and North West provinces.
- Ongoing electricity load shedding negatively affected trade, although the situation improved significantly in the second half of the period with no power outages in the fourth quarter. However, several stores in smaller towns were affected by electricity being disconnected during trading hours due to local authorities not paying monies owed to Eskom.
- Escalating service delivery protests resulted in the temporary closure of stores in affected areas for several hours, and in serious cases for a number of days, to ensure the safety of employees, customers and company assets.
- Increasing incidence of damage to electricity substations resulted in certain areas being without power for extended periods, impacting trade in the nearby stores.

Refer to Retail presence in the Truworths Operational review on page 85 for more detail.

2025
PLANS FOR THE YEAR AHEAD

- Trading space projected to be expanded by approximately 1%.
- R243 million committed to store development.
- Implement the Emporium Re-imagined store concept in further large-format Truworths stores.
- Ongoing rationalisation and consolidation of space to improve trading densities, and close underperforming stores.
- Continue to grow online sales contribution while further reducing fulfilment costs and shortening delivery lead times.

MEDIUM-TERM
OPPORTUNITIES

- Ongoing expansion and remodelling of trading space.
- Further roll-out of the Emporium Re-imagined concept.
- Continued expansion of new store concepts and formats such as the Identity Megastore, Kids Emporium, Context, Sync and Fuel as opportunities arise.
- Grow online presence to complement the physical store network and enhance the omni-channel experience.

RISKS AND MITIGATION STRATEGIES

1

Electricity load shedding in South Africa remains a risk to trading.

- At period-end, 92% of South African store sales were covered by alternative power sources either installed by the business or provided by landlords; remaining stores are either not impacted by load shedding or have adequate lighting to continue trading offline.
- R28 million spent in current period on backup power solutions.
- Distribution centres equipped with generators.
- Ongoing engagement with shopping centre owners to connect malls to central generators or solar installations.
- Invested in generators for some local suppliers and manufacturers.

Material issues, risks and opportunities continued

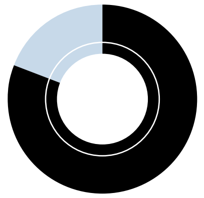
OFFICE

ASPIRATIONAL FASHION

MATERIAL THEMES

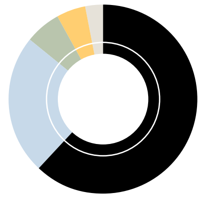
- Trading in the challenging macroeconomic environment
- Growing revenue, profit and shareholder returns
- Managing the risk of fashion
- Managing inventory levels
- Seeking and developing opportunities in a highly competitive retail landscape

RETAIL SALES CONTRIBUTION



- Office – **81%** (2023: 78%)
- Offspring – **19%** (2023: 22%)

RETAIL SALES BY DEPARTMENT



- Sports – **62%** (2023: 59%)
- Ladies branded – **24%** (2023: 23%)
- Ladies – own-branded – **6%** (2023: 8%)
- Mens – **5%** (2023: 6%)
- Kids – **3%** (2023: 4%)

PERFORMANCE AGAINST PLANS

PLANS FOR 2024	PERFORMANCE IN 2024
Continue to diversify the brand mix	• Expanded the brand portfolio with the inclusion of new branded footwear partners. • Continued to align buying patterns with the shift in the brand mix due to changing trends and customer brand preferences.
Ensure Office is at the forefront of fashion trends and is efficiently stocked to meet customer demand	• Leveraged strong brand relationships which ensures better product access on best sellers, larger stock allocations and broader ranges to capitalise on trends and offer must-have footwear.
Grow the made-to-order (MTO) offering across ladies', men's and kids' ranges	• MTO ranges had improved product handwriting and quality, with lower markdowns. Provided this continues, MTO sales contribution will increase in future years. • Close relationships with key suppliers and increased flexibility in the supply base to respond to customer demand. • Expanded the Earthaddict range within the ladies' MTO business.
Focus on casual footwear and seasonality in the MTO offering	• Improved sales of casual and seasonal footwear, particularly ladies' sandals.
Substantial progress in the design and development of a new merchandise management system for implementation in 2025	• Project commenced and significant progress achieved in developing the design phase of the solution. • Implementation planned for the 2026 financial period.

CHALLENGES ENCOUNTERED IN 2024

- Import delays caused by the shipping crisis impacted the availability of MTO ranges.
- Shortages of supply of branded footwear ranges to meet high customer demand for key brands, particularly in the first half of the financial period.

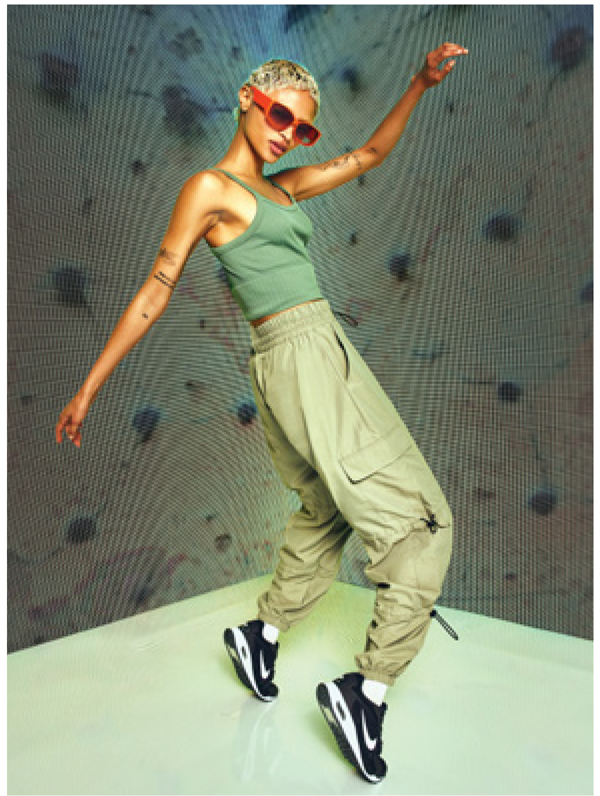
Refer to Aspirational fashion in the Office Operational review on page 92 for more detail.

2025
PLANS FOR THE YEAR AHEAD

- Continue to adapt the brand mix to align with the fashion cycle of the consumer.
- Grow MTO sales and margin by continuing to improve product, quality and sourcing.
- Further expand new brands and Earthaddict range across ladies and men's MTO ranges.
- Continue development of the new merchandise management system for implementation in the 2026 financial period.

MEDIUM-TERM
OPPORTUNITIES

- Introduce new MTO product categories.
- Grow men's sports and branded ranges.
- Continue to source new footwear partners to expand the range on offer.



RISKS AND MITIGATION STRATEGIES

1

Increasing competition from online and traditional retailers could impact the sustainability of margins.

- Continued engagement with brand partners to maintain and enhance brand relationships.
- Continued focus on Office's core customer to strengthen point of differentiation and secure brand support and product allocation.
- Continued focus on expanding MTO product ranges, including collaboration with Truworths' trend forecasting and buying teams.
- Grow the store footprint in strategically important locations, supplemented by a best-in-class online offering to deliver a seamless omni-channel customer experience.
- Implement improved online functionality and marketing communication.

Material issues, risks and opportunities continued

OFFICE

SUPPLY CHAIN

MATERIAL THEMES

- Growing revenue, profit and shareholder returns
- Managing inventory levels
- Managing disruption in the supply chain
- Seeking and developing opportunities in a highly competitive retail landscape

PERFORMANCE AGAINST PLANS

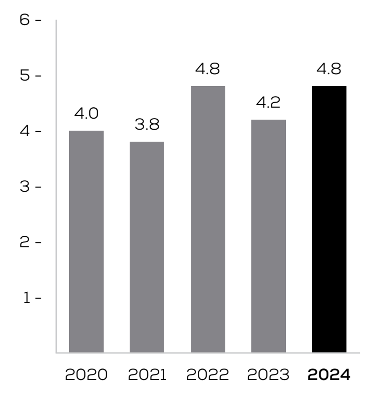
PLANS FOR 2024	PERFORMANCE IN 2024
Extend lease on Kilmarnock warehouse and remodel facility to improve distribution efficiencies and lower costs	• Lease on Kilmarnock warehouse extended by 10 years. • Warehouse remodelling project commenced, with storage and returns components of the project completed.
Implement express 'click & collect' service	• Express 'click & collect' facility launched on Office and Offspring websites in October 2023. • Facility now available in all UK stand-alone stores.
Tender process to be undertaken for UK e-commerce courier contract	• Contract for e-commerce courier service completed on favourable terms.
Tender process to be undertaken for UK store distribution contract	• Contract for store distribution service completed on favourable terms.

CHALLENGES ENCOUNTERED IN 2024

- The instability in shipping resulted in delays in the delivery of the MTO product and the use of alternative shipping routes increased lead times and shipping costs, and impacted the reliability of service. This was partially mitigated by temporarily building additional shipping lead times into the buying process and moving a portion of the MTO production to European manufacturers.

Refer to Supply chain in the Office Operational review on page 93 for more detail.

INVENTORY TURN
(Times)



2025

PLANS FOR THE YEAR AHEAD

- Continue with remodelling of the Kilmarnock facility to increase capacity and improve efficiencies.
- Restructure operational processes to align with planned implementation of the new merchandise management and warehouse management systems.

MEDIUM-TERM

OPPORTUNITIES

- Initiate a project to implement a new order management solution to decrease costs and increase ability to offer alternative payment and delivery options to e-commerce customers.
- Implement outbound automation to reduce costs and increase capacity for handling e-commerce customer orders.
- Evaluate new courier management software integration to expand e-commerce customer delivery choices to ensure lowest cost deliveries while meeting service expectations of customers.
- Reinitiate the merchandise returns platform project.

RISKS AND MITIGATION STRATEGIES

1

Business interruption due to natural disaster resulting in loss of or damage to main business sites for an extended period.

- Warehouse assets are adequately insured.
- Fire and flood protection installed at warehouse.
- Disaster recovery plans in place.
- Improve systems and processes to increase inventory turn.

2

Disruption in the local and international supply chain.

- Regularly review the supplier base to ensure Office has a well-balanced and sustainable range of suppliers across the MTO range.
- Identify alternative sources of supply to manage supply chain risk.

3

Suppliers not operating to contracted standards of ethical behaviour could result in interruption of supply and reputational damage.

- Apply and monitor adherence to anti-corruption and bribery policy.
- Suppliers required to accept working practices in the Office Code of Ethics and Good Business Practice.
- Ensure adherence by suppliers to Modern Slavery Act statement (available on Office website).
- Implemented controls to attempt to safeguard against tax avoidance in the supply chain in line with legislation.

Material issues, risks and opportunities continued

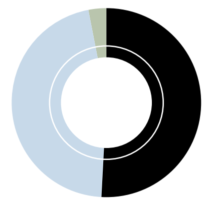
OFFICE

RETAIL PRESENCE

MATERIAL THEMES

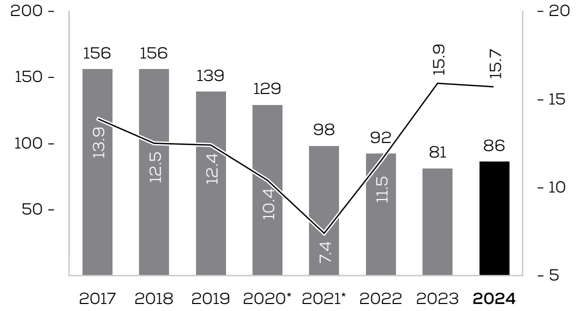
- Trading in the challenging macroeconomic environment
- Growing revenue, profit and shareholder returns
- Optimising retail presence
- Seeking and developing opportunities in a highly competitive retail landscape
- Managing data privacy and cybersecurity

RETAIL SALES BY CHANNEL



- United Kingdom stores – **51%** (2023: 52%)
- E-commerce – **46%** (2023: 45%)
- Republic of Ireland stores – **3%** (2023: 3%)

RATIONALISATION OF STORE PORTFOLIO



** Trading impacted by COVID-19 lockdown.*

PERFORMANCE AGAINST PLANS

PLANS FOR 2024	PERFORMANCE IN 2024
Maximise the store portfolio by securing tenure in the best locations at affordable occupancy costs	• Continued to reinvest in modernising and selectively upgrading and expanding the store estate. • Secured longer rental tenure in most strategic locations. • Lease renewals generally five years or 10 years, with a break clause after year five.
Trading space planned to increase by approximately 10% and capital expenditure of £3.8 million committed to store development	• Trading space increased by 11.4% over prior period-end. • Opened eight and closed three stores. • £6.5 million capital expenditure on store development. • 86 stores (2023: 81), including 11 concessions (2023: 11) at period-end.
Capitalise on new store opportunities, with the planned opening of three new stores (including a new flagship Offspring store in King's Cross, London) and three store relocations	• Six new Office stores opened. • One 'pop-up' Office store temporarily opened in Nottingham prior to the opening of the Nottingham store in the 2025 financial period. • Flagship Offspring store opened in King's Cross, London.
Apply the new store design in modernising up to 10 stores	• Three Office flagship stores modernised. • New store design concept applied to all new and modernised stores. • New and modernised stores trading ahead of expectations.
Identify opportunities to increase trading space in existing stores	• Trading space increased in modernised stores by regaining space from larger-than-required stock rooms and converting this into retail space.
Complete the implementation of the new customer relationship management (CRM) system	• Implementation of CRM application completed early in the reporting period. • Enhanced communication and segmentation driven by the application has significantly improved customer retention rates. • Introduced chatbot as first line of customer contact.

CHALLENGES ENCOUNTERED IN 2024

- The rental market has become more competitive and securing sites in key locations is more challenging due to increased competition for space and higher rates. While rental agreements are not as favourable as the post-COVID years, there are still attractive opportunities available. Lease negotiations in certain prime locations have become more challenging. However, the brand strength and strong financial position have contributed to Office being in higher demand as a tenant.
- The national minimum wage increases for the past two years have created cost pressure on store payroll costs.

Refer to Retail presence in the Office Operational review on page 94 for more detail.

2025
PLANS FOR THE YEAR AHEAD

- Maximise the store portfolio by securing tenure in the best locations at affordable occupancy costs.
- Trading space planned to increase by approximately 11% (new stores and optimising existing store space).
- Capital expenditure of £7.3 million committed to store development.
- Capitalise on new store opportunities with the planned opening of four new stores, relocation of three stores and the closure of one store.
- Apply the new store design in modernising up to 12 stores.
- Upgrade existing Office mobile app to enable personalised communication with targeted customers.
- Develop a new mobile app for Offspring with similar functionality to the Office mobile app.
- Develop next phase of chatbot and integrate with digital carrier.

MEDIUM-TERM
OPPORTUNITIES

- Maintain the profitability of the store portfolio through efficient lease management and taking advantage of new opportunities for additional stores and the redevelopment of existing space.
- Improve customer retention through personalised and relevant communication and offer key customers priority notifications of new products and promotions.
- Implement an optimisation champion-challenger framework to improve marketing efficiencies and profitability.

RISKS AND MITIGATION STRATEGIES

1

Breach of cybersecurity could result in the loss of sensitive information and compromise customer privacy.

- Ongoing improvement in delivery of cybersecurity strategies.
- Compulsory General Data Protection Regulation (GDPR) and Payment Card Industry Data Security Standard (PCIDSS) training provided to all employees.
- Adherence to GDPR and PCIDSS in line with legislation.
- Amended contracts with third-party suppliers who process data on behalf of Office to incorporate GDPR adherence.
- Data privacy and cybersecurity training is mandatory for all employees and is supported by regular awareness campaigns.
- Policy introduced to ensure information and data security through responsible use of AI to protect against business risks.
- Regular penetration testing to identify and rectify vulnerabilities.

Material issues, risks and opportunities continued

HUMAN CAPITAL

MATERIAL THEMES

- Growing revenue, profit and shareholder returns
- Attracting and retaining critical skills and managing succession
- Seeking and developing opportunities in a highly competitive retail landscape

PERFORMANCE AGAINST PLANS

PLANS FOR 2024	PERFORMANCE IN 2024
Progress the phased succession plan for top management and senior executives	• Phased succession planning continued with leadership interventions aimed at preparing designated key individuals for top and senior leadership roles. • Recruitment for key leadership positions remained a priority, with the implementation of an employment equity strategy linked to succession.
Monitor reward structures and retention mechanisms for scarce and critical skills in Truworths and Office	• Owing to the ongoing challenge of attracting critical skills in key areas of the business, a focus has been placed on recruiting trainees and upskilling and fast-tracking them into areas where critical skills are lacking and difficult to find. • Reward structures were reviewed and benchmarked for Truworths and Office, and adjustments made where necessary. However, pressure on salaries remains a challenge as employers in South Africa compete for talent.
Extend performance reward strategies for top talent in Office and extend training programmes for critical skills in Office	• Short-term and long-term performance-based incentives were extended to more senior staff. • Introduced the CEO Citations recognition programme and an incentive programme for store staff. • Further reward and talent interventions included the extended use of performance-based tools, leadership development, conducting an employee climate survey and introducing a people project to improve the culture in Office.
Increase focus on diversity, equity and inclusion, aligned with the Value of 'embracing the power of inclusive teams'	• Diversity, equity and inclusion project initiated to create a culture where all employees feel a sense of belonging and feel included. • Introduced diversity training to identify unconscious bias, starting with top management and extending into the rest of the business.
Focus on transformation and create opportunities for black and female employees to feel empowered to succeed, and for females to feel supported by the business	• Women empowerment project introduced to develop female leaders. This has contributed to an increase in female representation at top management to 30.0% (2023: 27.3%). • Initiated a drive to develop and fast-track top talent from designated groups to prepare them for career progression. • Black top management representivity has improved to 20.0% (2023: 18.2%). • B-BBEE rating level 4 (2023: level 5), with improvement on B-BBEE scorecard to 82.64 points (2023: 75.56).
Ongoing focus on aligning the human resources processes of Office with those of Truworths	• Migrated Office employees onto the same human resource and payroll system as Truworths. • This change has necessitated the alignment of people management processes in Office with those of Truworths, including recruitment and on-boarding of new appointments.

CHALLENGES ENCOUNTERED IN 2024

Truworths

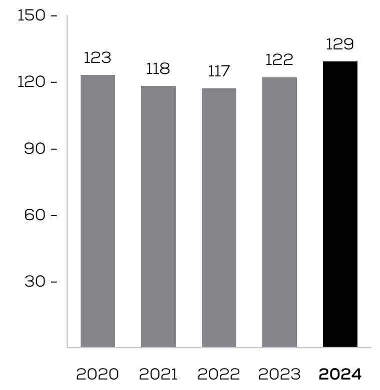
- Attracting and retaining scarce and critical skills remained a challenge. The pressure on remuneration remained a concern in the constrained macroeconomic environment.
- Access to skills for the Truworths Africa Design Division remained a concern and a key focus was on in-house training to develop skills.

Office

- Retaining critical skills was an ongoing challenge, with pressure on employers to pay higher salaries despite the easing of inflation in the UK. Flexibility in the UK remains a challenge.

Refer to Truworths Human capital on page 87 and Office Human capital on page 95 for more detail.

INVESTMENT IN SKILLS DEVELOPMENT (Rm)



2025 PLANS FOR THE YEAR AHEAD

- Phased progression of succession plan for top management and senior executives.
- Continued focus on diversity, equity and inclusion.
- Continued focus on transformation and create opportunities for black and female employees to feel empowered to succeed, and for females to feel supported by the business.
- Ongoing focus on aligning the human resources processes of Office with those of Truworths.
- Implementation of a cloud-based workforce management system in Office.

MEDIUM-TERM OPPORTUNITIES

- Implementation of a cloud-based workforce management system in Truworths.

RISKS AND MITIGATION STRATEGIES

1

Scarcity of specialist skills and succession for key executives and senior employees.

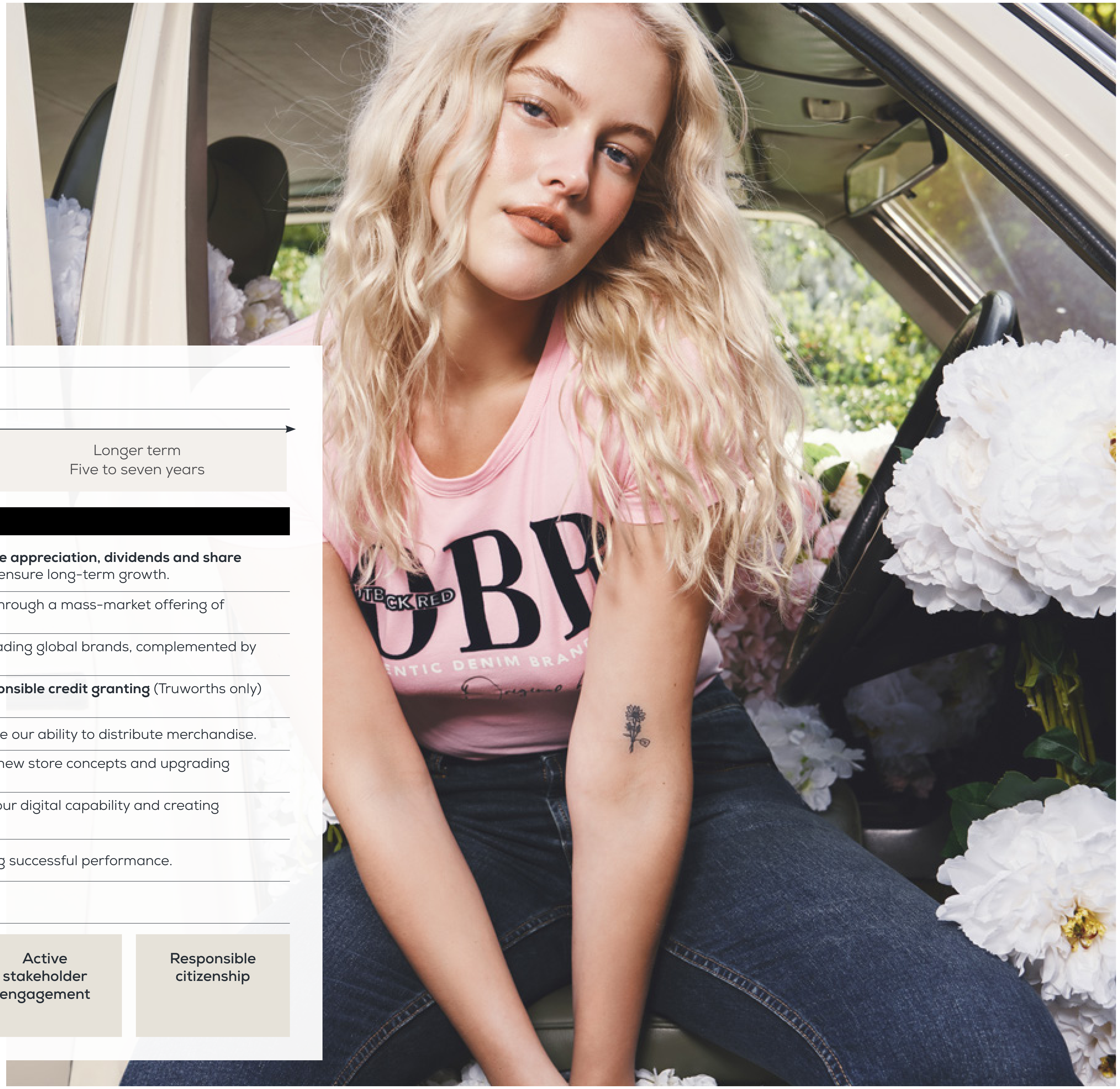
- The Group executive leadership team is supported by seven directors and 10 divisional directors in Truworths and one director and four divisional directors in Office, with an average length of service of 20.6 years.

Group strategy

Our strategy is driven by our Business Philosophy (refer to page 8). This ensures that all strategic decisions are aligned and that the Group remains true to its DNA.

The Business Philosophy is therefore core in determining the Group's strategic objectives, which are delivered through strategies developed and executed within Truworths and Office. Short and medium-term action plans and projects are implemented each year to deliver on the strategies.

These strategies also inform the financial and operational targets for the Group's short and long-term incentive schemes, ensuring that executive reward is aligned with shareholder value creation.



STRATEGIC OBJECTIVES TO DELIVER ON OUR VISION

Time horizon	Short term	Medium term	Longer term
	One to three years	Three to five years	Five to seven years

DELIVERING ON OUR VISION	STRATEGIC OBJECTIVES
For our **shareholders...**	**Deliver significant shareholder value over time through share price appreciation, dividends and share buy-backs** through efficient financial and capital management to ensure long-term growth.
For our **customers...**	Maintain **Truworths' aspirational better-end fashion positioning** through a mass-market offering of mainly exclusive fashion brands.
	Offer **Office customers the latest shoe and sneaker styles** from leading global brands, complemented by own-brand fashion footwear.
	Offer customers access to aspirational merchandise through **responsible credit granting** (Truworths only) **and multiple payment options** (Truworths and Office).
	Optimise supply chain efficiency to reduce fashion risk and improve our ability to distribute merchandise.
	Create an **enticing and modern store environment by developing** new store concepts and upgrading retail stores.
	Create a market-leading **omni-channel experience** by enhancing our digital capability and creating a seamless in-store and online offering.
For our **employees...**	**Attract, develop and retain talent** while celebrating and rewarding successful performance.

STRATEGIC ENABLERS

Sound financial, information and operating systems	Strong governance culture and practices	Robust balance sheet and cash generation	Motivated and engaged people	Active stakeholder engagement	Responsible citizenship

Group strategy continued

LONGER-TERM STRATEGY

We have a long-term mindset. The business has therefore been positioned for the longer term, and we are confident that the factors that currently differentiate the Group will continue to be relevant well into the future.

Our Business Philosophy is constantly reviewed in the context of the ever-evolving operating environment, and adjusted to ensure our business remains relevant and capable of delivering on our Vision for our stakeholders.

Time horizon	Short term One to three years	Medium term Three to five years	**Longer term Five to seven years**

LONGER-TERM STRATEGIC OBJECTIVES	DRIVERS OF LONGER-TERM GROWTH STRATEGY
Maintain aspirational appeal to the emerging and established middle-class market who aspire to be fashionable and to wear higher-quality merchandise that makes them look good and feel attractive.	• Owning a unique and exclusive portfolio of aspirational brands which cater to multiple lifestyles. • Developing and growing new brands that cater to the specific lifestyles of our customers. • Maintaining strong relationships with premium third-party brands (primarily in Office with leading global footwear suppliers).
Continue **enhancing stores** with the focus on the Emporium concept and developing new store concepts. Invest in omni-channel initiatives and online channels to create a **seamless customer experience**. **Grow brand equity** to build trust and increased customer satisfaction and loyalty.	• Locating real estate in prime positions. • Introducing the Truworths Re-imagined Emporium concept, along with the Truworths Kids Emporium, Identity Megastore and Context in South Africa and the innovative new store design concepts in Office, elevating the store portfolio of the future. • Investing in world-class technology and capability, and applying e-commerce learnings from the more advanced Office experience to the South African market. • Creating new brands with specific lifestyle opportunities and investing in areas where we are under-represented.
Adapt and respond to changing consumer shopping behaviour and patterns to **remain at the forefront of innovation and technology**.	• Lessons learnt from trading through the COVID-19 pandemic and multiple economic downturns will inform the Group's responses to changing market dynamics in the longer term. • Ability to predict fashion trends and adapt these for the markets in which we operate.
Continue to **utilise customer accounts as the primary driver and enabler of sales** to Truworths' mainstream middle-income customer.	• Strategy to be supported by the strength of Truworths' internally funded and managed credit book and credit risk management capability.
Pursue an active capital management strategy to **maximise returns to shareholders** through a combination of share price appreciation, dividend payments and share buy-backs.	• Strategy to be underpinned by a strong balance sheet and robust cash generation.
Maintain focus on organic growth, supported by bolt-on acquisitions in new and strategic categories where the Group is under-represented. **Evaluate acquisition opportunities in South Africa and internationally** to complement the organic growth strategy.	• Barriers to entry to replicate the Group's business model are high. South African retailers have proven to be resilient to their international peers entering the South African market, and globally competitive when operating in offshore markets.

3.

Governance

'Good governance practices contribute to improved corporate performance, reduce the risk of failure and ensure the sustainability of the business.'

In this section:

Chairman's report

Focusing on long-term value creation for our shareholders

The Group's financial performance in the reporting period was notably impacted by a decline in retail sales experienced by Truworths in South Africa which had a cascading effect on the income statement. However, the benefits of the Group's diversification strategy were evident in the sustained performance of Office in the UK, which contributed 32% of the Group's retail sales and 35% of profit on a *pro forma* basis.

CASH GENERATED FROM OPERATIONS

increased by 23.2% to

R4.7 billion

(2023: R3.8 billion)

Headline earnings per share (HEPS) for the Group decreased by 6.3% to 818 cents, and the annual dividend of 529 cents per share was 6.4% lower than the previous period, maintaining a dividend cover of 1.5 times HEPS. Detailed factors influencing this performance are discussed in the Retail trading environment (page 61), the CEO's report (page 62), and the CFO's report (page 65).

Despite these challenges, the Group generated robust cash flows, demonstrated disciplined cost management, and achieved globally competitive return ratios. The balance sheet remained strong with significantly reduced net debt.

Cash generated from operations increased by R885 million (23.2%) to R4.7 billion, funding dividend payments of R2.2 billion and capital investments of R770 million.

Net debt was reduced from R850 million to R306 million, even with an additional R352 million investment in Truworths' new world-class distribution centre. (Refer to Supply chain in the Truworths Operational review on page 81 for more detail.) Consequently, the net debt to equity ratio improved to 3.2% from 11.1%.

The Group's capital allocation strategy aligns with its long-term value creation vision for shareholders included in its Business Philosophy, focusing on reinvesting in organic growth and returning surplus funds to shareholders through dividends and share buy-backs, while cautiously exploring acquisition opportunities.

Over the past five years, R8.6 billion has been returned to shareholders in dividends. Although no shares were repurchased in the past two years due to investment in the new distribution facility, the board remains committed to share buy-backs as opportunities arise.

The Group's share buy-back programme, launched in 2002, has resulted in repurchases of 155 million shares at an average price of R38.72 per share. During the COVID-19 era, when investor sentiment declined, the Group repurchased nearly 52 million shares (12% of shares in issue) for R2.5 billion at an average price of R47.88 per share. By the end of the 2024 period, these last-mentioned shares were valued at over R4.8 billion, representing a 21.6% annual return on investment since January 2020. Shareholders have also benefited from the uplift in HEPS due to the reduced number of shares in issue.

The Group's capital structure is actively managed to enhance financial returns and generate competitive capital ratios. Our return on equity (ROE) at 36% and return on assets (ROA) at 24% significantly exceed the average performance of leading international fashion retailers and local listed apparel retailers. The return on invested capital (ROIC) continues to surpass our weighted average cost of capital (WACC) by a substantial margin.

Despite numerous headwinds in recent years, the Group has continued to seek opportunities in adversity, investing to capitalise on growth opportunities as economies recover and retail sectors rebound in the medium term.

Recent positive developments in South Africa have improved consumer sentiment, which is expected to lead to increased spending over the next 12 to 18 months, potentially marking a long-awaited turnaround for the local retail sector.

GOVERNANCE, ASSURANCE AND REPORTING

The Group's governance philosophy is based on the belief that good governance practices enhance corporate performance, reduce risks, and ensure business sustainability.

The high standard of the Group's integrated reporting was recognised once again in the Ernst & Young 2024 Excellence in Integrated Reporting Awards, where our 2023 Integrated Report was ranked 7th among the top 100 companies on the JSE. This marks the 17th consecutive year our report has been in the top 10, making us the only company on the JSE to achieve this accolade. The awards are independently judged by a panel of integrated reporting experts and are acknowledged as a benchmark of excellence for the quality of integrated reporting to investors.

Chairman's report continued

Deloitte & Touche (Deloitte) was appointed as the Group's new external auditor, with the appointment approved by shareholders at the 2023 annual general meeting (AGM). We thank the partners and staff of Deloitte and our finance team for ensuring the successful external audit transition.

Board effectiveness is integral to the Group's governance framework. An annual evaluation is undertaken to assess the effectiveness of the board, committees and individual directors. The outcome of this year's evaluation, which is detailed in the Report on Corporate Governance and Application of King IV principles 2024, confirmed that the board's overall functioning and governance were excellent. The committee evaluation indicated that the committees achieved an effective level of governance, function well and meet the objectives of their respective charters.

The independence and effective functioning of the board was strengthened with the introduction of the position of lead independent director, as recommended by King IV. Hans Hawinkels, a director since 2018, was appointed to this position with effect from 1 September 2023.

Looking ahead, the remuneration reporting and disclosure landscape in South Africa will undergo material change following the recent signing into law of the Companies Amendment Act. The new requirements will include pay gap disclosures, binding Remuneration policy and Remuneration report votes at the AGM and the requirement in circumstances where the Remuneration report is not approved for the members of the remuneration committee to stand for re-election. While the implementation date of the legislation has not been determined, it is expected to be effective for the Group's 2025 financial reporting period and our remuneration reporting practices will be aligned to ensure compliance with the legislation.

SUSTAINABILITY

As a board, we recognise our ultimate responsibility for the Group's environmental, social and governance (ESG) practices which we believe are essential in creating and sustaining long-term value. The board has delegated the responsibility for monitoring ESG performance, particularly in relation to environmental and social matters, to the Social and Ethics Committee.

We also recognise the need to enhance reporting to enable investors to assess the risks and impact of our sustainability programme on the Group's enterprise value. The inaugural sustainability reporting and disclosure standards of the International Sustainability Standards Board published in June 2023 have introduced a global reporting benchmark which will benefit companies and investors alike. The adoption of the standards is not yet mandatory in South Africa and management has commissioned an independent review of the Group's sustainability reporting which will include an assessment of these new disclosure standards.

The Group is committed to advancing the sustainability of the business and contributing towards a better society and our ESG practices have been aligned with seven of the United Nation's Sustainable Development Goals (SDGs). In our reporting we make a distinction between those SDGs that impact on the assessment of the Group's enterprise value and those SDGs that have a societal impact.

BOARD OF DIRECTORS

Board and committee changes

Our board remains stable and independent, with a healthy balance of recently appointed and long-serving directors fostering debate and ensuring continuity in our independent oversight. The board's commitment and engagement are reflected in the 99.4% attendance at board and committee meetings over the past year.

We welcomed Daphne Motsepe and Wayne Muller as independent non-executive directors effective 1 August 2023. Daphne brings extensive experience in consumer credit, finance, and strategic planning, while Wayne offers a wealth of knowledge in financial and risk management, customer engagement, and governance from his executive roles in retail service and manufacturing industries.

Independent non-executive director Maya Makanjee retired from the board in November 2023. We thank her for her service over the past five years.

Our board committees were strengthened with the appointment of Dawn Earp to the Risk Committee effective 1 July 2023, and Wayne Muller to the Remuneration and Nomination Committees effective 1 September 2023.

Non-executive director succession

We are following a structured process to refresh the non-executive component of the board, with eight new non-executive directors appointed over the past six years as part of this succession strategy. The average tenure of our non-executive directors is approximately 10 years.

We do not believe that the tenure of non-executive directors necessarily limits their judgment or independence of thought, nor does it negatively impact their contribution. The board succession process ensures continuity in independent oversight, with newly appointed non-executive directors increasingly influencing board deliberations and assuming positions on board committees.

Board diversity

Diversity in the boardroom ensures that the interests of all stakeholder groups are addressed. Our board is diverse in its composition and the insights that each director brings to the boardroom. We believe this enables the board to add value to the strategic direction of the Group and ensures that the needs and concerns of our mass middle-income target market are addressed.

We have maintained the voluntary medium-term targets contained in the board diversity policy of 30% female and black director representation. Following the board changes in the reporting period, female representation is 31% (2023: 36%) and black representation 23% (2023: 29%).

Appointment post period-end

After the end of the reporting period, we announced the appointment of Brendan Deegan as an independent non-executive director and member of the Audit Committee, with effect from 1 October 2024. Brendan is an experienced chartered accountant and former partner of PricewaterhouseCoopers where he held senior roles including head of the audit practices in South Africa and Africa, chair of the Africa governance board and head of the global internal audit practice. His expertise in accounting, financial reporting, leadership, governance and assurance will be an asset to the board and we look forward to benefitting from his contribution in the years ahead.

APPRECIATION

Thank you to my non-executive colleagues for their active participation in boardroom affairs and for ensuring high standards of governance and oversight of the business. On behalf of the board, I thank our executive team of Michael Mark, Sarah Proudfoot and Mannie Cristaudo for their inspired leadership in the adverse trading environment of the past year, ably supported by the directors and management in Truworths and Office.

Our stakeholders are integral to our success and sustainability, and we thank our shareholders, customers, employees, suppliers, business partners and regulators for their continued support and engagement.

Hilton Saven
Independent Non-executive Chairman

Truworths International board

EXECUTIVE DIRECTORS

MICHAEL MARK (71)
BCom, MBA, ACMA

Chief Executive Officer

Executive Chairman: Truworths Ltd, since March 1998

Trustee: Truworths Chairman's Foundation

Employee since May 1988

Appointed to the board in July 1988, as Managing Director of Truworths Ltd in July 1991 and as Chief Executive Officer in July 1996

Chairman of Risk Committee

SARAH PROUDFOOT (56)
National Diploma in Clothing Design

Joint Deputy Chief Executive Officer

Director: Truworths Ltd

Employee since March 2001

Appointed to the board in May 2019, as Deputy Managing Director: Truworths Ltd in January 2021 and as Joint Deputy Chief Executive Officer from 1 October 2022

EMANUEL CRISTAUDO (65)
BCom (Business Economics and Information Systems)

Joint Deputy Chief Executive Officer
Chief Financial Officer

Director: Truworths Ltd

Trustee: Truworths Social Involvement Trust, Truworths Community Foundation, Truworths Enterprise Development Trust

Employee since July 2021
(previously employed by Truworths from 1997 to 2013)

Appointed to the board as a non-executive director in January 2021, as Chief Financial Officer from 1 July 2021 and as Joint Deputy Chief Executive Officer from 1 October 2022

Member of Risk Committee and Social and Ethics Committee

INDEPENDENT NON-EXECUTIVE DIRECTORS

HILTON SAVEN (71)
BCom, CA(SA)

Chairman of the board

Chartered accountant and business consultant

Non-executive Chairman: Balwin Properties Ltd, Lewis Group Ltd

Trustee: Truworths Chairman's Foundation, Truworths International Limited Share Trust

Appointed to the board in February 2003

Chairman of Nomination Committee and member of Remuneration Committee, Risk Committee and Social and Ethics Committee

HANS HAWINKELS (72)
BSc Eng, BCom, MBA

Lead Independent Director

Businessman and consultant

Appointed to the board in February 2018

Chairman of Remuneration Committee and member of Nomination Committee

ROB DOW (67)
BSc (Hons), Dip.Acc (Dist), CA

Investment adviser and business consultant

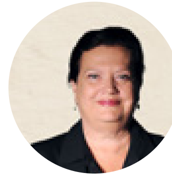
Managing Director: Maygrass Property & Investments (Pty) Ltd and SCI Albain

Chairman and trustee: Truworths International Limited Share Trust, St Mary's School, Waverley Trust

Trustee: The Kildysart Property Trust

Appointed to the board in February 1998

Member of Nomination Committee and Remuneration Committee



DAWN EARP (62)
BCom, BAcc, CA(SA), CD(SA)

Director of companies

Non-executive Director: Impala Platinum Holdings Ltd, ArcelorMittal South Africa Ltd, Pan African Resources PLC

Appointed to the board in May 2021

Member of Audit Committee and Risk Committee

TSHIDI MOKGABUDI (70)
BCom, BAccSci (Hons), CA(SA), H.Dip Tax Law

Director of companies

Non-executive Director: Alcutech (Pty) Ltd, Adcorp Holdings Ltd, Vukile Property Fund Ltd, Denel SOC Ltd (interim board), Lanseria International Airport (Pty) Ltd

Appointed to the board in February 2020

Member of Audit Committee

THABO MOSOLOLI (55)
BCom (Hons), MAP, EDP, CA(SA)

Director of companies

Non-executive Director: Pan African Resources PLC, Famous Brands Ltd, MFT Investment Holdings (Pty) Ltd, Kotula Investments and Advisory Services (Pty) Ltd

Managing Director: MalaMala Game Reserve

Appointed to the board in May 2021

Chairman of Social and Ethics Committee

DAPHNE MOTSEPE (67)
BCompt, MBA

Director of companies

Non-executive Director: Lewis Group Ltd, Kapela Holdings (Pty) Ltd, NEC XON Holdings (Pty) Ltd, Toyota Tsusho Africa (Pty) Ltd, CFAO Motors South Africa (Pty) Ltd, CFAO Equipment South Africa (Pty) Ltd

Appointed to the board in August 2023

WAYNE MULLER (58)
BCom, BAcc

Business consultant

Trustee: Tracker Management Trust

Appointed to the board in August 2023

Member of the Remuneration Committee and Nomination Committee

RODDY SPARKS (65)
BCom (Hons), CA(SA), MBA

Director of companies

Non-executive Director: Trencor Ltd

Trustee: World Wildlife Fund for Nature and FoodForward Foundation

Member: UCT Joint Investment Committee, RMB Private Equity Investment Committee

Appointed to the board in February 2012

Chairman of Audit Committee and member of Risk Committee

TONY TAYLOR (77)
BA

Retail executive and businessman

Non-executive Chairman: PBT Group Ltd, Bounty Brands (Pty) Ltd

Director: Kilrush Properties (Pty) Ltd

Appointed to the board as an executive director in February 1999. Retired as an executive director and became a non-executive director on 1 April 2010, and qualified to be classified as an Independent non-executive director with effect from 1 April 2013.

Member of Remuneration Committee and Nomination Committee

Group leadership

GROUP AND TRUWORTHS LEADERSHIP

TRUWORTHS INTERNATIONAL EXECUTIVE LEADERSHIP

MICHAEL MARK (71)
BCom, MBA, ACMA

Chief Executive Officer
Executive Chairman: Truworths Ltd
Employee since May 1988
Appointed to the board in July 1991
Member of Transformation Committee

SARAH PROUDFOOT (56)
National Diploma in Clothing Design

Joint Deputy Chief Executive Officer
Employee since March 2001
Appointed to the board in March 2016 and as Deputy Managing Director: Truworths Ltd in January 2021
Member of Transformation Committee

EMANUEL CRISTAUDO (65)
BCom (Business Economics and Information Systems)

Joint Deputy Chief Executive Officer
Chief Financial Officer
Employee since July 2021
(previously employed by Truworths from 1997 to 2013)
Appointed to the board in July 2021
Chairman of Transformation Committee

TRUWORTHS EXECUTIVE LEADERSHIP

MYLES APSEY (50)
BEcon

Director: Merchandise Planning
Employee since May 2004
In current position since February 2021

FRANCOIS BAISSAC (62)
Diplomas in Computer Programming and Project Management

Director: Information Systems
Employee since June 1988
In current position since February 2021

GARY BARNARD (48)
BSc (Electro-Mechanical Engineering)

Director: Credit Risk and Analytics
Employee since June 2002
In current position since February 2021

SHARON MALANDER (62)
BCom, Global Reward Professional

Director: Human Resources
Employee since April 1990
In current position since February 2021
Trustee: Truworths Social Involvement Trust, Truworths Community Foundation, Truworths Enterprise Development Trust
Member of Transformation Committee

ZAMIRA MOWZER (47)
BCom, CA(SA)

Director: Internal Audit, Legal, Governance and Risk
Employee since January 2008
In current position since February 2021
Trustee: Truworths Social Involvement Trust, Truworths Community Foundation, Truworths Enterprise Development Trust
Chairperson of Compliance Committee
Member of Transformation Committee

PETER SHACKLETON (48)
BCom, PG Dip Management (Marketing)

Director: Marketing, Digital and Merchandise
Employee since May 2004
In current position since February 2021

GAVIN TEIXEIRA (58)

Director: Retail Operations
Employee since 2004
In current position since February 2021
Trustee: Wooltru Healthcare Fund

Group leadership

GROUP AND TRUWORTHS LEADERSHIP CONTINUED

TRUWORTHS DIVISIONAL DIRECTORS

LAUREN DREYER (50)

Divisional Director: International Sourcing
Employee since July 1998
In current position since February 2021

CHRIS DURHAM (68)
FCIS, PG Dip. Adv. Co Law (UCT)

Divisional Director: Company Secretary
Employee since June 1999
In current position since March 2016
Member of Compliance Committee and Transformation Committee

SARAH ELLIOTT (53)

Divisional Director: Merchandise Buying
Employee since March 2011
In current position since February 2021

MARK ETHERINGTON (64)
Diploma in Clothing Management

Divisional Director: Truworths Africa Design Division and Quality Assurance
Employee since January 2012
In current position since February 2021

HEINRICH GERICKE (57)
BEcon

Divisional Director: Projects and Logistics
Employee since July 2009
In current position since February 2021

SALLY GOODWIN (54)
BSocSci

Divisional Director: Merchandise Buying
Employee since May 1994
In current position since February 2021

CATHY KIRKMAN (56)

Divisional Director: Merchandise Planning
Employee since March 1988
In current position since March 2019

TONY MIEK (61)
PG Diploma in Accounting

Divisional Director: Real Estate and Store Design
Employee since December 2005
In current position since August 2006
Chairman of Sustainability Committee

SAMANTHA PIENAAR (49)
Diploma in Retail Business Management

Divisional Director: Merchandise Buying
Employee since August 1996
In current position since February 2021

REON SMIT (42)
BAcc (Hons), CA(SA)

Divisional Director: Finance
Employee since April 2008
In current position since February 2021
Trustee: Truworths Enterprise Development Trust
Member of Sustainability Committee and Transformation Committee

OFFICE LEADERSHIP

JON RICHENS (55)
CGMA

Managing Director
Employee since July 2021
In current position since July 2021

GHASSAN HODEIB (52)

Buying Director
Employee since February 1996
In current position since January 2004

KEVIN BARNES (51)

Divisional Director: E-commerce and Customer Services
Employee since September 2011
In current position since February 2021

CHRIS FENN (43)
BA (Hons) in Business

Divisional Director: Trade and Marketing
Employee since January 2005
In current position since February 2021

LOUIS PRETORIUS (59)
MEng (Electronic)

Divisional Director: Information Technology and Supply Chain
Employee since October 2017
In current position since February 2021

Governance creating value

Board contribution to strategic delivery and value creation

The Truworths International board functions in terms of a formal charter and provides ethical and strategic direction, and leadership to the Group. The board is guided by the Group's Business Philosophy (refer to page 8) and is accountable for the overall strategic objectives aimed at delivering the outcomes (Vision) of the Business Philosophy, and for governance and the performance of the Group.

The board of directors periodically reviews the risks and opportunities it believes could have the most significant impact on the Group's ability to create and preserve value or prevent value erosion for stakeholders. In determining these material issues, the directors consider the Group's strategic objectives together with several internal and external factors, including the Group's strategies as formulated by executive management, the needs, expectations and concerns of its main stakeholders, and the risks and opportunities in the macroeconomic and trading environment.

In the 2024 financial period, the board reaffirmed that the Group's strategic objectives are aimed at delivering a diversified earnings profile and improved returns for shareholders, deriving benefits for stakeholders over the medium to long term. The board confirmed the Group's strategic objectives which are outlined in the Group strategy report on page 30.

During the period under review, the board confirmed that the material issues identified during the previous financial period for Truworths, Office and the Group remain appropriate. These material issues are aspirational fashion, supply chain, account management and retail presence for Truworths, aspirational fashion, supply chain and retail presence for Office, and human capital for the Group.

The board monitors progress on the implementation of the Group's strategies and supporting growth initiatives, and measures performance against both the agreed financial targets and the strategic objectives.

The board, supported by the boards of the principal operating subsidiaries, Truworths Ltd (in South Africa) and Office Holdings Ltd (in the UK), assesses on an ongoing basis whether the activities of the Group are creating value for its key stakeholders as defined by its vision for stakeholders. Refer to the Creating stakeholder value report on page 11.

GOVERNANCE ADDING VALUE

The Group's approach to corporate governance is to ensure it contributes to improved operational decision making and corporate performance, thereby reducing the risk of failure. The Group therefore aims for the relevant governance policies, structures and processes, which initially may have been brought into existence to ensure adherence with applicable regulation and codes of conduct, to add value and ensure corporate sustainability, and to enable the Group to take advantage of opportunities that arise.

OUR CORPORATE GOVERNANCE AIM IS ACHIEVED BY:

- Critically considering governance requirements to determine how they could be implemented in a value-adding way and in a manner that aligns with the Group's Business Philosophy
- Identifying opportunities in governance requirements for enhanced accountability, improved decision making, better risk mitigation and more comprehensive disclosure
- Conducting a thorough enquiry process before putting into place policies, reporting and monitoring mechanisms, and committee structures that are hallmarks of a sound corporate governance framework
- Periodically reviewing these elements and benchmarking the Group's initiatives against comparable companies and recommended best practice

Improved corporate performance arising from sound corporate governance has manifested itself in a number of ways in the Group over an extended period, including:
- Diversity and independence of opinion in board decision making with the aim of ensuring sound outcomes
- Improved operational decision making that takes into account the breadth of the perspectives expressed
- Maintenance of discipline and integrity in management's reporting to the board
- Enhanced levels of accountability and transparency by management to the board
- Meaningful risk management processes and controls that are practically embedded in day-to-day operations and decision making
- Better and more comprehensive integrated reporting of both financial and non-financial aspects to stakeholders
- High levels of assurance regarding the reporting by management to shareholders
- Achievement of an appropriate balance in meeting the expectations of the different stakeholders of the Group

It is the view of the board that, in a demanding operating environment, the sound governance framework has served to mitigate against the erosion of value and has, in fact, preserved and created value for the business and its stakeholders in the form of lower risk, ongoing sustainability and resilience, reasonable consistency of financial performance, sound stakeholder relationships, high levels of legislative compliance and reputational integrity.

In addition to its responsibility for maintaining a sound corporate governance framework, the board is ultimately responsible for the Group's environmental and social practices, and accordingly has oversight responsibility for the environmental, social and governance (ESG) strategy and performance. The board has delegated its responsibility for monitoring the Group's ESG performance, particularly in relation to environmental and social matters, to the Social and Ethics Committee. Several of the directors have experience in managing sustainability issues and risks or have undergone relevant training (refer to table of board of directors' expertise on page 42). Details of the Social and Ethics Committee's activities during the year and how it assisted the board to monitor the Group's ESG performance is contained in the Social and Ethics Committee Report 2024 available on the website **www.truworths.co.za/reports**.

Governance creating value continued

INNOVATION

The board promotes and enables innovation and complete alignment with the Business Philosophy in a number of ways, including:

- Ensuring that strategic projects carried out by management emphasise innovation and creativity in areas such as the development of merchandise ranges, the design of information systems, the adoption and use of artificial intelligence (AI) and machine learning, the strategies used to enhance the customer account offering, the design of stores and the expansion of e-commerce.
- Linking management's short and long-term rewards and incentives to its performance in delivering measurable outcomes that encompass innovation in relation to such strategic projects.
- Receiving presentations by management at board meetings on strategic projects and other business initiatives and critically assessing the extent of innovation evident in the progress and the benefits of such projects and initiatives.
- Delegating the responsibility for monitoring progress on strategic and other projects to the Chief Executive Officer (CEO) who, at project report-back days held quarterly, stimulates innovation and creativity by challenging management to consider new concepts, designs, systems and processes when proposing solutions to business issues.
- Communicating and emphasising to management the importance of practically applying in everyday operations the Group's Business Philosophy, at the heart of which lies innovation.

BOARD DELIBERATIONS

OFFICE

A material matter considered and discussed by the board during prior reporting periods related to the performance of Office, and the interventions planned by executive management to address the issues that had contributed to its disappointing levels of revenue and profitability in the past. In the reporting period, the board monitored the further successful implementation of these plans and was pleased to note a further material improvement in both its operational and financial performance. The matters monitored included:

- Increased operational alignment with Truworths
- The effect of having repaid Office's borrowings and availability of cash resources to deploy within the business
- Further rationalising the store portfolio by reviewing leases and closing underperforming stores
- Capitalising on opportunities to grow Office's retail footprint through the opening of new stores in strategically important locations as well as the reconfiguration of existing trading space
- Office's operational and capital expenditure and cash flow management to ensure alignment with the medium-term strategic direction
- The fair value assessment of the Office trademarks and considerations regarding the reversal of previously recognised impairment losses
- Aligning merchandise buying and planning processes with Truworths' best practices
- Aligning marketing and communication strategies, and strengthening relationships with international footwear brands
- The performance of the executive management team

The board was most satisfied with the implementation of these action plans and will continue to assess their effectiveness on an ongoing basis with a view to maintaining the business on a positive growth trajectory.

NON-EXECUTIVE DIRECTOR SUCCESSION

A further significant matter considered by the board is succession planning for long-serving non-executive directors. The board had embarked in recent years on a process of refreshing the non-executive component of the board in a systematic manner that will enable the Group to have continuity in terms of the important and ongoing contribution from long-standing directors, while newly appointed non-executive directors grow their knowledge of the Group and begin to influence board deliberations in a substantive manner. The board's succession process will look to increase skills and expertise in key areas such as 'Human resources and transformation' and 'Sustainability matters'.

Over the past six years, eight new non-executive directors have been appointed to the board as part of this succession strategy. It is envisaged that, as they have been and are to be promoted to committee membership, long-serving non-executives will be retiring from the board.

Daphne Motsepe and Wayne Muller were appointed as additional independent non-executive directors of the company with effect from 1 August 2023. Wayne was also appointed as a member of the Remuneration and Nomination committees with effect from 1 September 2023.

Maya Makanjee, an independent non-executive director since 2018, retired at the AGM on 9 November 2023.

With effect from 1 September 2023, Hans Hawinkels was appointed lead independent director.

CEO AND SENIOR EXECUTIVE SUCCESSION

The succession for the CEO and senior executives remains an important consideration for the board.

The appointment of Sarah Proudfoot and Emanuel (Mannie) Cristaudo as the Group's Joint Deputy Chief Executive Officers took effect from 1 October 2022. The board remains confident that Sarah and Mannie, together with the seven directors and 10 divisional directors of Truworths, and one director and four divisional directors of Office, are the right team to transition the Group in future years by retaining the strength of the Group's unique DNA while at the same time being able to continue to move the businesses forward.

Michael Mark retains the position of Group CEO and chairman of the material subsidiary companies. The appointments of the Group Joint Deputy CEOs confirm the board's firm belief in their competence and leadership, and that of the directors and divisional directors who report to them.

Governance creating value continued

During the period under review, board deliberations included the following:

NOTED

KEY ISSUES

- The much-improved financial and operational performance of Office and the partial reversal of previously recognised trademark impairment losses
- Management's strategies to deal with risks in the local merchandise supply chain, including the steps taken, equipment acquisitions made (such as generators) and financing provided to vertically integrate key local suppliers
- Management's repeat achievement of an enhanced compliance level on the Broad-Based Black Economic Empowerment scorecard for Truworths
- Management's steps taken to develop the Truworths Africa Design Division to integrate various design house capabilities

ROUTINE MATTERS

- The general annual declarations and other declarations made by directors regarding their personal financial interests
- The quarterly analysis of the company's shareholders and beneficial owners of shares
- Various presentations by management relating to different aspects of the Group's business, including the performance of the Truworths account portfolio, recent initiatives in the corporate social investment programme, performance on strategic projects, and the functionalities of the merchandise information systems

CONSIDERED

KEY ISSUES

- The further progress made and steps taken to ensure adequate succession planning for key senior executives, including that of the CEO
- Implementation by management of its plans to build and fit out a new distribution facility for Truworths
- The outcomes of the board, committee, director and company secretary evaluation processes
- The proposed budget relating to the store roll-out for the Office segment and its impact on Group cash flows

ROUTINE MATTERS

- The quarterly financial reports and forecasts presented by the Chief Financial Officer (CFO)
- The periodic reports of the chairpersons of the Audit, Remuneration, Nomination, and Social and Ethics committees and of the Truworths Transformation Committee
- The quarterly presentations of the Risk Committee Chairman, together with the top risk matrices for the Truworths and Office segments
- The quarterly presentations by the Company Secretary on new relevant legislation and regulations
- The reports on management's performance against financial targets and other key indicators

APPROVED

KEY ISSUES

- Executive management's strategies for Truworths and Office
- Management's working capital forecast and revisions thereto for the periods to December 2024 and June 2025
- Management's budget for the Group and the various operating entities
- The Group's revised policy for the provision of non-audit services by the external auditor

ROUTINE MATTERS

- The Group's operational and capital expenditure budgets by business segment
- The Group Audited Annual Financial Statements, Integrated Report, Summarised Audited Group Annual Results, Notice of Annual General Meeting and Group Environmental, Social and Sustainability Governance Report
- The Group's Interim Report and all results and other announcements on SENS and in the media
- The Group's financial and strategic targets for executive incentive scheme purposes

AUTHORISED

KEY ISSUES

- Executive management to explore various potential acquisitions continuously
- Executive management to further undertake company share repurchases within defined parameters, including during closed periods, subject to solvency and liquidity requirements, and to cancel and delist shares repurchased

ROUTINE MATTERS

- Executive management to issue and list company shares pursuant to share incentive scheme transactions within defined parameters
- Executive management to arrange for the company to provide financial assistance, in the form of guarantees, to Group companies in accordance with legislative prescripts

RESOLVED

KEY ISSUES

- To appoint a new Risk Committee member and an additional member to the Remuneration and Nomination committees
- To provide increased operational support to Office
- To appoint Mr Hawinkels as lead independent director
- To appoint Ms Motsepe and Mr Muller as additional independent non-executive directors

ROUTINE MATTERS

- To declare interim and final dividends in respect of the 2024 financial period after consideration of the company's solvency and liquidity position

Governance creating value continued

GOVERNANCE FRAMEWORK

SHAREHOLDERS

TRUWORTHS INTERNATIONAL

GROUP BOARD OF DIRECTORS

External Audit → Internal Audit →

AUDIT COMMITTEE	RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL AND ETHICS COMMITTEE	NOMINATION COMMITTEE

TRUWORTHS SEGMENT	OFFICE SEGMENT
Operational board	**Operational board**
Operational Board Governance Committees	**Operational Board Governance Committees**
Sustainability, Transformation, Tender and Capex, Compliance, Change Control	Audit, Tender and Capex, Risk, Change Control

BOARD AND COMMITTEE MEETING ATTENDANCE

For the reporting period, the directors achieved a 99.4% (2023: 96.6 %) level of attendance at board, committee and annual general meetings.

BOARD PERFORMANCE

An annual evaluation is conducted to assess the effectiveness of the board as a unit. The evaluation concluded that the board's overall functioning and governance were excellent, and further indicated that:

- The board executes its role at a high-performance standard, with significant strength demonstrated in its relationship with the CEO and other executive directors, the independent stature of non-executive directors, devotion of sufficient meeting time to strategic issues, conducting of discussions in an open transparent manner, and maintaining a compliant and ethical business culture.
- The recruitment, retention and orientation of new directors is a strength and the board is pleased with excellent progress made to ensure the representation of diversity of skills, experience, demographics and gender in its composition. Succession planning is an ongoing priority, with plans being reviewed on an ongoing basis. The board notes that there is opportunity to focus on the education of directors with regard to corporate governance for the Group.
- Directors rate the Truworths International board as excellent compared to other boards served on as its roles and responsibilities are clearly defined, its scope of authority is communicated and the monitoring of operational and financial performance is a significant strength.
- Board leadership, teamwork and management relations are highlighted as outstanding and allow for an open culture where frank discussion is encouraged. At both board and committee levels, leadership is highly effective in managing and conducting its business.
- The board is overall satisfied with its size, composition and level of independence, and seeks outside advice when appropriate. The proportion of non-executive to executive directors is appropriate and the board's sufficient independence from management is a noteworthy strength. The board continues to improve its organisation, including committee structure.
- The frequency of board and committee meetings is sufficient and allows for the discussion of the most complex and critical issues. The agenda and content of meetings are key strengths, which allow the board to excel in its productivity. Non-executive directors have the opportunity to influence the content of the agenda and are provided with quality information ahead of meetings.
- Board and committee meetings are highly productive, providing the directors with high quality and quantity of information relating to the agenda. Sufficient meeting time is devoted to the discussion of strategic matters. The opportunity exists for non-committee members to be more adequately informed of the deliberations of each committee.
- The current Truworths International board evaluation process effectively assesses the board, committees and directors. Establishing additional performance benchmarks into the evaluation process is an opportunity highlighted to enhance the tracking of progress to goals at board and individual director levels. The necessary corporate support and resources are available and performance is effectively rewarded.

The board ensures ethical behaviour and proper compliance standards throughout the organisation and communicates legal responsibilities in this regard effectively to board members. The Group's Business Philosophy is the cornerstone and sets the tone for ethical behaviour from the top.

THE NINE DIMENSIONS EVALUATED IN DETERMINING THE EFFECTIVENESS OF THE BOARD:

- Roles and responsibilities
- Composition, size and independence
- Director orientation and development
- Leadership, teamwork and relationships with management
- Board and committee meeting productivity
- Director evaluation and compensation
- Succession planning
- Ethical leadership and culture
- Stakeholder engagement

Governance creating value continued

The Truworths International board provides ethical and strategic direction and leadership to the Group. The board is accountable for the overall strategy, governance and performance of the Group.

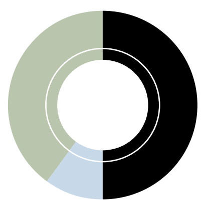
BOARD OF DIRECTORS		Hilton Saven	Hans Hawinkels	Rob Dow	Dawn Earp	Tshidi Mokgabudi	Thabo Mosololi	Daphne Motsepe	Wayne Muller	Roddy Sparks	Tony Taylor	Michael Mark	Sarah Proudfoot	Emanuel Cristaudo
Diversity of expertise | **Policy:** To have a well-rounded board with the necessary skills and expertise to govern effectively and satisfy business requirements.		Independent non-executive director/ Chairman	Lead independent director/ non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Executive director/Chief Executive Officer (CEO)	Executive director/Joint Deputy CEO	Executive director/Joint Deputy CEO/ Chief Financial Officer
Expertise	**Collective expertise**													
Strategic planning	100%	●	●	●	●	●	●	●	●	●	●	●	●	●
Finance and taxation	77%	●		●	●	●	●	●	●	●		●		●
Retail	31%										●	●	●	●
Corporate affairs and communication	77%	●			●	●	●	●	●		●	●	●	●
Financial services	54%	●		●		●		●		●		●		●
Information technology and communication	23%		●									●		●
Risk management, compliance and governance	85%	●		●	●	●	●	●	●	●	●	●		●
Distribution and logistics	31%		●						●	●	●			
Human resources and transformation	23%						●			●			●	
Corporate finance, mergers and acquisitions	69%	●	●	●	●		●		●	●		●		●
Marketing	23%											●	●	●
Sustainability matters	38%	●			●		●					●		●
Board committees	● Committee chair ○ Committee member													
Remuneration		○	●	○					○		○			
Risk		○			○					○		●		○
Nomination		●	○	○					○		○			
Audit					○	○				●				
Social and Ethics		○					●							○

Notes: Financial services includes insurance. Corporate affairs and communication includes CSI.

AGE AND TENURE

Policy: Directors are appointed to the board based on skill, leadership, integrity, experience, diversity and business requirements. No maximum age limit is applicable, and tenure on the board is determined with reference to individual contribution and engagement as assessed through the annual director evaluation process.

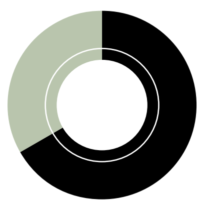
TENURE (YEARS)
NON-EXECUTIVE DIRECTORS



- 0 – 5 years **5**
- 6 – 10 years **1**
- >10 years **4**

Non-executive directors' average age: 66 years.
Non-executive directors' average tenure: 10 years.

TENURE (YEARS)
EXECUTIVE DIRECTORS



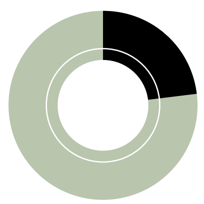
- 0 – 5 years **2**
- 6 – 10 years **0**
- >10 years **1**

Executive directors' average age: 64 years.
Executive directors' average tenure: 15 years.

INDEPENDENCE

Policy: The majority of the board should consist of non-executive directors, the majority of whom should be independent. Categorisation of non-executives as independent is based on the board's assessment of independence.

INDEPENDENCE

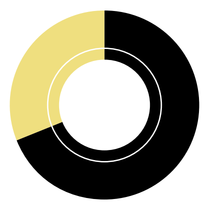


- Executive **3**
- Independent non-executive **10**

GENDER, RACIAL AND BROAD DIVERSITY

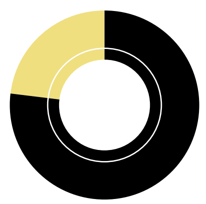
Policy: Voluntary medium-term targets are set within the board's gender, racial and broad diversity policy. In 2017, the board resolved that at least 30% of the board should comprise females in the medium term. In 2018, the board resolved that at least 30% of the board should comprise black directors in the medium term.

GENDER



- Male **69%**
- Female **31%**

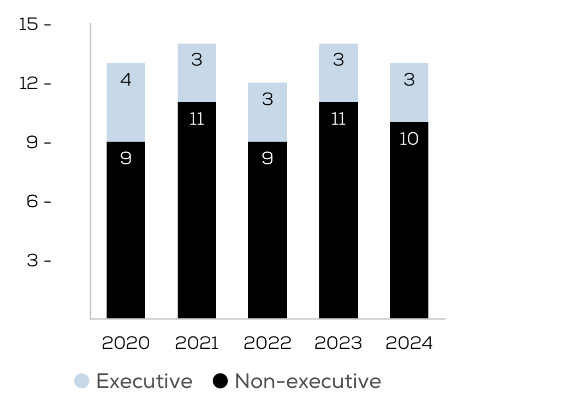
RACE



- White **77%**
- Black **23%**

BOARD SIZE AND TURNOVER

Policy: The board should comprise sufficient directors, having regard for suitable diversity of skills, experience and background in order to meet regulatory requirements and ensure the board and board committee workloads are adequately performed.



Director movement over the last five years: Eight directors appointed, five directors resigned/retired

Governance creating value continued

SUMMARISED GOVERNANCE REVIEW

During the 2024 financial period, the Group continued to practise corporate governance at a high level, aimed at adding value to the business, as well as facilitating the Group's sustainability, generating long-term shareholder value and benefitting other stakeholders.

Governance in the Group is an important consideration and accordingly compliance with codes, legislation, regulations and listings requirements is the minimum requirement. Management has adopted sound corporate governance principles and appropriate governance structures and policies, and believes it has embedded a business-wide culture of good governance that is aligned with the Group's Business Philosophy.

An indicator of the level of governance regarding the Group's financial reporting is the ranking of its 2023 Integrated Report in 7th place in the Ernst & Young (EY) 2024 Excellence in Integrated Reporting Awards. This is the 17th consecutive year that the Group has attained a top 10 ranking in the EY excellence in reporting awards, and is the only JSE-listed company to achieve this acknowledgement, reflecting the consistently high quality of its financial and integrated reporting and the accountable and transparent manner in which it reports to stakeholders.

The directors confirm to the best of their knowledge and belief that, based on a written assessment conducted by Group management in preparation for the submission of the company's annual Compliance Checklist to the Companies and Intellectual Property Commission (CIPC), pursuant to the CIPC's compliance monitoring and enforcement mandate in terms of the Companies Act (71 of 2008, as amended), the company is in compliance with the provisions of said Act and is operating in conformity with its memorandum of incorporation (MOI).

The directors confirm that during the 2024 reporting period, the Group has, in all material respects, voluntarily applied the King IV Report on Corporate Governance™* for South Africa, 2016 (King IV) principles and complied with the mandatory corporate governance provisions in the JSE Listings Requirements.

This report is a summary of corporate governance matters within the Group and should be read in conjunction with the detailed Report on Corporate Governance and Application of King IV Principles 2024 and the Environmental, Social and Sustainability Governance Report 2024 available at **www.truworths.co.za/reports**.

GOVERNANCE DEVELOPMENTS IN 2024

While the board believes the Group has achieved a suitably high level of maturity in relation to governance, the relevant processes, policies and structures are continually reviewed and modified. The following enhancements were made to the Group's governance framework during the period:

GOVERNANCE ELEMENT	GOVERNANCE DEVELOPMENT
Audit Committee	The Audit Committee updated its policy on the provision of non-audit services by the external auditor to embrace the principle of pre-concurrence in alignment with the amended Independent Regulatory Board of Auditors Code. The Chairman of the Audit Committee was appointed as a member of the Office Audit Committee. The Committee adopted a process for formally assessing the skills of its members.
Board composition	Daphne Motsepe and Wayne Muller were appointed as independent non-executive directors of the company with effect from 1 August 2023. Hans Hawinkels, who has served on the board since February 2018, was appointed as lead independent director with effect from 1 September 2023. Maya Makanjee retired as a non-executive director and member of the Social and Ethics Committee with effect from 9 November 2023.
Board committees	Dawn Earp was appointed as a member of the Risk Committee with effect from 1 July 2023. Wayne Muller was appointed to the Remuneration and Nomination Committees with effect from 1 September 2023.
Board race and gender diversity policies	The board continued the implementation of its race and gender diversity policies at board level towards the adoption of its medium-term targets of 30% black and 30% female representation, respectively. Following the appointments of Wayne Muller and Daphne Motsepe with effect from 1 August 2023, and the retirement of Maya Makanjee with effect from 9 November 2023, 23% (three ex 13) of board members were black and 31% (four ex 13) were female.
Business ethics	The Group updated and created awareness of its Business Ethics and Integrity Code.
External auditor	The Group appointed Deloitte & Touche to replace Ernst & Young as external auditor with effect from the 2024 financial period.
Financial management	The addition of resources to the Group's financial management teams, and the further restructuring of Office's financial management team which reports directly to a South African-based head of finance, were continued.
Remuneration governance	The Group again engaged with consultants to conduct a review of the Group's disclosures relating to its remuneration policies and practices. Management engaged with certain shareholders regarding the Group's remuneration policies and practices.

2025 GOVERNANCE PRIORITIES

Governance priorities for the 2025 financial period will include:
- The ongoing development of governance and risk management within the Office segment.
- Further developing sustainability and ESG reporting capabilities within the Group.
- Further progressing top and senior management and non-executive director succession plans.

The board will continue to follow an approach of continuous incremental improvement regarding governance practices and structures to ensure the reasonable expectations of stakeholders regarding the Group's corporate governance standards are met.

2025 BOARD PRIORITIES

Board priorities for the 2025 financial period will include:
- Ensuring that the board continues to provide ethical leadership so that the Group operates within a culture of integrity and compliance.
- Monitoring the further implementation of management's plans to grow the Office business.
- Ensuring that the Group's strategies continue to maintain momentum, notwithstanding low-growth environments so that the attainment of the Group's strategic objectives remains on track.
- Continuing to ensure that the Group's strategies for managing its key risks and suitably dealing with its material issues are appropriately implemented and regularly reviewed.
- Ensuring that further progress is made regarding the succession of top and senior management in the Group.
- Continuing to ensure that the performance of executive management against financial and other targets is regularly reviewed.
- Monitoring management's progress with regard to finalising the development and commissioning of the new distribution centre in South Africa.
- Monitoring and promoting progress in relation to the Group's ESG objectives, including the adoption of ESG reporting requirements and frameworks.

Remuneration Committee report

SECTION A

BACKGROUND STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholders

On behalf of the board, I am pleased to present our Remuneration Committee report for the financial period ended 30 June 2024. The report details the focus areas for the 2024 financial period and enhancements to our Remuneration policy. It further details the remuneration outcomes for the period and planned focus areas for the 2025 financial period.

Introduction

The Group's Remuneration policy and reporting continues to evolve as legislation and the employment market evolve. Striving to create an inclusive and transformed environment by attracting, engaging, developing and retaining strong and talented employees to support long-term growth is key to the continued success of our business. The Group's employee value proposition supports this objective through a holistic approach to reward by promoting fair and responsible remuneration practices and enhanced employee wellbeing through our employee-centred wellness, development, diversity and inclusion initiatives.

The Group strives to maintain a balance between the different components of its Remuneration policy, including the level and challenge of stretching targets and remuneration disclosure, while ensuring that high performing individuals continue to be motivated to perform and achieve the Group's market-leading metrics.

In addition to satisfying best practice governance criteria, our board considers it essential to align our Remuneration policy and practices with our Business Philosophy and Group strategy.

PERFORMANCE AND REMUNERATION OUTCOMES

This has been a particularly challenging year for the retail sector, with multiple factors adversely impacting the performance of the Group. In South Africa, the ongoing weak consumer spending environment, congestion at South African ports, global shipping disruption, and climate impact resulting in the late onset of winter in South Africa all impacted inventory levels, and had a moderating influence on sales growth. In the UK, Office delivered a solid performance proving its resilience despite the pressure on household spending in that market. Office has sustained its recent growth momentum and continues to benefit from its unique market positioning, strong brand partnerships and established online presence, as well as the investment in its new store development and remodelling programme.

The Group's performance is a credit to our committed executives, most ably supported by our employees who continue to remain resilient and contribution focused. The Truworths International, Truworths and Office leadership teams have more than 530 years' combined experience in the Group, which ensured a strong post COVID-19 recovery, and will enable the Group to take advantage of early indicators of improving consumer confidence in the year ahead, despite the headwinds in the macro environment over the reporting period. Detail on the impact of the macroeconomic environment is outlined in the Retail trading environment report on page 61.

The Remuneration Committee (the committee) aims to ensure that incentive targets are consistent with the successful execution of our Business Philosophy and Group strategy. Over the reporting period, and based on feedback from shareholders as well as changing legislation, the committee reviewed the Group's Remuneration policy and practices to ensure they align with our objectives while meeting the expectations of our shareholders and other key stakeholders. This process included extensive engagement with relevant stakeholders, as well as international advisers, to form an understanding of their views and what they believe are important components of this policy. The main issues reviewed and addressed in the current period were:

- **the introduction of minimum shareholding requirements for executive directors;**
- **ensuring targets are aligned with our business strategy and shareholder interests;**
- **introducing ESG as a separate measurable component of our strategic objectives, while ensuring a broader stakeholder focus;**
- **disclosing details of strategic targets for the 2025 short-term incentive (STI), which incorporates specific ESG targets;**
- **disclosing details of the separate strategic and ESG targets for long-term incentive (LTI) awards made in September 2024 and measured at the end of the 2027 financial period; and**
- **reviewing our fair pay policy to ensure it is aligned with the Group's reward philosophy, market best practice and that it serves all stakeholder interests.**

Business performance

Group retail sales increased by 3.6% to R21.4 billion with Truworths Africa sales decreasing by 3.2% and Office increasing by 10.8% (in Sterling). Group gross margin fell within our target range but decreased marginally from 52.5% to 52.3%, while cash generated from operations increased to R4.7 billion, almost R900 million more than the prior period.

Our success in delivering on our Vision for our shareholders is evident from the growth in the Group's share price over time, as reflected in the table below, which shows the strength and consistency of the Group's long-term share price performance. This not only demonstrates the value created by the Group for its shareholders, but it also reflects investor sentiment in relation to the Group and therefore the shareholders' satisfaction with management's execution of the Group's strategic initiatives.

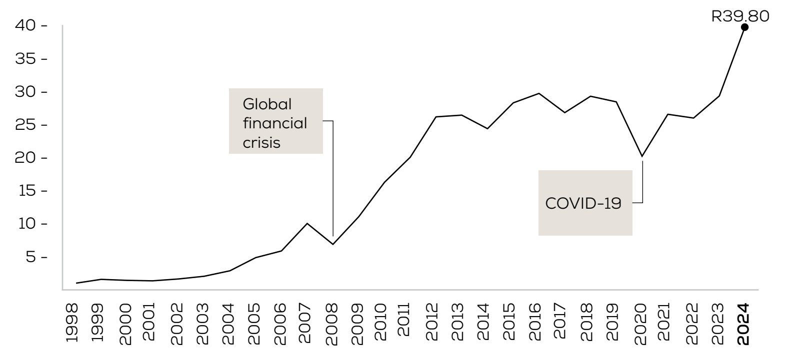
Share price appreciation (CAGR)	Truworths International	JSE Top 40	JSE ALSI
Since June 1998 (JSE listing)	**13%**	10%	10%
Since June 2009 (Global financial crisis)	**6%**	9%	9%
Since June 2020 (COVID-19)	**28%**	9%	10%

The Group's dividend yield has performed equally well, as reflected in the table below. Shareholders who invested in the Group in June 2020 have achieved a 35% compound annual total shareholder return (TSR), (the sum of the dividends and appreciation in share price) as measured on 30 June 2024, and 15% and 10% since listing and over the last 15 years, respectively.

Truworths International	Total shareholder return (CAGR)	Dividend yield (average)
Since June 1998 (JSE listing)	**15%**	**5%**
Since June 2009 (Global financial crisis)	**10%**	**6%**
Since June 2020 (COVID-19)	**35%**	**9%**

The graph below depicts how the value of R1 invested in the Group in June 1998 has grown over the past 26 years, taking into account share price appreciation and dividends, and demonstrates how the Group has created long-term value for shareholders:

VALUE OF R1 INVESTED

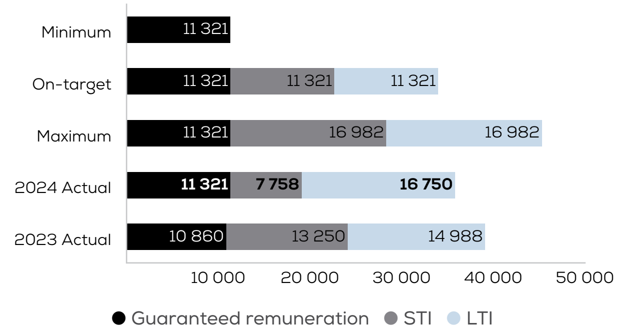


These metrics demonstrate our commitment to and successful delivery of our Vision for our shareholders as stated in our Business Philosophy, as well as the successful execution of our business strategy over the long term.

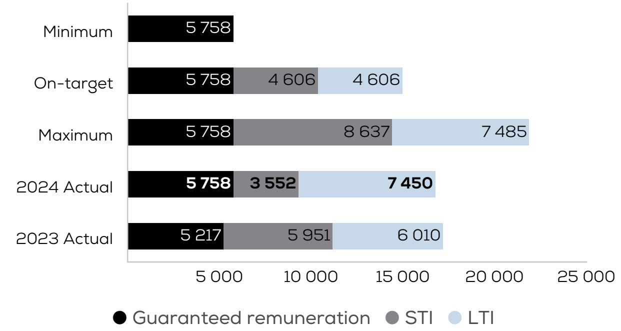
Remuneration outcomes

The remuneration outcomes for the 2024 financial period relative to the minimum, on-target and maximum outcomes for executive directors were as follows:

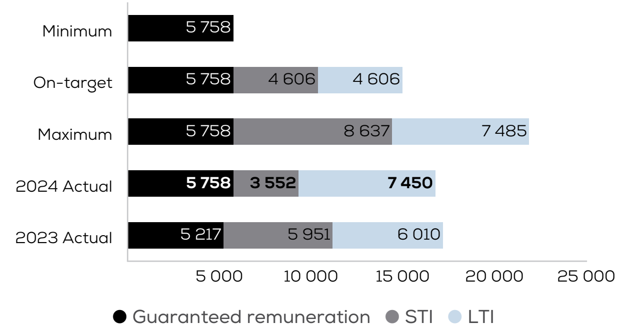
MICHAEL MARK
(R'000)



EMANUEL CRISTAUDO
(R'000)



SARAH PROUDFOOT
(R'000)



Remuneration Committee report continued

The STI outcome for the reporting period was only 74.1% (compared to a maximum potential outcome of 150%), reflecting the challenging trading environment in the last 12 months. Further detail on the specific targets and results are included in the Implementation report on page 53.

The LTI awards made in September 2021 yielded a vesting outcome in the 2024 financial period of 131.5% (compared to a maximum potential outcome of 150%), reflecting the Group's exemplary post-COVID-19 recovery through management's consistent focus on the Group's Business Philosophy. A key matter considered by the committee was whether this outcome against targets and the share price recovery represented windfall gains. In making this assessment, the committee considered various factors, including:

- The prevailing uncertain operating context at the time the targets were set in June 2021, taking into account the significantly impaired trading and financial position of Office, and the marginal post-COVID recovery achieved in Truworths up to that point.
- The headwinds experienced by the Group since June 2021, particularly in South Africa, including civil unrest, floods, port congestion, international shipping disruption, severe levels of electricity load shedding, and a generally poor and unconducive macro environment.
- The Group's compound annual TSR performance and compound headline earnings per share (HEPS) growth since June 2021 relative to inflation, as a measure of shareholder wealth created over this period, and management's performance in a challenging macro environment. As the start of this three-year period was arguably a low base following the COVID-19 pandemic, the committee also considered the Group's five-year compound TSR and HEPS performance since June 2019.

	TSR (CAGR)	HEPS growth (CAGR)	Inflation (pa)	TSR out-performance vs inflation (pa)	HEPS growth out-performance vs inflation (pa)
Since June 2021	24.8%	15.7%	6.0%	18.8 ppts	9.7 ppts
Since June 2019	10.5%	7.1%	5.0%	5.5 ppts	2.1 ppts

Accordingly, the committee concluded that the LTI outcome was not a windfall on targets but the result of the executive team's relentless efforts to implement strategies and manage costs that would deliver significant shareholder value over time.

In the context of the operating environment prevailing at the end of the reporting period, consumer disposable income remains under pressure due to the cost-of-living pressures in both our main trading environments. However, we are cautiously optimistic about South Africa (SA) and the United Kingdom's (UK) medium-term outlook as reflected in current market sentiment. We continue to grow our customer base, and the appeal of our quality, aspirational merchandise and our customer account offering, remains strong. The Group's balance sheet is healthy, and the businesses generate robust cash flows.

We remain focused on rewarding executives and employees in a responsible, fair and sustainable manner to ensure the retention of key executives and employees to achieve our objectives, which include implementing our succession plans and our ongoing focus on transformation. We continue to monitor both the internal and external landscape, taking cognisance of all stakeholders, to ensure our Remuneration policy remains relevant and fulfils its purpose in the short, medium and long term.

SHAREHOLDER ENGAGEMENT AND VOTING

Shareholder engagement

The 2023 Remuneration policy and Implementation report were proposed to shareholders for non-binding advisory votes at the company's annual general meeting (AGM) on 9 November 2023. Of the votes cast, 70.71% were in favour of the Group's Remuneration policy (increased from 69.95% in the prior period) and 66.94% voted in favour of the Implementation report (decreased from 69.96% in the prior period).

	2023 AGM RESULTS			2022 AGM RESULTS		
	Votes for %	Votes against %	Total shares voted as a % of total issued shares	Votes for %	Votes against %	Total shares voted as a % of total issued shares
Remuneration policy	70.71	29.29	80.52	69.95	30.05	81.23
Remuneration implementation report	66.94	33.06	80.53	69.96	30.04	81.23

Ahead of the AGM, Institutional Shareholder Services Inc. (ISS), a global provider of independent and objective shareholder meeting research and proxy voting recommendations, issued an ISS Research Report on the Group on 6 November 2023 entitled 'ISS Proxy Analysis & Benchmark Policy Voting Recommendations'. In relation to the resolutions pertaining to the Group's 2023 Remuneration policy and Implementation report, in the Key Takeaways the Research Report stated: 'No material issues are raised with the Remuneration policy and the Implementation report; thus, shareholder support is considered warranted for both resolutions'.

Regarding resolution 8.1 dealing with the Group's Remuneration policy, the Research Report recommended: 'A vote FOR this item is warranted: On balance, the Company's Remuneration policy raises no major concerns'.

Regarding resolution 8.2 dealing with the Group's remuneration Implementation report, the Research Report recommended: 'A vote FOR this item is warranted: In the absence of material concerns and recognising the Company's response to last year's shareholder dissent, support for the Remuneration Implementation report is considered warranted at this time'.

In making these recommendations the Research Report raised a number of points that were noted and taken into consideration by the committee and, where thought appropriate, suitably addressed when formulating the Group's 2024 Remuneration policy and implementing it.

Ahead of the 2023 AGM, in order to engage with the largest shareholder, who is also the major dissenting shareholder, the committee held a meeting with its executives on 23 August 2023. This was followed up by a meeting between executive management and the largest shareholder on 25 October 2023.

Notwithstanding these productive engagements, the Group's largest shareholder advised the company on 13 November 2023, subsequent to the 2023 AGM, of its reasons for voting against the Remuneration policy and Implementation report. At the date of the AGM, this shareholder directly held approximately 19.31% of the company's shares in issue. If the dissenting votes of this shareholder are excluded, then the remaining shareholders voted 96% and 91%, respectively, in favour of the Remuneration policy and the Implementation report. Similarly, at the 2022 AGM, if the dissenting votes of the same largest shareholder are excluded, the remaining shareholders voted in excess of 90% in favour of the Remuneration policy and Implementation report.

Dissenting shareholders' views are welcomed and they were invited, via an announcement on SENS on 10 November 2023, to engage and provide reasons for their votes against the resolutions at the 2023 AGM relating to the approval of the Group's Remuneration policy and Implementation report. A virtual meeting of dissenting shareholders was scheduled for 8 December 2023. Two shareholders, including the largest shareholder, provided feedback prior to the meeting and no shareholders attended the meeting. Furthermore, the committee engaged with a leading global corporate governance and remuneration consultancy and external consultants in order to assimilate feedback and respond positively to dissenting shareholder perspectives. Wherever considered appropriate such feedback has been incorporated into future incentive arrangements.

The Group's largest shareholder was clearly the determining factor in the unfavourable votes at the 2023 and 2022 AGMs. The shareholder sent a letter for both AGMs to the board to explain the reasons for its dissent. To the committee's disappointment, the letters in respect of the two AGMs were almost identical despite the Group's changes to its Remuneration policy and Implementation report in response to the dissenting vote at the 2022 AGM (as set out in the Shareholder concerns section that follows). Following the letter of 13 November 2023 from the largest shareholder, the committee sent a comprehensive letter to it on 12 December 2023 addressing all the issues raised. After not receiving a response to this letter, and in the interest of engaging meaningfully on the issues canvassed, on 7 May 2024, the committee issued a request to the largest shareholder for a response. Notwithstanding an undertaking on 8 May 2024 to furnish same, regrettably no response has been received to date from the dissenting shareholder.

We believe these engagements are crucial to improving our shared understanding of our remuneration strategy and achieving an outcome that supports and delivers a positive and balanced outcome for all our stakeholders. The Group continues to explore methods and opportunities to engage with shareholders.

Remuneration Committee report continued

SHAREHOLDER CONCERNS

While no shareholders attended the engagement meeting scheduled for 8 December 2023, the following concerns were raised by shareholders, and the actions taken by the Group in response to these concerns are summarised below:

SHAREHOLDER CONCERNS AND COMMENTS	GROUP RESPONSE
STI targets for the 2024 financial period should be disclosed. In addition, STI and LTI strategic target details should be disclosed.	Owing to the short term and therefore commercially and price sensitive nature of the STI targets, the target ranges are, and will continue to be published retrospectively, although the Group has enhanced its STI disclosures from the 2023 financial period. The committee believes this approach is prudent in safeguarding the Group's short-term financial projections. STI targets are set and approved by the committee prior to the start of the financial year. For the 2025 financial period, STI targets for return on assets and return on equity have been set higher than the upper range of the Group's medium-term targets. In response to the shareholder concern regarding the disclosure of STI strategic targets, the committee has resolved to disclose the strategic target elements and weightings for the ensuing year's STI, and will do so going forward. Financial LTI targets are published in advance as these are considered to be less commercially sensitive as they are aligned with the Group's published medium-term targets. These targets are set and approved by the committee before awards are made. In response to the shareholder concern regarding the disclosure of LTI strategic target details, the committee has resolved to disclose the strategic and ESG target elements and their respective weightings for the LTI awards to be made in the ensuing year. Additionally, the committee has resolved to reduce the STI strategic target weighting from 30% to 25% (which includes ESG targets). For LTI awards, strategic and ESG targets have been separated and assigned weightings of 15% and 10% respectively, with a combined total of 25% compared to 30% in prior periods. The retrospective reporting of the performance relative to the targets for the 2024 financial period is detailed on page 54.
Lack of disclosure on sustainability and ESG targets.	Based on engagement with dissenting shareholders following the 2022 AGM, the Group reviewed its ESG reporting framework and enhanced disclosure in the 2023 Integrated Report. This has been expanded in 2024 and will be enhanced further in subsequent years (refer to page 6 for detail on the Group's approach to sustainability and ESG reporting). In addition, we have separated ESG targets from the LTI strategic targets and they will be reported on separately in future. The Group's ESG targets for the 2025 STI and September 2024 LTI awards that vest in 2027are disclosed on pages 50 and 52.
The LTI indicators and targets are not sufficiently stretching and should be more closely aligned with shareholder interests, although it is acknowledged that the Group continues to make strides in incorporating multiple financial indicators.	The Group has outperformed the market with compound annual share price growth of 13% pa since the company's JSE listing in 1998 (JSE ALSI and JSE Top 40 at 10% pa), and 28% pa since June 2020 (JSE ALSI 10% pa and JSE Top 40 9% pa), delivering a superior long-term dividend yield (5% average since listing and 9% average since June 2020) and compound annual TSR (15% pa since listing and 35% pa since June 2020). The Group sets medium-term targets for key operating and productivity metrics and, over time, the performance against these targets has improved and is currently the highest or equal to the highest compared to our selected local and international benchmarks. Refer to best-in-class operating and productivity metrics in Section C of this report. We believe this shows an outstanding commitment and contribution ethic in our Group. The committee believes that stretch targets should be sufficiently challenging yet achievable in times of significant outperformance. As LTI targets are determined more than three years in advance of performance measurement, it is difficult to set these, especially in a volatile operating environment. Considering that the targets for the 2023 and 2024 financial periods were set during the COVID-19 pandemic, it is appropriate to consider the generally negative sentiment and perspective of the future that prevailed at that point in time. This particular concern was raised by the Group's largest shareholders for the last two consecutive years. In response thereto, LTI targets were amended in the prior period (refer to the Group's Integrated Report 2023 available on the website at **www.truworths.co.za/reports**), and in the reporting period the Group commissioned a detailed analysis of the LTI targets relative to those of market peers. This analysis highlighted that the ROIC targets were sufficiently stretching, The committee has also resolved to increase the HEPS stretch target for future awards to inflation +4 ppts pa. In addition, the committee has introduced minimum shareholding requirements for executive directors with effect from 1 July 2024 to further align their interests with those of shareholders.

The committee is grateful for the feedback received from shareholders and noted that the development of the Group's Remuneration policy and its implementation is one of continuous improvement. The Group considered and attempted to balance the diverse views of shareholders regarding executive remuneration, while at the same time keeping management motivated, focused and retained. The table below sets out the high level remuneration-related actions that the committee has taken over the past three years to further align the Group's policy with shareholder expectations:

SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES	ADDITIONAL MEASURES
• Amended HEPS target to be inflation-linked. • Amended targets to include ROA, ROE and gross margin. • Enhanced the measurement and disclosure details of strategic targets. • Reduced strategic target weighting, and introduced ESG targets within the strategic targets. • Resolved to publish details of strategic targets, which include ESG targets, in advance for the ensuing year.	• Enhanced the measurement and disclosure details of strategic targets. • Amended HEPS target to be inflation-linked. • LTI policy was amended to ensure all awards made to executive directors have performance conditions. • LTI targets were re-evaluated and expanded to include an additional target of ROIC exceeding WACC. • Rebalanced target weightings in response to shareholder feedback. • Reduced strategic target weighting and separated ESG targets from strategic targets. • Resolved to publish details of the separate strategic and ESG targets in advance for awards to be made in the ensuing year.	• Introduced malus and clawback provisions in respect of STIs and LTIs. • Introduced minimum shareholding requirements for executive directors.

The Remuneration policy and the Implementation report for the 2024 financial period will be proposed to shareholders for separate non-binding advisory votes at the AGM on 7 November 2024. The committee believes that the improvements in the reporting disclosure as well as aligning targets more closely with shareholder expectations should contribute to improved shareholder support.

LEGISLATIVE CHANGES

The committee ensures that the Group takes cognisance of evolving legislation through continuous research and monitoring.

During the period, the following remuneration-related legislative changes were made:

- In South Africa, amendments were made to the National Minimum Wage Act, No 9 of 2018, and the national minimum wage increased from R25.42 to R27.58 per hour with effect from 1 March 2024.
- Amendments were made to the Sectoral Determination 9 wage rates, issued in terms of the Labour Relations Act in South Africa, which rates were implemented on 1 March 2024.
- In the UK, amendments were made to the National Living Wage and National Minimum Wage which were effective on 1 April 2024.
- In Ireland, amendments were made to the National Minimum Wage which were effective on 1 January 2024.

In addition, the Companies Amendment Act was signed into law and promulgated on 26 July 2024. Although no effective date has been gazetted and the legislation is not yet binding on the Remuneration policy and Implementation report vote for the 2024 financial period, the committee has given consideration to the amended reporting requirements, and will review the fair pay policy and additional requirements with regard to wage gap disclosures in the 2025 financial period. The committee will also monitor how remuneration reporting practices will evolve in light of the disclosure requirements in the Companies Amendment Act.

Remuneration Committee report continued

REMUNERATION COMMITTEE COMPOSITION

In line with the recommendations of King IV, the committee comprises only independent non-executive directors, namely Hans Hawinkels, Hilton Saven, Rob Dow, Tony Taylor and Wayne Muller. Further details on the committee members are available in the **Truworths International board** section. The CEO is an invitee to committee meetings and recuses himself from various discussions, including those that relate to his performance and remuneration. Detail on the committee meeting attendance is included in the Report on Corporate Governance and Application of King IV Principles 2024 on the website at **www.truworths.co.za/reports**.

Following feedback received from a global corporate governance consultancy regarding the perceived independence of the board chairman and committee members, the Nomination Committee appointed Wayne Muller as an additional member to the committee, effective 1 September 2023, pursuant to the process of succession of committee members over time. The Group will continue the process of refreshing the non-executive component of the board in a systematic manner that will enable it to have continuity in terms of the important and ongoing contribution from long-standing directors, while newly appointed non-executive directors grow their knowledge of the Group and begin to influence board deliberations in a substantive manner.

FOCUS AREAS FOR 2024

The committee addressed the following key issues during the period:

- Conducted a detailed review of the Group's fair pay policy and pay equity to ensure the principles and application of 'equal pay for work of equal value' are maintained across all levels within the Group and align with the Group's reward philosophy, and how the application of such principles address fair and responsible remuneration for executive management in the context of overall employee remuneration.
- Reviewed market practice and the changing landscape with regard to minimum shareholding requirements and introduced minimum shareholding requirements for the executive directors to be attained over a phase-in period.
- Conducted a detailed analysis of the Group's current Remuneration policy to ensure the Remuneration policy and disclosure practices were in line with market practice and good governance. This included an analysis of the STI and LTI metrics, targets, weightings and measurement, including a regression analysis to confirm how stretching or robust the LTI targets are when compared to the peer group.
- Comprehensively reviewed the Group's reporting on remuneration to better communicate and enhance disclosure of its remuneration policies and practices to stakeholders.
- Reviewed the benefits offered by the Group across all levels of employees and approved enhancements thereto, including enhancements to the parental leave policy, as well as the continuation of wellness days to include additional focus on mental health.
- Reviewed and approved the remuneration of executives, including annual increases, STI payments, LTI awards and LTI vesting outcomes.
- Reviewed the outcome of LTI awards based on the 2024 financial period results to ensure the vesting outcome is justified having regard for the Group's performance since the date of these awards, taking into account the value created for shareholders, as well as the operating context over the vesting period.
- Approved the STI targets for the 2025 financial period.
- Based on a benchmarking exercise by executive management, reviewed and recommended for approval by shareholders the non-executive directors' remuneration for the 2025 calendar year.
- Reviewed and approved the issue of share-based LTI awards in terms of the 2012 share plan.
- Approved the release of dividends to LTI share scheme participants holding restricted and performance shares. Dividends for performance shares are subject to clawback provisions, in terms of which 100% vesting occurs if performance targets are met or exceeded. If the targets are not met, dividends received on the deficit in performance are required to be repaid.
- Confirmed that all LTI allocations and payments were made in accordance with the rules of the LTI schemes.
- Agreed and recommended for approval by the board the performance targets for the relevant LTI share schemes in respect of awards made during the reporting period.
- Increased the HEPS stretch target for future STI and LTI awards based on shareholder engagement feedback.
- Considered and resolved to separate strategic and ESG targets, and introduced a cash realisation metric relating to the Group's ability to collect trade receivables effectively and manage the Group's working capital needs for future LTI awards.

FUTURE FOCUS AREAS

- Review the fair pay policy and introduce the amended remuneration reporting requirements in alignment with the Companies Amendment Act when it comes into force.
- Review remuneration policies to clarify directors' contractual rights in terms of pay multiples, and STI and LTI treatment, should there be a change in control of the Group or severance agreements reached.
- Review the composition of the existing peer group to ensure it remains relevant.
- Continue to monitor and address pay equity to ensure the principles and application of 'equal pay for work of equal value' as well as fair and responsible remuneration across the dimensions of race, gender and skill level are maintained across all levels within the Group, and in line with the Group's reward philosophy.
- Continue to focus on setting remuneration targets which drive shareholder wealth creation and earnings growth for all performing employees at all levels, and offering benefits that enhance the quality of living standards of all employees.
- Continue to monitor the reward structures and retention mechanisms for scarce and critical skills based on market data while considering evolving trends, one of which is the emigration of young, skilled employees.
- Continue to focus on the phased succession plan for top management and senior executives and ensure it is supported by appropriate remuneration best practice and aligned with the Group's transformation strategy, as well as the retention of key individuals.

EXTERNAL ADVISERS

During the reporting period, the committee engaged the consultancy services of PricewaterhouseCoopers Inc. (PwC), a leading global corporate governance and remuneration consultancy. PwC, familiar with the practices and policies of proxy advisory services, was engaged to conduct a review of the Group's remuneration framework, with a particular focus on voting policies and global best practice for remuneration reporting. The committee is satisfied with the independence and objectivity of the consultants.

Additionally, the Group subscribes to REMeasure and REMChannel, both provided by Old Mutual, which are utilised for benchmarking and remuneration market data in South Africa, and Willis Towers Watson for remuneration market data in the UK.

POLICY STATEMENT

This report of the committee provides an overview of Group-wide remuneration policies with an emphasis on the remuneration structure for the Truworths International executive and non-executive directors. There were no policy exceptions during the period, and the committee is satisfied that the Remuneration policy summarised in this report achieved its stated objectives during the period, and is expected to do so again in the 2025 financial period.

I trust that this Remuneration report enables shareholders to make an informed vote. I look forward to your support of the Group's remuneration proposals at our AGM in November 2024.

Hans Hawinkels
Chairman
Remuneration Committee

Remuneration Committee report continued

SECTION B

REMUNERATION POLICY

APPROVAL OF REMUNERATION POLICY AND IMPLEMENTATION REPORT

In terms of the King IV principles and the JSE Listings Requirements, the Group's forward-looking Remuneration policy and the Implementation report in respect of its current policy as set out in Sections B and C are required to be approved by separate non-binding advisory votes at the AGM of shareholders scheduled for 7 November 2024.

Should 25% or more votes be cast against either or both of the non-binding advisory resolutions, the company undertakes to engage with shareholders to ascertain the reasons for the dissenting votes. Details of the engagement process, if applicable, will be published on SENS after the AGM.

The steps taken to address legitimate and reasonable concerns (if any) of shareholders will be disclosed in the following year's Remuneration Committee report.

Once the Companies Amendment Act, 2024 of South Africa comes into force, the approval requirements for the Remuneration policy and Remuneration report, the resolutions for which will be subject to binding votes requiring majorities of more than 50% in favour, will be applied accordingly.

BUSINESS PHILOSOPHY AND STRATEGY

The Group's Business Philosophy (refer to page 8) is core to the ongoing success of the business and is a guiding light, directing our consistent focus on what we need to do to create long-term sustainable growth, value and wealth, which in turn results in improved shareholder and broader stakeholder value creation. There are three components to the Business Philosophy: **our Purpose,** which describes how we serve our customers, **our Values,** which define how we behave as an organisation, and **our Vision** of expectations we try to satisfy for the various stakeholders in our business.

Our Vision for shareholders states: 'We are long-term investors in Truworths International because we trust in management's capacity to execute innovative strategies which deliver significant value over time'. This aptly describes our commitment to our shareholders. We are not short-term focused. We focus on the long term and strive to deliver sustainable value over time.

Our Values shape our business culture which guides the behaviour of employees. These Values are entrenched in the business and in how we operate, behave, recruit, and in the employee performance evaluation process.

Our strategic objectives are aimed at adherence to and fulfilment of the objectives of our Business Philosophy, as defined by our Purpose statement and our Vision for stakeholders. We strive to achieve these strategic objectives through the successful execution of various plans and actions. The extent to which these plans and actions have been successful is measured by comparing the stakeholder Vision to reality, which allows us to identify areas where improvements need to be made.

Our STI and LTI programmes are aligned with our business strategy, with measurement benchmarks and strategic objectives focused on management's ability to fulfil our Purpose and live by our Values, thereby aligning ourselves with the Vision for our stakeholders.

REMUNERATION PHILOSOPHY AND PRINCIPLES

The remuneration philosophy is closely aligned with the Group's Business Philosophy and is aimed at driving a high-performance culture that delivers the Group's long-term strategic objectives, as well as sustainable shareholder and broader stakeholder returns within the Group's risk appetite. The Business Philosophy directs our consistent focus on the long term, through good and bad times.

The reward philosophy ensures that the Group's reward approach is fair, sustainable, equitable and aligned with global remuneration best practice, and that rewards are applied across all employee levels in a responsible and transparent manner.

The remuneration objectives are achieved by utilising a total remuneration approach which comprises different elements of financial reward, including guaranteed earnings, STIs and LTIs. The combination of financial and non-financial rewards constitutes 'total reward' and supports the holistic employee value proposition. For further details on the employee value proposition, refer to the Truworths Human capital report (see page 87), the Office Human capital report (see page 95) and the Environmental, Social and Sustainability Governance Report 2024 on the website at **www.truworths.co.za/reports.**

Remuneration practices are closely linked to the achievement of performance objectives of the Group, principal subsidiary companies, teams and individuals. The composition of total remuneration is based on the employee's role and level in the Group and there is a strong and sustainable link between performance and contribution over time, and the rewards received by an employee.

The Group's reward policy is designed to achieve the following objectives:

- Internal equity, which ensures employees are rewarded appropriately in relation to peers and in line with contribution over time, as well as ensuring an adherence with the principle of 'equal pay for work of equal value'.
- External equity to ensure employees are rewarded competitively in relation to the employment market.
- Fair and responsible reward management, which ensures that:
  - There is equal opportunity across the Group for growth and development of high-performing individuals who are aligned with the Group's Business Philosophy.
  - Performance measurement practices are regularly and consistently applied.
  - Remuneration and benefits at all levels are equitable and applied consistently.
  - Employees across all levels of the Group are rewarded fairly and appropriately based on their performance and their contribution.
  - Reward practices promote an ethical culture and responsible corporate citizenship.
- A balanced and appropriate mix of short and long-term incentives.
- Alignment of risk and reward, with remuneration practices and schemes designed to encourage superior medium to long-term performance relative to competitors, while operating within prudent risk parameters to ensure sustainability.

REMUNERATION GOVERNANCE

The committee has oversight of the Group's remuneration practices and policies. The committee is responsible for reviewing, recommending and approving the remuneration of executive and non-executive directors of the company, and directors, divisional directors and key executives of principal subsidiaries (collectively referred to as executives). The committee periodically reviews the Group's remuneration strategy to ensure it supports the business and human resource strategies, remains aligned with the objective to enhance shareholder value, and is focused on achieving the following objectives:

- Attracting, engaging, motivating, rewarding and retaining a team of high-performing executives, as well as ensuring these principles are applied and maintained across all employee levels of the Group.
- Ensuring that the CEO and other executives continue to fulfil the principles of the Business Philosophy and deliver the business strategy, thereby pursuing the long-term sustainable growth and success of the Group.
- Demonstrating a clear relationship between short and longer-term performance and remuneration.
- Ensuring an appropriate balance between guaranteed and variable remuneration, taking into account both the short and long-term objectives of the Group.
- Differentiating pay between higher and average performers over time through effective performance management and assessment.

The Chairman of the committee reports to the board on all aspects of the committee's work as a standing agenda item at each board meeting. This feedback covers all aspects of remuneration strategy and policy, how the policy objectives are being achieved and the implementation thereof over the annual cycle.

FAIR AND RESPONSIBLE REMUNERATION

Fair and responsible reward management ensures that there is equal opportunity across the Group for the growth and development of high-performing individuals who contribute consistently and sustainably over time and are aligned with the Group's Business Philosophy.

Fair and responsible reward continues to be a key focus area, including raising the living standards of employees. In the reporting period, we have continued to focus on ensuring that pay aligns with the role, length of service, contribution, experience and performance levels for all employees across the Group. Both minimum wage and race and gender pay gap analyses utilising REMChannel data analytics are conducted annually, and adjustments are made accordingly.

The committee is cognisant of the disparity in levels of executive guaranteed remuneration relative to lower-paid employees within the retail industry. Therefore due consideration is given to ensuring an appropriate salary increase range is approved to ensure this disparity is addressed over time. It is anticipated that, in general, executive salary increases will be lower than those across the broader workforce, unless additional responsibility is given to executives or unusual circumstances exist, with due consideration to reducing the earnings gap over time and the impact of variable compensation opportunities.

Truworths' minimum starting cash salary is 7.8% above the South African national minimum wage, and store employees earn at least 30.2% more than the South African national minimum wage. In addition, all semi-skilled level employees that have at least two years' service receive additional benefits, which include healthcare, an annual bonus, retirement contribution, funeral benefits and access to an employee assistance programme offering medical, financial and legal support.

The committee is cognisant of the high unemployment levels within South Africa and therefore endeavours to maintain a balance between reducing the earnings gap over time and creating employment opportunities, in particular at the more junior levels.

PAY FOR PERFORMANCE

The executive directors' remuneration is determined according to the nature and responsibilities of the executive's role in relation to market benchmarks, and the performance of the individual in relation to Group and individual performance targets. Rewarding executives through guaranteed and performance-related remuneration is aimed at achieving the following:

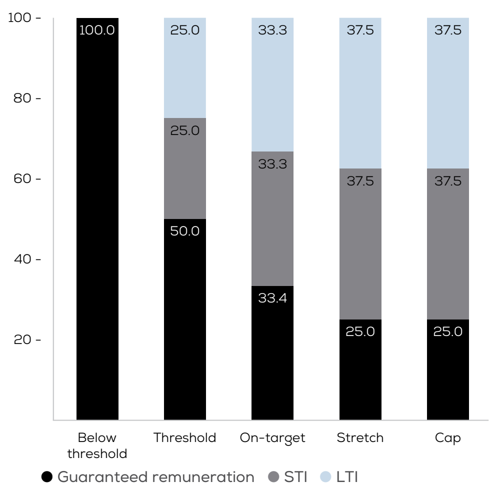
- alignment of executive and shareholder interests;
- promotion of a culture of executive share ownership;
- promotion of excellence in individual executive performance; and
- retention of high-performing executives.

Remuneration Committee report continued

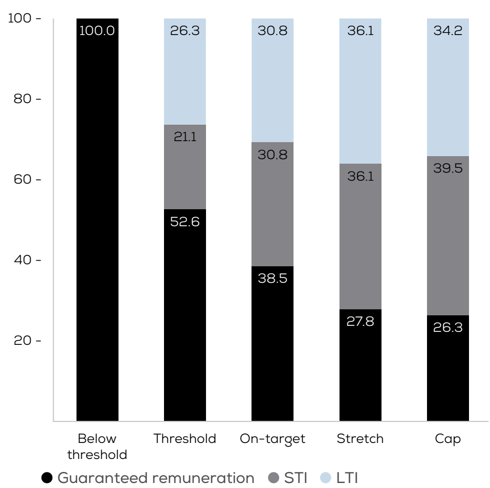
The core principle of the Group's performance management process is the effective alignment of Group strategic objectives, which are guided by its Business Philosophy (refer to the Group strategy report on page 30), with individual outputs.

The below graphics depict the pay outcomes under the different performance scenarios for the executive directors.

PAY FOR PERFORMANCE – CEO
(%)



PAY FOR PERFORMANCE – EXECUTIVE DIRECTORS
(%)



ELEMENTS OF REMUNERATION

The total remuneration mix is determined as follows:

GUARANTEED REMUNERATION	VARIABLE AND PERFORMANCE-RELATED REMUNERATION	
ANNUAL GUARANTEED REMUNERATION	**SHORT-TERM PERFORMANCE**	**LONG-TERM PERFORMANCE**
Total guaranteed package, which can include the following benefits: • Cash salary • Travel allowance • Retirement benefits • Healthcare benefits • Group life and disability insurance benefits	Short-term cash-based incentive scheme	• Restricted share plan • Share appreciation rights • Performance share plan • Performance appreciation rights
• Total guaranteed package is based on performance, contribution, experience and market value relative to responsibilities within the Group. • Benefits are compulsory but offer flexibility in option choices.	Incentives are based on Group, subsidiary company and individual performance criteria, and are only paid if the Group achieves its threshold performance levels. Short-term incentives are paid to all qualifying employees across the Group.	Long-term share-based incentives are aimed at rewarding the performance of senior employees as well as encouraging sustainable shareholder wealth creation.

EXECUTIVE REMUNERATION BENCHMARKING

The Group utilises external professional service providers, external market surveys and best practice for continued remuneration benchmarking and job evaluation purposes. Remuneration is further benchmarked against other JSE-listed retailers and comparable JSE-listed companies. All data is appropriately aged, and weighted averages, medians and ranges are applied to establish the most appropriate remuneration levels. The Group aims to maintain average guaranteed remuneration at the median market level.

The current JSE-listed retail peers utilised as comparators are:
- Clicks Group
- TFG
- Woolworths Holdings
- Mr Price Group
- Pepkor Holdings
- Pick n Pay Stores
- Shoprite Holdings
- The Spar Group
- Cashbuild
- Dis-Chem Pharmacies
- Italtile
- Lewis Group

The selection methodology takes account of both size and performance metrics, which include the number of employees, turnover, total assets and earnings before interest paid and tax (EBIT). This methodology supports an objective determination of the comparator group that eliminates bias and promotes the selection of a comparator group that is not disproportionately weak or strong.

GUARANTEED REMUNERATION

Guaranteed remuneration is determined in relation to employment market norms. It includes cash salary, healthcare benefits, retirement benefits, travel allowance, and group life and disability insurance benefits.

To ensure consistency in the evaluation and sizing of the employment role, the Group conducts job profiling and evaluation to ensure the correct match to comparable roles and benchmarking of guaranteed remuneration levels. This is achieved by utilising REMeasure, REMChannel and the Willis Towers Watson databases.

A combination of performance and market remuneration positioning is utilised to adjust guaranteed remuneration levels periodically, as part of an assessment of the Remuneration policy. Adjustments to guaranteed remuneration outside of the annual review process are made on an exceptional basis and only linked to changes in responsibility level.

All South African store employees' compensation complies with Sectoral Determination 9 in terms of the Labour Relations Act or statutory requirements, and the minimum rates of pay, as determined for the retail industry in the applicable country, are either met or exceeded by the Group.

Guaranteed remuneration is periodically reviewed. When agreeing annual salary review levels, consideration is given to expected market movements in terms of salary reviews, Group performance, retail market data, internal comparatives, individual contribution and performance, the pay gaps that may exist at varying grade levels, as well as the prevailing inflation levels within the economy. Annual salary reviews are merit-based and a range of increases is approved based on the employee's level of seniority, the market positioning of the relevant role, as well as the individual's contribution and performance rating for the prior period.

VARIABLE REMUNERATION

The performance of executive directors is reviewed annually by the committee against predetermined financial and non-financial targets to ensure alignment with shareholder interests. Performance targets are set with the objective of being challenging, yet realistic within the context of the economic realities of the countries in which the Group operates and the stage in the business lifecycle.

The committee has discretion regarding incentive payments to mitigate unintended consequences, such as windfall gains that may arise from a purely formulaic approach. Any discretion by the committee will be appropriately disclosed and justified in the relevant Remuneration report for the year under which such discretion was exercised. Discretion will not be used to compensate for unfavourable outcomes.

SHORT-TERM INCENTIVES

The STI scheme aims to drive short-term performance through appropriate incentivisation in a measurable and sustainable way, thereby rewarding and retaining key talent.

The Group follows a hybrid approach with regard to structuring the STI, which is a combination of both top-down and bottom-up considerations. The top-down approach ensures STIs are linked to the key annual performance metrics of the business, which determines the incentive pool size, while the bottom-up approach, together with individual performance and contribution

Remuneration Committee report continued

levels, determine the individual's relative share of the pool. The incentive pool is self-funded through the achievement of financial targets and is based on a percentage, limited to a maximum of 4% of profit before tax (excluding accounting impairments and reversals thereof).

Incentives are based on Group, company and individual performance levels and no short-term incentive is paid to executive directors if the Group's threshold performance measures for the period are not achieved.

All qualifying employees across the Group participate in the STI scheme.

The malus and clawback policy applies to STIs paid to executives and senior managers and can be referred to on page 52.

The Group's 2025 STI targets, ie adjusted HEPS growth above inflation, ROA, ROE, gross profit margin and strategic targets (which include ESG targets), as well as threshold, target and stretch levels are determined by the committee prior to the commencement of the financial period.

All financial targets are set and measured on an 'adjusted' basis to ensure they exclude the impact of significant accounting or other anomalies (such as accounting impairments and reversals) that could unduly benefit or penalise STI participants. As such, the 2025 target for HEPS growth is based on the 2024 financial year HEPS (which excludes accounting impairments and reversals by definition), adjusted to exclude the impact of the accounting consolidation of the Group's charitable trusts in the Group's annual financial statements in that year. This is consistent with how the target for HEPS growth was determined in relation to the 2024 financial year STI.

STI financial target ranges are published retrospectively due to their commercially sensitive nature. The detail of strategic targets, which include specific ESG targets, have been disclosed prospectively (see alongside) for the first time this year. The detailed performance achieved against targets for the 2024 financial period can be referred to in the Implementation report that follows.

2025 STI targets	Weightings %	Below threshold %	Threshold %	Target %	Stretch %
Adjusted HEPS growth > inflation~	15	–	50	100	150
Adjusted ROA	20	–	50	100	150
Adjusted ROE	20	–	50	100	150
Gross margin %	20*	–	50	100	150
Strategic targets (including ESG^ targets)	25*	–	50	100	150

~ Inflation refers to the average of the South African consumer price index (CPI, as published by Statistics South Africa) and the UK harmonised index of consumer prices (HICP, as published by the UK Office for National Statistics), weighted based on Truworths' and Office's relative contribution to Group profit before finance costs and tax.

* The weighting of strategic targets was reduced, and gross margin was increased after consultation with various stakeholders, who felt margin protection was key to the performance of the Group, with generally high inventory levels and promotional activity across the retail sector in the current constrained macro environment.

^ ESG targets comprise 10 percentage points of the total strategic target weighting of 25 percentage points.

Note: HEPS performance and ROE are used for both STI and LTI awards due to their significance in assessing the performance of the Group and their importance to stakeholders (specifically shareholders); they are also supplemented with other relevant financial targets that do not overlap.

Strategic targets, which include ESG targets, and their respective weightings for the 2025 STI are as follows:

Strategic theme	Description	Weighting (%)
ESG	• Continue to make steady and measurable progress to reduce carbon emissions. • Obtain Edge Advanced Certification for the new Truworths DC. • Continue the positive trend of improving the B-BBEE score. • Maintain our 'Excellent' rating in the Ernst & Young Excellence in Integrated Reporting Awards.	10
Human capital	• Conduct employee surveys to assess and implement initiatives to ensure employees from all backgrounds feel that we are living our Value 'Embrace the Power of Inclusive Teams'. • Drive appropriate and long term senior succession planning.	20
Aspirational fashion	• Develop new capsule ranges of differentiated fashion product that utilise the strength of our general brand portfolio to entice new, young aspirational fashion consumers. • Add new most wanted third-party brands in Office and grow own-branded MTO fashion footwear.	15
Group synergies	• Harness Group synergies and the sharing of common platforms, systems and capabilities between Truworths and Office to leverage the intellectual capital in the Group. • Capitalise on the investment made in our new Truworths DC to drive efficiencies.	20
Financial	• Drive key financial metric improvement to ensure all financial targets are attained.	20
Capital allocation	• Optimise the Group's capital structure to enable us to execute innovative strategies aimed at creating significant value for investors over time.	15
		100

Individual performance is measured with reference to a scorecard of metrics to encourage each participant to focus on both the financial and non-financial performance targets that are directly aligned with the participant's responsibilities.

The quantum of the STI earning potential is based on the guaranteed remuneration of the relevant employee, multiplied by a market-related on-target percentage based on the Paterson grade of the role.

The committee must be satisfied that such payments are fair and reasonable. All executive directors' STI payments are approved by the committee. The achievement of targets is reviewed by the committee before any STI payments are made to executive directors. STIs are paid in cash at the end of September and are subject to employees' tax deductions.

The table below indicates the threshold, on-target and stretch STI payments as a percentage of guaranteed remuneration. These may be further adjusted based on the individual performance score achieved, and STIs are capped at 150% of annual guaranteed remuneration.

Earning potential (as a percentage of annual guaranteed remuneration) for STI purposes	Below threshold performance %	Threshold performance %	On-target performance %	Stretch performance %	STI cap %
CEO	–	50	100	150	150
Executive directors	–	40	80	130	150

Remuneration Committee report continued

LONG-TERM INCENTIVES (LTI)

LTI schemes are aimed at aligning executive remuneration with shareholder interests by rewarding executives for the creation of shareholder value over the medium to longer term. The LTI schemes are reviewed regularly to ensure alignment with relevant legislation, other governing rules and standards, appropriate market benchmarks and best practice.

The Group operates four share-based LTI plans in terms of the 2012 share plan:

- Restricted share plan (not awarded to executive directors)
- Share appreciation rights plan (not awarded to executive directors)
- Performance share plan
- Performance appreciation rights plan

The following core principles apply to the Group's share-based plans:

- The maximum aggregate allocation in terms of all the plans is limited to 5% of the company's issued shares as at June 2012 (being the year when the plan was approved by shareholders at the company's AGM) over the life of the plans in terms of the policy, being 23 090 501 shares.
- Annual allocations are capped at 1.25% of issued shares as at June 2012 in any one year, but committee guidelines are to limit annual allocations to below 1% in any one year.
- The maximum aggregate allocation for any one employee across all plans is limited to 1% of issued shares as at June 2012 over the life of the plans in terms of the policy, being 4 618 100 shares.
- Annual awards are allocated based on the face value of the awards granted. The maximum annual allocations are limited to 150% of annual guaranteed remuneration for the CEO and 130% of annual guaranteed remuneration for other executive directors.
- The restricted share plan and share appreciation rights plan have no performance conditions and are utilised to support the reward of performing senior key employees. Executive directors do not participate in the restricted share plan or share appreciation rights plan.
- The performance share plan and performance appreciation rights plan have multiple performance targets and are utilised to support and reward good long-term decision making and both financial and non-financial performance. Threshold, target and stretch performance measures are applied to all long-term incentive targets.
- All annual awards made to executive directors are linked to performance conditions and have a vesting period of no less than three years. Performance against targets are measured at the end of year three.
- Awards can be made across all plans and can vest over a period of up to six years.
- Where awards lapse, there is no replacement compensation.
- No long-term incentive allocation is guaranteed.
- All unvested shares, as well as unexercised options and vested and unvested rights, are forfeited upon an employee's dismissal in terms of the scheme rules.
- All unvested shares and vested and unvested rights are forfeited upon an employee's resignation in terms of the plan rules.
- The malus and clawback policy is applicable to LTIs awarded to executives and senior managers and can be referred to, on page 52.
- The committee bi-annually approves the release of dividends to holders of both restricted and performance shares. Dividends paid on performance shares held, where performance against targets has not yet been assessed, are clawed back from participants should performance targets not be met and, therefore, 100% vesting not be achieved. At the date the dividend is declared, the executive accepts the dividend and can agree to simultaneously lend it on interest-free basis to the Group, until the performance measurement period has elapsed, at which time the Group pays back to the executive the amount of the loan due to them after appropriate deduction for non-achievement of performance targets. If the cash dividend is accepted at the payment date, the executive agrees that the shares be pledged to the Group, until the measurement period has elapsed, at which point the executive is required to make an appropriate repayment of the dividend for non-achievement of performance targets. In the event of termination of the executive's employment prior to the end of the performance measurement period, the dividend paid to the executive must be refunded in full.
- The committee regularly monitors the overall actual and forecast impact and costs of these plans on Group earnings.

In line with the Group's value of rewarding excellence as well as maintaining a long-term perspective on both the business and employees' careers, management aims to ensure participation by all high-performing employees at senior levels as well as those key to future succession or with scarce skills in the LTI plans.

LTI targets agreed for performance shares awarded in September 2024, with the target measurement date being the 2027 financial period, are set out in the following table. All financial targets are set and measured on an 'adjusted' basis to ensure they exclude the impact of significant accounting or other anomalies (such as accounting impairments and reversals) that could unduly benefit or penalise LTI participants.

2027 LTI targets (for awards made in September 2024)	**Weighting %**	**Threshold 50% vesting**	**On-target 100% vesting**	**Stretch 150% vesting**	**Published medium-term targets[@]**
Adjusted HEPS growth^ > inflation*	15	Inflation pa	Inflation + 1ppt pa	Inflation + 4ppts pa~	
Adjusted ROE	15	22.0	24.5	27.0	22.0 – 27.0
Cash realisation rate (three-year average)#	15	70.0	90.0	110.0	
ROIC > WACC	30	WACC + 2ppts pa	WACC + 3.5ppts pa	WACC + 5ppts pa	
Strategic targets	15	50%	100%	150%	
ESG targets#	10	50%	100%	150%	

@ Please refer to the Chief Financial Officer's report on page 65 for further information on the revised medium-term targets.
^ Adjusted HEPS growth refers to HEPS growth relative to the 2024 financial year HEPS (which excludes accounting impairments and reversals by definition), adjusted to exclude the impact of the consolidation of the Group's charitable trusts in that year.
* Inflation refers to the average of the South African consumer price index (CPI, as published by Statistics South Africa) and the UK harmonised index of consumer prices (HICP, as published by the UK Office for National Statistics), weighted based on Truworths' and Office's relative contribution to Group profit before finance costs and tax.
~ The stretch target for HEPS growth was increased further in the current period from inflation plus 2 ppts pa to inflation plus 4 ppts pa, following consultation with shareholders on the 2023 financial period Remuneration policy and Implementation report.
# After consultation with stakeholders, the committee introduced an important cash realisation metric and separated ESG targets from other strategic targets. The importance of the cash realisation metric relates to the Group's ability to collect trade receivables effectively and manage the Group's working capital needs.

Strategic targets, which include ESG targets, and their respective weightings for the LTI that vests in the 2027 financial period are as follows:

Strategic theme	**Description**	**Weighting (%)**
Human capital	• Build a diverse talent pool in the organisation to facilitate business objectives and senior level succession. • Develop training initiatives to upskill talent in critical skills areas. • Identify and develop top black talent and women for future succession. • Make measurable progress towards the achievement of our employment equity plan targets.	15
Supply chain	• Improve targeted fulfilment to stores through system and process developments in the DCs in SA and the UK. • Grow the contribution from in-house design (in SA and UK) and local manufacturing capability (in SA) to elevate the level of quick response and fast fashion.	15
Aspirational fashion	• Increase the volumes of foundation styles that underpin the ranges to grow sales and take advantage of the additional capability of the new Truworths DC. • Introduce new AI technology into the merchandise development, design and buying processes. • Materially expand the made-to-order (MTO) range within Office across Men's, Ladies' and Children's footwear and accessories.	20
Omni-channel	• Provide personalised and appropriate content, leveraging our analytics capability and AI models to raise the level of online sales in the Group, but especially in Truworths. • Focus on maximising profitability by optimising the fulfilment of orders to customers.	15
Customer relationship management	• Leverage customer and loyalty data by building new-generation world-class customer relationship management (CRM) capabilities to promote appropriate product and services in order to build brand loyalty and improve retention and recency.	15
Retail presence	• Expand our real estate footprint in strategic locations and where returns exceed our store viability criteria, with specific focus on the UK.	20
		100

Remuneration Committee report continued

ESG targets and their respective weightings for the LTI vestings in the 2027 financial period are as follows:

Strategic theme	Description	Weighting (%)
ESG	• Expand the number of measures for upstream and downstream carbon dioxide (CO_2) emitters to establish accountability for carbon usage. • Adopt the 3R principle across the Group (reduce, reuse, recycle). • Continue to improve our B-BBEE score in order to make progress in our Broad-Based Black Economic Empowerment credentials. • Maintain our 'Excellent' rating in the Ernst & Young Excellence in Integrated Reporting Awards.	10

For the 2024 financial period, no awards were made under the performance appreciation rights plan and, as such, no performance conditions were agreed for this plan. Similarly, no awards were made under the share appreciation rights plan to any employee.

MINIMUM SHAREHOLDING REQUIREMENT

A minimum shareholding requirement (MSR) was introduced from 1 July 2024 to ensure executive directors accumulate and retain a shareholding (outside and separate from shareholding through the Group's share schemes) in Truworths International, ensuring alignment with shareholder interests in the long term. The policy will apply to all executive directors, who will be required to hold shares equal in value to a specified percentage of their guaranteed annual remuneration as follows:

- CEO – 200% of annual guaranteed remuneration.
- Other executive directors – 150% of annual guaranteed remuneration.

The value refers to all shares held directly or indirectly via a company, trust or other entity directly linked to the executive in relation to either vested shares retained from LTIs previously awarded via the Group's share schemes or acquired by the executive directly in the market. The shareholding must be accumulated over a period of up to five years, either from the date of introduction of the policy or the appointment date of the executive, whichever is the later. After the five-year phase-in period, executives are expected to maintain the MSR for the duration of their employment.

The committee will assess holding levels annually, and reserves the right to determine remedial steps should the targeted MSR not be met at the target date. Remedial steps can include, but are not limited to, the mandatory deferral of forthcoming annual STIs for investment in company shares and subjecting the resultant shares to a holding period, as well as subjecting any future vesting share scheme shares to a holding period, until the MSR is achieved.

LEGACY SHARE SCHEME

The legacy long-term incentive scheme (1998 share option scheme) remains in operation but no further awards have been made in terms of this scheme since 2012, nor are there plans to make any. No shares are currently held in terms of the scheme, and the outstanding share options issued under this scheme are currently scheduled to expire in the 2025 financial period. Loans advanced by the Group for shares held in terms of this scheme were repaid in full during the reporting period and the shares held as security for such loans were released from their pledges. Potential gains relating to restricted instruments under the 1998 share option scheme, as well as the number of instruments issued in terms of this scheme, are taken into account in the allocation of shares under the 2012 share plan.

MALUS AND CLAWBACK

The malus and clawback policy is applicable to all variable remuneration awarded to executives and senior managers. The duration of malus provisions is aligned with the duration of the relevant incentive, up to the point of settlement. The duration of clawback provisions is limited to a period of two years from settlement, and remains in force if the executive concerned leaves the company prior to its expiry. Any variable remuneration (both STI and LTI) may be reduced or recovered in whole, or in part, after the occurrence of a trigger event.

The following constitute trigger events which will result in the malus or clawback provisions being applied:

- An intentional and material misstatement by the employee concerned of the financial results relating to the performance period or employment period in respect of an award, resulting in an adjustment in the audited accounts of a company in the Group.
- The assessment of any performance metric or condition in respect of an award which is based on a material error, or materially inaccurate information.
- The assessment of any performance metric or condition in respect of an award which is based on intentionally misleading information.
- Events or behaviour of the employee or events attributable to an employee which lead to the censure of a company in the Group, and as a direct result thereof cause material and ongoing reputational damage to a company in the Group.
- Reasonable evidence of employee action or conduct which amounts to dishonesty, fraud or gross misconduct.

EMPLOYMENT CONTRACTS

There are no contractual obligations at any employment level to pay special severance amounts or compensation on termination of employment contracts arising from failure or incapacity to perform, or from underperformance against contracted objectives.

There are no contractual obligations at any level of employment to allocate any short or long-term incentives, the only exception being the allocation of restricted shares, or performance shares in the case of an executive director, as consideration for agreeing to a restraint of trade, when employees join the Group.

No employment contract terms are affected by, or are linked in any way to, the automatic severing of such contracts as a result of a change in control of the Group. Furthermore, no payments of unvested short or long-term incentives are guaranteed on, or linked to, such a change in control, save that the rights of participants in the 2012 share plan must be accommodated by the board on a fair and reasonable basis on a change of control, and vesting of such rights will, unless the committee decides otherwise, be accelerated if such change of control leads to retrenchment within 24 months of the change in control. This policy will be reviewed in the 2025 financial period to include and clarify the treatment of STIs and LTIs in such instance of a change in control or termination of contract.

The executive directors' service agreements are subject to a six-month notice period.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors receive fixed fees for services rendered as directors and as members of board committees. All non-executive directors receive the same base board fees, regardless of their length of service. In line with best governance and remuneration practice, non-executive directors do not participate in incentive schemes and do not receive any benefits (other than the discounts applicable to employees in respect of purchases charged to store card accounts) or performance-related remuneration from the Group. None of the non-executive directors have service contracts with the Group and no consultancy fees were paid to non-executive directors during the period.

The fee structure of non-executive directors is reviewed annually by the committee with due consideration to internal, economic and market factors utilising benchmarks from similar businesses. In line with best practice and to avoid a conflict of interest, the peer group comparators utilised are the same as those utilised for executive director remuneration benchmarking (refer to page 49) and are aimed at paying directors at the median for comparative roles in the peer group. Recommendations for increases are researched and presented by executive management to the committee for consideration, and presented to the shareholders at the AGM for consideration and approval by way of special resolution. Fees are determined in advance for an ensuing calendar year, and are stated exclusive of VAT.

Remuneration Committee report continued

SECTION C

IMPLEMENTATION REPORT 2024

The Group applied the Remuneration policy as set out in Section B without any deviations for the 2024 reporting period, and no payments were made as a result of termination of office or employment.

GUARANTEED REMUNERATION ADJUSTMENTS

The annual remuneration increase applicable from 1 March 2024 onwards recommended by the committee for non-unionised employees ranged from 3.5% to 8.5% (dependent on seniority, performance and market rate positioning) for employees performing at the Group's minimum required standard or higher. The increase ranges and average increase applied to qualifying management and non-management employees were as follows:
- management range of 3.5% - 6.5%, with an average of 5.3%;
- non-management range of 3.5% - 7.0%, with an average of 5.5%; and
- bargaining unit range of 3.5% - 8.5%, with an average of 6.0%.

Historically, salary increases for South African Commercial, Catering and Allied Workers Union (SACCAWU) members in the bargaining unit (permanent employees, excluding managers and flexi-timers) were determined following a process of collective bargaining between the trade union and the principal South African operating subsidiary. Since SACCAWU failed to meet the required membership threshold in the bargaining unit, the normal company salary review process was extended to this group of employees.

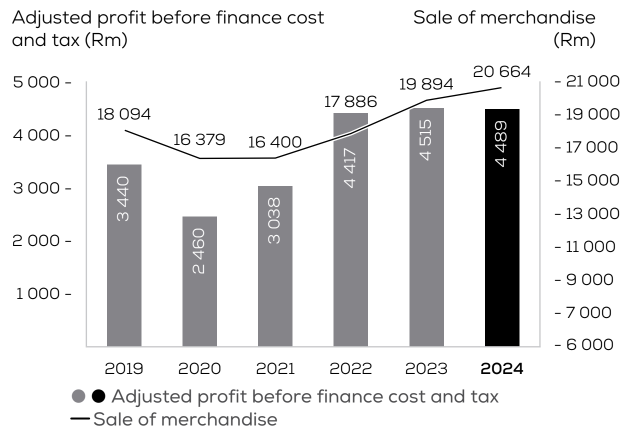
The annual guaranteed remuneration of the executive directors is determined by the committee, after reviewing benchmarks based on the Group's peer group of listed retail companies in South Africa. Guaranteed annual remuneration of executive directors for the reporting period was as follows:

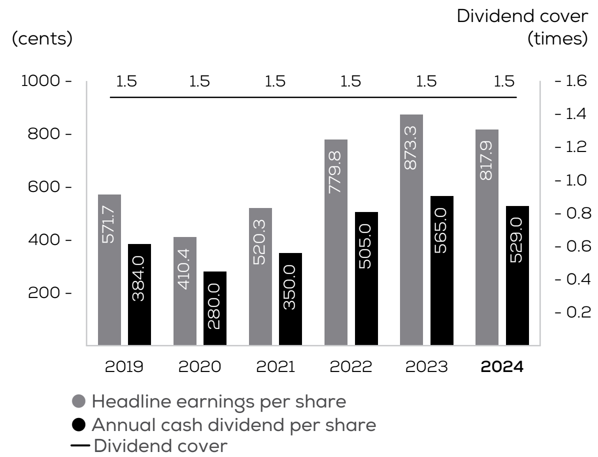
Executive directors' guaranteed remuneration	**2024 R'000**	2023 R'000	Change %
Michael Mark	**11 321**	10 860	4.2
Emanuel Cristaudo~	**5 758**	5 217	10.4
Sarah Proudfoot~	**5 758**	5 217	10.4

~ Emanuel Cristaudo and Sarah Proudfoot were appointed as Group Joint Deputy CEOs in October 2022 as part of the Group's succession planning. Their roles were benchmarked at the time of appointment and accordingly adjusted over a two-year period with a 12.8% increase awarded in the 2023 period and a 10.4% increase awarded in the 2024 period, in order to adjust their guaranteed remuneration to the appropriate benchmarked remuneration for this role in line with their increased responsibilities. Increases normalised to 5.75% effective from 1 March 2024.

PERFORMANCE AND IMPACT ON INCENTIVES

The Group's STI and LTI schemes have driven sustained financial performance in the long term, notwithstanding the macroeconomic and other challenges the Group had to contend with over the last five years. The graphs below show how since the 2019 financial period end the Group has grown the sale of merchandise and profit before finance costs and tax (on an adjusted basis), as well as headline earnings per share and annual dividends per share while maintaining a consistent dividend cover ratio.





* Adjusted profit before finance costs and tax excludes the impact of intangible asset impairments (2019 and 2020) and impairment reversals (2024), the settlement of the indirect tax matter (2023), as well as the impact of the consolidation of the Group's charitable trusts (2024).

BEST-IN-CLASS OPERATING AND PRODUCTIVITY METRICS

The Group sets medium-term targets for key operating and productivity metrics (refer to the Chief Financial Officer's report on page 65). Over time, the performance against these targets has improved and is currently the highest when compared to local and international benchmarks, except for the Group's asset turnover which is equal to both the local and global benchmarks. We believe this shows an outstanding commitment and contribution ethic in our Group.

		2024 *Pro forma*	Medium-term targets (published in FY23)	Local benchmark@	International benchmark^
Gross margin	(%)	**52.3**	49 – 53	43.7	51.6
Operating margin	(%)	**22.0**	18 – 23	12.8	11.9
Return on equity	(%)	**36**	31 – 36	18	20
Return on assets	(%)	**24**	22 – 27	15	12
Inventory turn	(times)	**4.3**	3.5 – 4.5	2.8	3.5
Asset turnover	(times)	**1.1**	0.9 – 1.3	1.1	1.1

@ The local benchmarks are based on the average ratios for comparable JSE-listed apparel retailers, being Mr Price Group (year ended 30 March 2024) and TFG (year ended 31 March 2024).
^ The global benchmarks are based on the average ratios for listed global fashion retailers (with a 70% weighting), being H&M (year ended 30 November 2023), Inditex (owner of the Zara fashion chain) (year ended 31 January 2024) and Lojas Renner (year ended 31 December 2023) and listed sportswear retailers (with a 30% weighting), being Frasers Group PLC (year ended 28 April 2024) and JD Sports Fashion PLC (year ended 3 February 2024).

2024 SHORT-TERM INCENTIVE OUTCOMES

As detailed in the Remuneration policy on page 49, the Group follows a formulaic approach which includes Group and individual scorecards. This combined approach mitigates against unjustified outcomes, while it ensures that, at the same time, employees are rewarded for the performance conditions which were met over the financial period.

The table below depicts the historical STI payments of all employees as a percentage of profit before tax (excluding accounting impairments):

		2024 52 weeks	2023 52 weeks	2022 52 weeks
Adjusted profit before tax (refer footnotes below)	(Rm)	**3 892***	4 058^	3 943#
Growth in adjusted profit before tax	(%)	**(4)**	1	34
STI paid	(Rm)	**84**	105	119
Executive directors achieved STI		**Yes**	Yes	Yes
STI paid as a percentage of adjusted profit before tax	(%)	**2.3**	2.6	3.0

* 2024 profit before tax (excluding accounting impairments and reversals), adjusted to exclude the impact of the consolidation of the Group's charitable trusts.
^ 2023 *pro forma* profit before tax (excluding accounting impairments), ie excluding the impact of the indirect tax matter, and compared to the corresponding 52-week prior period.
# 2022 *pro forma* 52-week results (weeks 1 - 52), ie the results for the 53-week period excluding the impact of the 53rd week.

Remuneration Committee report continued

The STI targets in respect of the 2024 reporting period, *viz* adjusted Group HEPS growth, adjusted ROA, adjusted ROE, gross margin and the successful implementation of strategic projects defined for the period, were determined by the committee at the start of the period. HEPS growth, ROA and ROE were adjusted to exclude the impact of accounting impairments, impairment reversals and the impact (gain) arising from the consolidation of the Group's charitable trusts for the first time in the 2024 financial period, and measures HEPS growth relative to the *pro forma* 52-week prior period.

The performance achieved and outcome against the 2024 STI targets were as follows:

2024 STI targets~	Weighting	Threshold 0%	Target 100%	Stretch 150%	**Achieved 2024**	Weighted outcome
		Inflation* pa	Inflation* + 1 ppt pa	Inflation* + 4 ppts pa	**784.8 cps**	
Adjusted HEPS growth^	15%	4.8%	5.8%	8.8%	**(4.1%)**	0.0%
Adjusted ROA	20%	23.5%	25.5%	27.5%	**25.3%**	18.4%
Adjusted ROE	20%	35.0%	37.0%	39.0%	**36.1%**	11.1%
Gross margin	15%	51.0%	52.5%	54.0%	**52.3%**	12.7%
Strategic targets (detail set out in the table that follows)	30%	50.0%	100.0%	150.0%	**106.3%**	31.9%
Total	**100%**					**74.1%**

~ The STI financial targets are reviewed annually, and if necessary, revised to account for changes in the Group's balance sheet and capital structure. Accordingly, the 2024 STI targets for ROA and ROE have been adjusted to account for the growing cash balance in Office, which the board has decided to retain for strategic purposes, as well as the normalisation of equity following the significant share buy-backs between January 2020 and June 2022.

^ Adjusted HEPS growth, which excludes accounting impairments and impairment reversals by definition, and the impact of the consolidation of the Group's charitable trusts in the current financial period was measured against 2023 *pro forma* HEPS, which excludes the impact of the indirect tax matter.

* Inflation refers to the average of the South African consumer price index (CPI, as published by Statistics South Africa) and the UK harmonised index of consumer prices (HICP, as published by the UK Office for National Statistics), weighted based on Truworths' and Office's relative contribution to Group profit before finance costs and tax.

The performance achieved and outcome against the 2024 STI strategic targets, which outcome is included in the overall STI outcome of 74.1% for the period as disclosed in the previous table, were as follows:

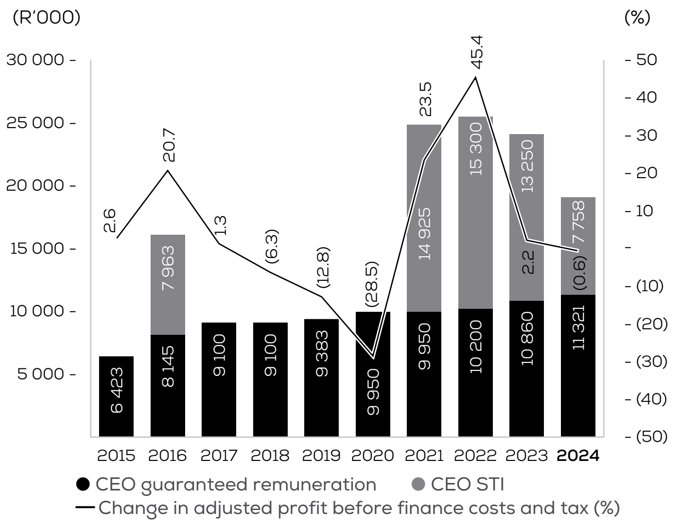
2024 STI targets		**Rating %**	**Weighting %**	**Weighted outcome %**
Modify the Business Philosophy to promote the inclusion of individuals from diverse backgrounds, to create a culture of teamwork across the business with a greater emphasis on being contribution focused, and to ensure continued development takes place to progress succession and the attainment of business goals.	Values modified to embrace the power of diverse and inclusive teams with an emphasis on individual and team contribution. Rollout to the business completed in both Truworths and Office. Performance measurement systems updated to accommodate these enhancements and our staff recognition programme, which is aimed at rewarding high achievers, was adapted and rolled out across the Group, including in Office for the first time. 13 038 staff members were trained across the Group during the financial period, compared to 12 588 in the previous reporting period.	125	25	31.3
Continue to look for opportunities to grow and enhance the retail business in both operating environments, including investing in our organisation for long term growth to ensure the attainment of our published financial targets.	**Truworths** • Significant progress made in growing and enhancing our internal design capability through the consolidation of the recently acquired Bonwit and Barrie Cline design centres and the implementation of world-class technology in this area, thereby creating a combined ladieswear division for local design and manufacture. This will assist with quick response of local product to meet demand. • Significant investment in our new distribution centre with completion of the 52 000m² building in December 2023 and the bulk of the materials handling equipment and technology installed by period-end, on plan and within budget. • Truworths Re-imagined store concept created and rolled out to several malls with an encouraging uplift in sales, as well as the development of new formats for Identity, Truworths Kids Emporium and Context. **Office** • Truworths' tried and tested retail methodologies implemented in Office with a meaningful increase in inventory turn and enhanced inventory management. • New store concept introduced and significant investment in new and refurbished stores in key locations over the financial period, with all new and renovated stores performing better than their viability projections. • DC in Kilmarnock was optimised to reduce cost and improve productivity. **Group** All published medium-term financial targets were met.	100	20	20.0
Evaluate external investment opportunities, guided by our Business Philosophy, and in line with our investment criteria.	Several acquisition opportunities were considered over the period, with active participation by the Group in a number of acquisition processes, both in South Africa and in the United Kingdom. Alignment with the Business Philosophy was carefully considered as was the dilution of resources that would be required to integrate these businesses, the funding required and the potential long-term strategic and synergistic benefits. The Group continues to seek opportunities in this regard.	100	15	15.0
Taking into account changes in the legislative landscape and the requirements of our stakeholders, ensure we continue to maintain the highest levels of governance in the Group.	• As a result of legislative changes during the financial period, Truworths is classified as an Accountable Institution in terms of the Financial Intelligence Centre (FIC) Act, and therefore had to ensure FICA compliance in accordance with the FIC Act by the end of the financial period. This was completed successfully. • The Group appointed a new external auditor pursuant to mandatory audit firm rotation, and received an unqualified audit for the 2024 period. • Stakeholder engagement required a number of changes to the Remuneration policy as outlined in this report. • The Group was ranked in the top 10 of the EY Excellence in Integrated Reporting Awards for the 17th consecutive year, the only company on the JSE to have achieved this accolade.	100	20	20.0
ESG	• Continued traction on alignment with UN SDGs as outlined in the Creating value through sustainability report on page 6. • Improvement in our B-BBEE score and level, from a level 5 to a level 4. • Adopted the JSE Sustainability Disclosure Guidance as outlined in the reporting frameworks and compliance section of the Introducing our 2024 Integrated Report on page 3. • Office ESG strategy developed and in-house ESG governance structures were implemented. Office strategy is now aligned with that of Truworths.	100	20	20.0
Total			**100**	**106.3**

Remuneration Committee report continued

As 2024 STI targets were achieved by the Group at above threshold level, a resultant incentive pool of R84 million was agreed, being 2.3% of adjusted profit before tax (2023: R105 million being 2.6% of adjusted profit before tax), and incentives were approved for payment to all qualifying employees. Executive directors' STIs were agreed as follows:

Executive director	On-target STI % of annual guaranteed remuneration	Overall achievement after Group and personal performance modifiers as % of guaranteed remuneration	**STI 2024 awarded R'000**	STI 2023 awarded R'000
Michael Mark	100	68.5	**7 758**	13 250
Emanuel Cristaudo	80	61.7	**3 552**	5 951
Sarah Proudfoot	80	61.7	**3 552**	5 951

The graph below shows over the last 10 financial periods the CEO's guaranteed annual remuneration and STI, and highlights the strong correlation between his STI and the annual change in the Group's adjusted profit before finance costs and tax. It is to be noted that the CEO did not receive any STI payments in the 2015, 2017, 2018, 2019 or 2020 financial periods.



LONG-TERM INCENTIVES WITH A PERFORMANCE PERIOD ENDED DURING THE 2024 FINANCIAL PERIOD

Group financial performance conditions and targets for LTI purposes are determined by the committee. Measuring performance over a longer period ensures a focus on longer-term sustainable growth in shareholder value.

Actual performance against targets was assessed for the performance period ended during the year under review and applied to performance shares allocated in September 2021 and resulted in a total vesting level of 131.5%, reflecting the Group's exemplary post-COVID-19 recovery through management's consistent focus on its Business Philosophy and strategy.

A key matter considered by the committee was whether this outcome against targets and the share price recovery represented windfall gains. In making this assessment, the committee considered various factors, including:

- The prevailing uncertain operating context at the time the targets were set in June 2021, taking into account the significantly impaired trading and financial position of Office and the marginal post-COVID recovery achieved in Truworths up to that point.
- The headwinds experienced by the Group since June 2021, in particular in South Africa, including civil unrest, floods, port congestion, international shipping disruption, severe levels of electricity load shedding and a generally poor and unconducive macro environment.
- The Group's compound annual TSR performance and compound HEPS growth since June 2021 relative to inflation, as a measure of shareholder wealth created over this period, and management's performance in a challenging macro environment. As the start of this three-year period was arguably a low base following the COVID-19 pandemic, the committee also considered the Group's five-year compound TSR and HEPS performance since June 2019.

	TSR (CAGR)	**HEPS growth (CAGR)**	**Inflation (pa)**	**TSR out-performance vs inflation (pa)**	**HEPS growth out-performance vs inflation (pa)**
Since June 2021	24.8%	15.7%	6.0%	18.8 ppts	9.7 ppts
Since June 2019	10.5%	7.1%	5.0%	5.5 ppts	2.1 ppts

The committee concluded that the LTI outcome was not a windfall on targets, but the result of the executive team's relentless efforts to implement strategies that would deliver significant shareholder value over time.

The following table depicts the historical vesting level of LTIs based on performance outcomes against LTI targets:

	2024	2023	2022	2021	2020	2019	2018
	September 2021 award	September 2020 and March 2021 awards	September 2019 and March 2020 awards	March 2018, September 2018 and March 2019/ June 2019 awards	August 2017 award	November 2016 award	March 2016 award
Vesting level of LTI	131.5%	137.3%	139.8%	90.0% 113.2% 114.9%	37.5%	0.0%	52.3%

Details of performance against targets and outcomes for awards made during the 2021 financial period, with a performance period at the end of the 2024 financial period as well as vesting achieved, are as follows:

2024 LTI targets September 2021 LTI award	Weighting	Threshold 50%	Target 100%	Stretch 150%	Achieved	Weighted outcome	Published medium-term Group targets at time of award
HEPS	20%	546.7	563.0	579.6	784.8	30.0%	
ROA	15%	20.0%	22.5%	25.0%	25.3%	22.5%	20% – 25%
ROE	15%	27.0%	29.5%	32.0%	36.1%	22.5%	27% – 32%
Gross margin	20%	51.0%	52.0%	53.0%	52.3%	22.7%	49% – 53%
Strategic targets (detail set out in the table that follows)	30%	50.0%	100.0%	150.0%	112.5%	33.8%	
Total	**100%**					**131.5%**	

Remuneration Committee report continued

In the case of HEPS, compound annual growth exceeded compound annual inflation by 9.6 percentage points per annum, over the performance period, and in the case of both ROA and ROE the achieved outcome exceeded the upper range of the medium-term targets published at the time of the award, with gross margin achieving close to the upper end of the medium-term target ranges disclosed.

Performance achieved against the 2024 LTI strategic targets for the above award was as follows:

Strategic target	Rating description	Rating %	Weighting %	Weighted result %
Ensure we have a comprehensive online capability in both operating environments that adequately caters for the needs of our digital consumers and has the ability to grow without constraint.	Enhancements made to the Truworths and Office websites with a comprehensive merchandise offering mirroring the store environment, and the YDE website was migrated to the Truworths platform, all with good results. Significant work has been done to grow sales through added functionality, targeted communication campaigns, from the use of advanced analytics and subsequent strategies, and through the growth of customers and services on the platform. The CAGR of online sales for Truworths was 39% over the three years. In Office the CAGR of online sales was 4% over the same period, coming off a high base during COVID where online sales contribution were at record-high levels. Over the past two years Office online sales CAGR was 17%.	125	10	12.5
Modernise the systems environment to facilitate business growth and future requirements and consider the implementation of shared platforms between Truworths and Office.	• Online operating platforms were upgraded to newer cloud-based versions which facilitate the scaling up, or down, of computer power as required. Good progress made on modernisation and shared platforms. Oracle HR implemented across the business along with other technologies such as shared financial systems, customer service solutions and e-commerce CRM. • In Truworths, the rollout of a new POS solution is on track and cloud-based solutions have been implemented in the credit risk and analytics division. A new wide-area network was installed with added reliability and speed. • Office commenced with the migration of their old technology merchandise management system, completed the enhancements for their DC and rolled out a new network.	125	10	12.5
Improve and upgrade our distribution capabilities with solutions that will facilitate growth over the next 10 years.	• Contract negotiations were concluded for the land purchase and construction of a new 52 000m^2 Truworths DC which will allow us to consolidate our existing four DCs, with the added benefit of increased replenishment lines across required merchandise categories. With a significant investment of around R1 billion, the building has been constructed on time and within budget and the materials handling equipment and technology fit out is nearing completion within project timelines. Testing will commence at the beginning of the new financial year, and the DC will be fully operational by end March 2025. • Office consolidated their two DCs, and enhancements were made to future proof the facility, bringing about cost savings which assisted in gross margin growth and improvements in productivity.	125	15	18.75
Improve our ability to respond quickly to changing market merchandise trends and to turn on (or off) rapidly based on performance and demand.	• Following the acquisition of Barrie Cline, the Group acquired a second Cape Town-based design centre, Bonwit, to establish a powerful local design capability working closely with the fashion studio and the Truworths buyers. A factory in Darling was also acquired and significant work was done, and financial and other resources applied, in securing strategic CMTs to ensure consistent supply of locally manufactured product. • New offshore supply routes were implemented, and additional partners and countries of origin were sourced to improve both the timelines and product categories for the delivery of imported goods. Buying processes were changed to take advantage of these opportunities.	100	20	20
Implement modern, best-of-breed merchandise solutions and systems for Office.	• Good progress has been made to change merchandise management processes and methodologies and to enhance systems capabilities to improve key metrics, some of which have already improved with consequential benefit to the business. • A large-scale project was initiated and is underway to replace the merchandise management ERP system, due for completion in the 2026 financial year.	100	10	10
Optimise our footprint in both operating territories with new concepts, in the most-in-demand locations and ensure performance exceeds hurdle rates.	• During the period under review, several new concepts were launched in Truworths, including the new Truworths Kids Emporium, the Identity Megastore, (including ID Kids), Context, and the Truworths Re-imagined store of the future. • Office closed most of its non-profitable stores during this period, renegotiated many store leases on favourable terms and rolled out an enhanced concept to new and refurbished Office and Offspring stores.	125	15	18.75
Expand market share in key categories.	• Truworths continued to address opportunities in areas they are under-represented and continued to enhance and grow the two new concepts, Fuel and Sync, in a controlled manner. • In Office, a number of additional brands were added to the brand offering, and several aligned merchandise categories were added.	100	20	20
Total			**100**	**112.5**

Remuneration Committee report continued

LONG-TERM INCENTIVES AWARDED DURING THE 2024 FINANCIAL PERIOD

During the 2023 financial period, the committee agreed, and recommended for approval by the board, the performance targets for the relevant share plans in relation to awards made during the 2024 financial period.

These targets were set, taking into account the macroeconomic environments in which the operating segments of the Group operate. They are aimed at rewarding management for achieving strategic imperatives aligned with the Business Philosophy and strategy that are: growing sales, containing the cost base, making well-reasoned and profitable capital expenditure decisions, maintaining a healthy and efficient balance sheet structure, and achieving the deliverables on the non-financial performance measures embodied in the strategic projects.

The performance measures and targets for these awards made to executive directors were disclosed in the policy section of the Remuneration report in the Integrated Report 2023.

Executive director share plan allocations during the 2024 financial period:

Executive director	2024 Number of shares and type '000	2024 Face value of shares allocated R'000	2024 Face value as % of annual guaranteed remuneration	2023 Number of shares and type '000	2023 Face value of shares allocated R'000	2023 Face value as % of annual guaranteed remuneration
*Performance share plan (PSPs) (with performance targets)**						
Michael Mark	203 PSPs	**14 988**	132	263 PSPs	15 300	141
Emanuel Cristaudo	81 PSPs	**6 010**	104	103 PSPs	5 980	115
Sarah Proudfoot	81 PSPs	**6 010**	104	104 PSPs	6 015	115

* The long-term incentive policy was amended in 2022 and therefore no non-performance restricted shares were awarded to any executive director during the reporting period.

Note 1: The awards have a vesting period of between three and five years.

Note 2: The vesting periods for executive directors' shares awarded in September 2023 are as follows:
- Michael Mark: three years, with 100% vesting in year three
- Emanuel Cristaudo: four years with 40% vesting in year three and 60% vesting in year four
- Sarah Proudfoot: five years with 30% each vesting in years three and four, and 40% vesting in year five

Note 3: The performance measurement takes place at the end of financial year three, being June 2026.

Note 4: No shares vest if performance falls below the 50% vesting target, while performance above the maximum 150% vesting target does not increase the vesting percentage above 150%.

Note 5: Face value of shares allocated (or face value of awards) means the Rand value awarded to a participant. The number of shares awarded is determined by dividing the face value of the awards by the volume-weighted average market price of the company's shares over the five-business day period preceding the date of the award.

Total share plan allocations to all participants (including executive directors) in the 2024 financial period:

Plan	Number of participants	Face value of awards R'000
Restricted share plan (with no performance targets)	350	67 441
Performance share plan (with performance targets)	40	52 495

Aggregate share instruments awarded to employees and executives, including the above share plan allocations in the 2024 financial period, (ie total share scheme utilisation), constitute 9 424 000 shares, being 2.04% (2023: 2.9%) of total issued shares at June 2012, which is below the plan's aggregate allocation of 5%. The annual allocation as detailed above is 0.35% of issued shares at June 2012 which is below the committee guideline of 1% in any one year (1.25% in terms of the policy).

The maximum aggregate allocation for any one participant is 0.48% (2023: 0.70%) of shares in issue at June 2012 (1.0% in terms of the policy).

MINIMUM SHAREHOLDING BY EXECUTIVE DIRECTORS

The committee approved the introduction of an MSR for executive directors, effective 1 July 2024 to ensure executive directors accumulate a minimum shareholding in Truworths International (excluding shares held pursuant to a Group share scheme), ensuring alignment with shareholder interests in the long term. The shareholding must be accumulated over a period of up to five years, either from the date of introduction of the policy or the appointment date of the executive, whichever is the later. The current shareholdings of the executive directors are set out in the table below:

Name	Position	Shareholding '000	Shareholding value* R'000	Ratio to annual guaranteed remuneration %
Michael Mark	CEO	1 161	108 298	957
Sarah Proudfoot	Joint Deputy CEO	146	13 619	237
Emanuel Cristaudo	Joint Deputy CEO/CFO	21	1 959	34^

* Determined with reference to the period-end share price.

^ Emanuel Cristaudo was appointed as executive director on 1 July 2021 and is in the process of accumulating shares in the company.

Remuneration Committee report continued

EXECUTIVE DIRECTORS' REMUNERATION

Please refer to the Group Audited Annual Financial Statements 2024 on the company's website for further details relating to executive directors' remuneration and share-based awards. The total annual guaranteed remuneration, benefits and short-term cash incentives in the single-figure remuneration table below have been extracted from note 29.1 of the Group Audited Annual Financial Statements 2024, while the values of qualifying dividends and long-term incentives have been calculated in terms of the requirements of King IV. All loans pursuant to the 1998 Share Scheme were settled during the period.

The fair value of long-term incentive awards is included in the single figure remuneration in the period when performance against targets is measured, notwithstanding that vesting of the award (and therefore the accrual of the benefit to the participant) occurs in future years.

The standard single-figure remuneration disclosure has been supplemented with a breakdown of remuneration received and remuneration receivable (representing the fair value of long-term incentives) to provide improved disclosure of long-term incentive awards. An important reason for the separation is that the vesting of long-term incentives take place over time (ie tranche vesting) as opposed to once-off 'cliff vesting' at the end of the performance measurement period. The committee is of the view that this aligns the participants with shareholder interests as they remain invested in the performance of the business after the performance measurement period. It is important to note that the fair value of long-term incentives is calculated with reference to the five-day volume-weighted average market price immediately preceding the end of the financial year, and therefore is not a reflection of the value that may be earned at the date of future vesting and could be subject to forfeiture in certain circumstances.

	Single-figure remuneration								Single-figure remuneration comprising:	
Director	**Months paid**	**Total annual guaranteed remuneration R'000**	**Benefits* R'000**	**Benefit of interest-free loans pursuant to 1998 share scheme R'000**	**Short-term cash incentive R'000**	**Long-term incentive^ R'000**	**Qualifying dividends# R'000**	**Total single-figure remuneration R'000**	**Single-figure remuneration – received (excluding LTIs) R'000**	**Single-figure remuneration – receivable (LTIs only) including vesting dates^ R'000**
2024										
Michael Mark	12	11 321	62	1 073	7 758	27 762	7 510	**55 486**	27 724	September 2024: 27 762
Emanuel Cristaudo	12	5 758	5	–	3 552	6 696	1 207	**17 218**	10 522	September 2024: 5 558 September 2025: 1 138
Sarah Proudfoot	12	5 758	20	159	3 552	12 084	3 269	**24 842**	12 758	September 2024: 3 625 September 2025: 3 625 September 2026: 4 834
2023										
Michael Mark	12	10 860	100	3 334	13 250	32 150	10 715	70 409	38 259	September 2023: 12 860 September 2024: 19 290
Emanuel Cristaudo	12	5 217	–	–	5 951	–	794	11 962	11 962	–
Sarah Proudfoot	12	5 217	59	175	5 951	13 176	2 466	27 044	13 868	September 2023: 3 953 September 2024: 3 953 September 2025: 5 270

* Benefits comprise subsistence allowances for local and overseas travel, long-service awards and fringe benefits on life insurance premiums paid.

\# Portion of the dividends received relate to performance shares which have not yet vested and for which performance has still to be measured against agreed targets. Security, in the form of a pledge of the shares in question, for the possibility that a portion of such dividends may have to be repaid if such targets are not achieved, has been provided by the directors to the company.

^ The long-term incentive value is calculated as the sum of:
- Performance share plan: for all awards where performance against the company performance targets (CPTs) was measured in the financial period, the five-day volume weighted average price (VWAP) of the company's shares at period-end multiplied by the CPT vesting percentage and the number of awards.

Remuneration Committee report continued

Total equity-based awards and cash flow

The table below shows the details of equity-based award movements and cash flows during the 2024 financial period. Details of the offer and vesting dates of the instruments are included in the Group Annual Financial Statements 2024.

Director	Award type	Opening balance 3 July 2023 '000	Granted '000	Lapsed/forfeited due to performance conditions not achieved or resignations '000	Additional shares awarded due to performance conditions achieved '000	Vested/ exercised/ sold '000	Closing balance 30 June 2024 '000	Cash flow on settlement R'000	Estimated closing fair value 30 June 2024 R'000
2024									
Michael Mark		**2 911**	**203**	**–**	**157**	**(2 230)**	**1 041**	**102 367***	**97 065**
	Options	450	–	–	–	(450)	–		–
	Shares	1 550	–	–	–	(1 550)	–		–
	Restricted shares with performance conditions	911	203	–	157	(230)	1 041		97 065
Emanuel Cristaudo		**186**	**81**	**–**	**–**	**(9)**	**258**	**701**	**24 035**
	Restricted shares without performance conditions	28	–	–	–	(9)	19		1 712
	Restricted shares with performance conditions	158	81	–	–	–	239		22 323
Sarah Proudfoot		**568**	**81**	**–**	**64**	**(243)**	**470**	**14 367**	**43 064**
	Options	13	–	–	–	–	13		420
	Shares	81	–	–	–	(81)	–		–
	Restricted shares with performance conditions	447	81	–	64	(135)	457		42 644
	Appreciation rights without performance conditions	15	–	–	–	(15)	–		–
	Appreciation rights with performance conditions	12	–	–	–	(12)	–		–

* Includes transactions relating to shares that were held in terms of the 1998 share scheme, awarded between 2 April 2008 and 19 February 2010, and were undertaken to settle the loan repayable and tax due by the CEO to enable him to retain the balance of such shares.

Director	Award type	Opening balance 4 July 2022 '000	Granted '000	Lapsed/forfeited due to performance conditions not achieved or resignations '000	Additional shares awarded due to performance conditions achieved '000	Vested/ exercised/ sold '000	Closing balance 2 July 2023 '000	Cash flow on settlement R'000	Estimated closing fair value 2 July 2023 R'000
2023									
Michael Mark		**2 755**	**263**	**–**	**–**	**(107)**	**2 911**	**10 715**	**101 405**
	Options	450	–	–	–	–	450		5 319
	Shares	1 550	–	–	–	–	1 550		44 476
	Restricted shares with performance conditions	755	263	–	–	(107)	911		51 610
Emanuel Cristaudo		**92**	**103**	**–**	**–**	**(9)**	**186**	**794**	**10 501**
	Restricted shares without performance conditions	37	–	–	–	(9)	28		1 558
	Restricted shares with performance conditions	55	103	–	–	–	158		8 943
Sarah Proudfoot		**525**	**104**	**–**	**29**	**(90)**	**568**	**2 466**	**27 652**
	Options	13	–	–	–	–	13		71
	Shares	81	–	–	–	–	81		25 290
	Restricted shares with performance conditions	404	104	–	29	(90)	447		2 291
	Appreciation rights without performance conditions	15	–	–	–	–	15		–
	Appreciation rights with performance conditions	12	–	–	–	–	12		–

Other than the executive and non-executive directors, the company does not have any prescribed officers as defined in the Companies Act (No. 71 of 2008, as amended) of South Africa.

Notes:
- The fair value of restricted shares and performance shares is based on the relevant year end company share price.
- The fair value of appreciation rights is based on the binomial actuarial option pricing model at the relevant year end.
- All options granted under the legacy 1998 share option scheme have vested. The fair value of such options is based on the difference between the year-end share price and the option strike price. All loans pursuant to the 1998 Share Scheme have been settled during the period.
- The cash flow on settlement includes share gains made during the period.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The total fees paid to non-executive directors in respect of the 2024 and 2023 financial periods are detailed below.

	Months Paid	Total remuneration (excluding VAT) 2024 R'000	2023 R'000
Hilton Saven	12	**2 009**	1 862
Hans Hawinkels	12	**870**	702
Rob Dow	12	**647**	610
Dawn Earp	12	**755**	583
Maya Makanjee*	6	**204**	510
Tshidi Mokgabudi	12	**628**	583
Thabo Mosololi	12	**605**	550
Daphne Motsepe~	12	**448**	–
Wayne Muller~	12	**598**	–
Roddy Sparks	12	**948**	898
Tony Taylor	12	**647**	610
Total		**8 359**	7 073

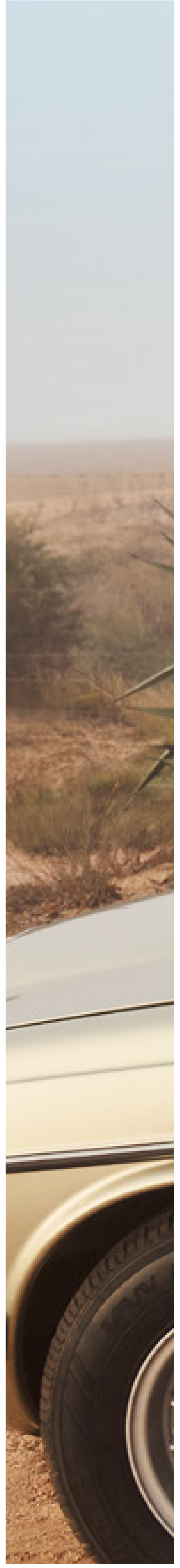
* Retired with effect from 9 November 2023.

~ Appointed with effect from 1 August 2023, but full fees paid due to timing of board and committee meetings.

The proposed fees for non-executive directors for the 2025 calendar year were benchmarked against fees payable by the peer group companies. As disclosed last year, this has been part of a process of aligning our non-executive directors' fees to our targeted median positioning against peer companies. Our fee adjustments for certain roles are therefore higher, however the resulting fees are not out of line with the peer group.

	Proposed fees (excluding VAT) for 12 months to December 2025 R'000	2024 fees R'000	change %
Non-executive Chairman	**1 675**	1 530	9.5
Lead Independent Director	**765**	700	9.3
Non-executive Director	**490**	460	6.5
Audit Committee Chairman	**415**	380	9.2
Audit Committee member	**205**	190	7.9
Remuneration Committee Chairman	**230**	210	9.5
Remuneration Committee member	**110**	103	6.8
Risk Committee member (non-executive only)	**140**	130	7.7
Nomination Committee Chairman*	**200**	200	–
Nomination Committee member	**105**	100	5.0
Social and Ethics Committee Chairman	**180**	165	9.1
Social and Ethics Committee member (non-executive only)	**100**	95	5.3

* No fee increase was proposed for the Nomination Committee Chairman as the prior year increase was phased in over a two-year period.



4.

Performance review

'We again achieved or exceeded our medium-term financial targets and sustained the gross profit on operating margins at world-class levels, far outperforming our local peers.'

In this section:

Retail trading environment

While consumer spending in the Group's major markets of South Africa (SA) and the United Kingdom (UK) remained under pressure over the past year, developments in recent months have been positive for the prospects of consumers in both markets and supportive of a turnaround in retail spending in the medium term.

General elections in SA in May and the UK in July both had defining outcomes which resulted in changing political landscapes. In SA, the establishment of the Government of National Unity (GNU) was positively received in the market.

High interest rates persisted in both markets. However, in August 2024 the Bank of England (BoE) lowered interest rates for the first time in over four years while the SA Reserve Bank (SARB) announced a 25 basis points reduction in interest rates in September.

SOUTH AFRICA: TRUWORTHS

The domestic trading environment was marked by sustained cost-of-living pressure and high borrowing costs which further eroded consumers' disposable income. The second half of the period was dominated by social and political uncertainty in the build up to the five-yearly national election. Supply chain challenges, with a shortage of containers and extended delays at the ports in South Africa, impacted merchandise deliveries into stores from November 2023 and extended through to the first quarter of 2024.

South Africa's energy crisis abated in the first half of the 2024 calendar year as electricity load shedding was reduced significantly before being suspended from late March onwards. The absence of load shedding is positive for consumer sentiment and shopping patterns, retail trading and the economic growth of the country.

The inflation rate eased to 5.1% for June 2024 (June 2023: 5.4%). Food inflation slowed to its lowest level of 4.6% since the peak of the COVID-19 lockdown in 2020, while transport inflation decelerated due to slower increases in fuel prices. However, regulated electricity price increases are one of the main drivers of cost-of-living pressure for South Africans, with no respite in electricity costs expected in the short to medium term.

Despite inflation moderating and being maintained within the SARB's 3% to 6% target range for the past 12 months, the repo interest rate remained unchanged at a 15-year high of 8.25% throughout the financial period. Encouragingly, the monetary policy committee reduced the interest rate at its September meeting.

The pressure of interest rates being held higher for longer than expected, together with sustained cost-of-living increases, impacted consumers' ability to service debt. The TransUnion SA Consumer Credit Index, which measures the credit health of South African consumers, was 47 for the first quarter and 46 for the second quarter of calendar year 2024. While this indicates that the credit environment has deteriorated (below 50 is defined as deterioration), the pace of decline has slowed down from June 2023 when the index reached an all-time low of 39 points.

The labour market remains under extreme pressure in the country's low-growth environment. Unemployment measured 33.5% for the second quarter of 2024 (Q2 2023: 32.6%), with 8.4 million South Africans unemployed. Youth unemployment, which measures jobless South Africans aged 24 and younger, is at 60.8%. The prospects for sustainable job creation in the short to medium term are limited given the subdued economic growth in the country.

The improving outlook as seen by South Africans is reflected in the FNB/BER Consumer Confidence Index (CCI) improving to -12 points in the second quarter of 2024 from -25 points a year earlier. While confidence levels remain negative, this is the strongest CCI level reported in 18 months, with the improving sentiment driven mainly by middle- and low-income households. The CCI for the second quarter of 2024 was measured after the general election, but ahead of the formation of the new coalition government which has provided greater certainty in the country.

Consumer disposable income is expected to remain constrained in the short term, although interest rates are predicted to reduce further in the second half of the 2024 calendar year and into 2025 as inflation moderates. Increasingly buoyant sentiment, improved electricity supply and the introduction of the two-pot retirement system in September 2024, which allows for limited early retirement savings withdrawals, are all catalysts to stimulate retail spending.

The stable social and political environment that followed the national election and formation of the GNU has reduced the country's political risk, supported the strengthening of the Rand and created a solid foundation for reform which is forecast to translate into higher economic growth.

UNITED KINGDOM: OFFICE

Retail sales in the UK remained constrained due to pressure on household income, with sales falling in seven months of the past year and ending 0.2% lower year-on-year.

Tight monetary policy, together with slowing food and energy price increases, contributed to the inflation rate declining from 7.9% in June 2023 to achieve the BoE's 2% inflation target in May 2024.

After the end of the reporting period, the BoE reduced interest rates from the 16-year peak of 5.25% to 5.0%, the first interest rate relief since the onset of the COVID-19 pandemic in March 2020.

The GfK Consumer Confidence Indicator strengthened to -14 points in June 2024, the highest level since 2021, reflecting the renewed optimism in the UK's growth prospects. Confidence levels have recovered from -24 points in June 2023 and from the record low of -49 points in September 2022.

Economic growth forecasts for the UK have been raised for 2024 and 2025, with the retail sector expected to experience tailwinds from improving sentiment, wage increases again outpacing inflation, the prospect of further interest rate relief and the sustained low inflation environment.

The key factors expected to influence the retail trading environment in South Africa and the United Kingdom in the 2025 financial period are featured in the Review of 2024 and Outlook for 2025 on page 2 and in the Chief Executive Officer's report on page 62.

Chief Executive Officer's report

Focusing on the delivery of our Business Philosophy

Our Business Philosophy has enabled management to successfully navigate a highly challenging and volatile macro environment, backed by the Group's robust balance sheet, strong performance from Office in the UK, and a strategic focus on preserving gross profit margins and containing costs. We have consistently met or exceeded our six medium-term financial targets, maintaining world-class levels of gross profit and operating margins, significantly outperforming our local peers.

GROUP RETAIL SALES
increased by 3.6% to

R21.4 billion

(2023: R20.6 billion)

In South Africa, several external factors adversely affected retail trading conditions, especially in the latter half of the reporting period. A major issue was the pressure on disposable income, which reduced discretionary spending, compounded by persistently low consumer confidence.

Global shipping disruptions and congestion at South African ports impacted inventory levels and the merchandise mix. Consequently, sales from November 2023 through the peak trading period and into the winter 2024 season were negatively affected.

Truworths experienced a weaker second-half performance due to the late onset of winter in South Africa, with unseasonably warm weather persisting into late May. This reduced demand for winter merchandise, impacting retail sales and resulting in a shorter season with more end-of-season promotional activity and markdowns to optimise stock levels. Retail sales for the reporting period in Truworths decreased by 3.2% to R14.5 billion.

In the UK, trading conditions remained under pressure due to the decline in real disposable income since 2021, high interest rates, and modest economic growth. However, despite these challenges, Office's branded fashion footwear business proved resilient, with sales increasing by 10.8% to £290 million. This growth is particularly noteworthy given that the UK retail sector sales declined by 0.2% year-on-year.

Office contributed 32.0% of the Group's retail sales and showed sustained improvement in its gross, trading, and operating margins. Profit before tax increased by 24%, and Office ended the financial period debt-free with cash (including money market fund investments) of £79.3 million.

Overall, Group retail sales increased by 3.6% to R21.4 billion. The Group's gross profit margin decreased slightly from 52.5% to 52.3%, remaining well within management's target range of 49% to 53%. The gross margin in Truworths contracted by 50 basis points to 54.9%, while the Office margin expanded by 180 basis points to 47.0%.

ASPIRATIONAL FASHION

Over the past year, we have made significant strides in reinforcing the unique DNA of each of our brands. This effort has improved lifestyle differentiation and identified opportunities to further elevate our products, thereby strengthening the appeal of our brand portfolio.

Our merchandise team has been focused on driving sales growth to increase market share in strategic product categories. We have seen gains in several key opportunity categories.

Our merchandise and operations teams have focused on growing the most recently developed brands, Fuel and Sync. Both brands have expanded their store presence and extended their product offerings to include shoes, bags, and accessories.

Office's unique market positioning and continued focus on the fashion-savvy 'London girl' make it a sought-after retail partner for top fashion footwear and sneaker brands globally. Strengthened relationships with key brand partners have ensured better access to on-trend, top-tier products, attracting larger stock allocations and broader ranges. Over the past year, we introduced several new branded partners into Office and Offspring.

Office's own label made-to-order (MTO) footwear is a strategically important area for future growth. We aim to grow its contribution and margin by continually improving product quality and sourcing, ensuring Office maintains its status as a style leader in high-street footwear fashion.

Customer demand for online shopping has continued to grow in Truworths and Office, with e-commerce now accounting for 18% of Group retail sales, up from 9% five years ago.

E-commerce sales in Truworths grew by 34%, now accounting for 5% of its retail sales. Office's online sales grew by 14% and now represent 46% of the footwear chain's retail sales, up from 24% when the business was acquired by the Group in 2015.

SUPPLY CHAIN

Our supply chain faced significant challenges due to the international shipping crisis, which caused global container shortages, extended shipping times, and increased freight rates. The local manufacturing sector was also affected because of its reliance on imported fabric.

These issues were exacerbated by disruptions at local ports due to infrastructure failures and productivity challenges, leading to delays in berthing and unloading container vessels. To mitigate these delays, we have established alternative shipping routes to market and implemented various measures to reduce this risk to our business.

Chief Executive Officer's report continued

Over the past year, we have continued to invest in our distribution facilities, design capabilities, and the sustainability of the local manufacturing sector.

The new Truworths distribution centre (DC) near Cape Town International Airport has been completed and will be commissioned in phases from November 2024 to March 2025. This facility will enable greater volumes of replenishment merchandise to stores. The current four warehouses will be consolidated into this 52 000m² facility, which is expected to support business growth for at least the next 10 years.

The facility will be completed at a final cost of around R1.05 billion, with capital expenditure to date of approximately R750 million and R291 million committed for the 2025 financial period. The Group has utilised R268 million of the green loan facility, concluded in December 2022, to fund the land and building construction costs.

Shortly after the end of the reporting period, the new DC was awarded EDGE (Excellence in Design for Greater Efficiencies) Advanced green building certification. This certification, managed by the Green Building Council of South Africa in partnership with the International Finance Corporation, aims to increase energy, water, and materials efficiency.

In Office, we have continued to re-engineer and upgrade the central warehouse facility in Kilmarnock, Scotland, to increase capacity, enhance productivity, and improve efficiencies. The lease on the warehouse has been extended by 10 years.

The restructuring of the Barrie Cline and Bonwit design centres and their integration into the Truworths Africa Design Division have been successfully completed. This has created a single ladieswear design and manufacturing capability for local production, improving our ability to respond quickly to consumer demands and changing market trends through increased local production and fast fashion capabilities.

RETAIL PRESENCE

Our store portfolio, showcasing our market-leading brands, expanded with the opening of a net 12 new stores. By period-end, the Group's retail footprint comprised 888 stores (Truworths 802 and Office 86).

We launched our latest store concept, Truworths Emporium Re-imagined, at the V&A Waterfront in Cape Town early in the financial period. This was followed by openings in three additional high-profile shopping malls. The new concept has been well received, with these stores experiencing an encouraging uplift in sales post-conversion. We plan to open five more large-format Emporium Re-imagined stores in the 2025 financial period.

The presence of our most recently launched brands in the Truworths segment continued to grow. Fuel has expanded to 52 stores (including seven stand-alone stores); Sync added seven new stores, bringing its total to 26 stand-alone stores, and Context has grown to 18 stores (including one stand-alone store).

Office continued to reinvest in modernising and expanding its store estate, increasing trading space by 11.4%, compared to a 12.6% reduction in the prior period. Office opened eight new stores, including a flagship stand-alone store for our specialist sneaker brand Offspring in King's Cross, London. Strategically located stores in Oxford Street (London), Stratford, and Dublin were modernised and expanded.

The accessibility of the Office brand is a key attraction for customers and brand partners, with a blend of online and in-store shopping resulting in a current retail sales mix of 54% in-store and 46% online.

Group trading space is projected to increase by approximately 2% for the 2025 financial period, with a 1% increase in Truworths and an 11% increase in Office.

ACCOUNT MANAGEMENT

Truworths experienced a strong demand for its premium-quality, aspirational fashion merchandise, resulting in 5.3 million account applications during the reporting period. A record 900 000 new accounts were opened, with 44% of applicants being young South Africans under 30. Only 17% of applications resulted in opened accounts as a result of our strict credit-granting and risk management criteria.

Active accounts grew by 2.5% to 2.9 million.

However, increased living costs and high interest rates negatively impacted credit sales, which decreased by 2.5%, and consumers' ability to service debt.

The TransUnion SA Consumer Credit Index, which measures the credit health of South African consumers, was below the neutral level of 50, at 47 in Q1 and 46 in Q2 of 2024. Despite the ongoing deterioration in the credit environment, the decline has slowed since June 2023, when the index hit an all-time low of 39.

Active account holders able to make purchases stood at 79% (down from 80% in 2023), and overdue balances to active gross trade receivables were at 17% (up from 16% in 2023). The expected credit loss allowance on the active trade receivables portfolio decreased slightly from 20.6% in 2023 to 20.3%.

Truworths ' account portfolio is well-positioned for growth. Lower interest rates are expected to support credit demand and affordability, helping with a recovery in account sales growth.

RETURNS AND PRODUCTIVITY

For many years, the Group has aligned its financial strategy with its Business Philosophy. A key aspect of this philosophy is our Vision for Shareholders (refer to page 9), which asserts that by fulfilling our Business Philosophy's Purpose statement, shareholders will prefer to remain long-term investors, trusting in our ability to deliver significant value over time. Key performance measures include total shareholder returns (TSR) and return on invested capital (ROIC).

Our business model has consistently generated strong cash flow, comparatively higher margins, and a focus on cost containment.

The success of this strategy is evident in our five- and 10-year reviews (refer to page 64), showing that shareholders have enjoyed inflation-beating long-term compound annual total shareholder returns (TSR) and an average ROIC exceeding the weighted average cost of capital (WACC) over time.

The table below highlights the Group's long-term capital productivity, showing TSR and ROIC results over a 15-year period:

		2024	2023	2022	2021	2020
Total shareholder return (15-year CAGR)	(%)	**10**	11	7	11	11
ROIC:WACC	(times)	**1.7**	2.0	2.5	2.0	1.0

This long-term focus positions the Group well for continued growth and value creation for shareholders.

OUTLOOK **FOR 2025**

Recent political and economic developments have positively influenced the prospects for South African consumers, supporting a medium-term improvement in retail spending.

While consumer disposable income is expected to remain constrained in the short term, retail spending is anticipated to be bolstered by lower interest rates, moderating inflationary pressures, lower fuel prices, savings withdrawals from the two-pot retirement system, and higher forecast GDP growth.

Our account portfolio has seen growth in the number of shoppable accounts and stabilising delinquency levels, which should positively impact sales. This is supported by new and remodelled stores, updated store formats like our flagship Truworths Emporium Re-imagined concept, and the refinement of retail brands launched in recent years. We continue to invest in our omni-channel customer experience and the new distribution centre, expected to be fully operational by March 2025.

We remain focused on the appeal of Truworths' aspirational fashion ranges and the account offering to our approximately three million active account customers, with ongoing investment in our local design division.

In the UK, steadily declining inflation over the past year, potential further interest rate relief, and improving consumer confidence are expected to benefit consumer spending in the coming year.

Office will continue to leverage its strong relationships with the world's leading footwear brands, its loyal customer base across the Office and Offspring brands, and ongoing investment in digital marketing.

Growth in the year ahead will be driven by a strong online presence and the expansion of the Office store portfolio through new store openings and the remodelling and extension of existing stores in strategic retail locations.

APPRECIATION

Thank you to our Chairman, Hilton Saven, for his decisive leadership of the board, and to our non-executive directors for their invaluable guidance and counsel. My gratitude also goes to our Joint Deputy CEOs, Sarah Proudfoot and Mannie Cristaudo, for their unwavering support in leading the Group, alongside the executive teams at Truworths and Office.

Our 12 000 employees across the Group embody our Values daily, and I thank them for their dedication and commitment.

A special thank you to our loyal customers who support us both in-store and online. We look forward to continuing to exceed your expectations for quality fashion apparel and footwear in the year ahead.

Michael Mark
Chief Executive Officer

Five-year review of financial performance

Period		2024 Reported	2024 *Pro forma*®	2023 Reported	2023 *Pro forma*^	2022 Reported	2022 *Pro forma**	2021 Reported	2020 Reported	2020 *Pro forma*–
Number of weeks		**52**	**52**	52	52	53	52	52	52	52
Share performance										
Total shareholder return (15-year CAGR)	(%)	**10**		11		7		11	11	
Basic earnings/(loss) per share	(cents)	**1 046.9**	**830.3**	888.5	813.1	794.1	765.5	480.2	(133.0)	340.3
Headline earnings per share	(cents)	**817.9**	**805.8**	873.3	797.9	779.8	751.2	520.3	410.4	410.4
Diluted headline earnings per share	(cents)	**805.8**	**793.8**	861.4	787.0	770.8	742.5	516.7	409.0	409.0
Cash flow per share	(cents)	**1 240.0**		955.5		923.5		947.3	1 080.4	
Cash equivalent earnings per share	(cents)	**1 255.3**		1 286.2		1 154.6		882.8	795.0	
Net asset value per share	(cents)	**2 553**		2 073		1 658		1 562	1 450	
Annual cash dividend per share	(cents)	**529**		565		505		350	280	
Dividend cover	(times)	**1.5**		1.5		1.5		1.5	1.5	
Number of shares in issue	(000's)	**408 499**	**408 499**	408 499	408 499	409 456	409 456	438 407	442 964	442 964
Number of shares in issue (net of treasury shares)	(000's)	**372 251**	**372 251**	369 303	369 303	368 334	368 334	396 380	414 427	414 427
Weighted average number of shares	(000's)	**371 330**	**371 330**	368 581	368 581	384 219	384 219	406 267	418 121	418 121
Cumulative value of shares repurchased#	(Rm)	**6 448**		6 448		6 420		4 831	4 063	
Cumulative number of shares repurchased#	(000's)	**163 463**		163 463		162 907		133 555	114 299	
Closing share price	(cents per share)	**9 328**		5 660		4 886		5 616	3 428	
Returns and margin performance										
Gross margin	(%)	**52.3**	**52.3**	52.5	52.5	53.5	53.5	51.0	50.8	50.8
Trading margin	(%)	**20.4**	**15.1**	18.2	16.4	20.2	19.7	13.8	(7.8)	7.9
Operating margin	(%)	**27.3**	**22.0**	24.0	22.2	24.7	24.3	18.5	(0.7)	15.0
Return on equity	(%)	**45**	**36**	48	44	50	48	32	(8)	14
Return on assets	(%)	**30**	**24**	30	27	33	32	24	(1)	13
Inventory turn	(times)	**4.3**	**4.3**	4.2	4.2	4.6	4.5	4.6	4.0	4.0
Asset turnover	(times)	**1.1**	**1.1**	1.2	1.2	1.3	1.3	1.3	1.1	0.9
Net (debt)/cash to equity	(%)	**(3)**		(11)		(9)		9	1	
Net (debt)/cash to EBITDA	(times)	**–**		(0.1)		(0.1)		0.1	–	
Return on invested capital (ROIC)	(%)	**25**		28		35		24	(1)	11
Weighted average cost of capital (WACC)	(%)	**15**		14		14		12	11	
ROIC divided by WACC	(times)	**1.7**		2.0		2.5		2.0	(0.1)	
Cash realisation rate	(%)	**99**		74		80		107	136	

Period		2024 Reported	2024 *Pro forma*®	2023 Reported	2023 *Pro forma*^	2022 Reported	2022 *Pro forma**	2021 Reported	2020 Reported	2020 *Pro forma*–
Number of weeks		**52**	**52**	52	52	53	52	52	52	52
Statements of comprehensive income										
Sale of merchandise	(Rm)	**20 664**	**20 664**	19 894	19 894	17 886	17 584	16 400	16 379	16 379
Trading expenses	(Rm)	**(8 168)**	**(8 218)**	(7 772)	(7 772)	(6 607)	(6 598)	(6 454)	(10 027)	(7 457)
Trading profit/(loss)	(Rm)	**4 218**	**3 129**	3 616	3 258	3 618	3 468	2 269	(1 274)	1 296
Profit/(loss) before finance costs and tax	(Rm)	**5 631**	**4 542**	4 775	4 411	4 417	4 267	3 038	(110)	2 460
Profit/(loss) before tax	(Rm)	**5 155**	**4 066**	4 397	4 033	4 182	4 032	2 746	(463)	2 107
Headline earnings	(Rm)	**3 037**	**2 992**	3 219	2 941	2 996	2 886	2 114	1 716	1 716
Statements of financial position										
Non-current assets	(Rm)	**8 553**		6 716		5 520		5 305	5 856	
Cash and cash equivalents and money market fund investments	(Rm)	**2 269**		1 462		1 068		1 077	2 150	
Trade and other receivables	(Rm)	**5 419**		5 546		4 908		4 327	4 091	
Inventories	(Rm)	**2 312**		2 244		1 819		1 755	2 010	
Other current assets	(Rm)	**99**		165		176		57	174	
Total assets	(Rm)	**18 652**		16 133		13 491		12 521	14 281	
Total equity	(Rm)	**9 506**		7 654		6 106		6 191	6 008	
Non-current liabilities	(Rm)	**3 794**		3 237		2 628		2 195	2 698	
Current liabilities	(Rm)	**5 352**		5 242		4 757		4 135	5 575	
Total equity and liabilities	(Rm)	**18 652**		16 133		13 491		12 521	14 281	
Statements of cash flows										
Cash inflow from operations	(Rm)	**4 604**		3 522		3 548		3 849	4 517	
Capital expenditure	(Rm)	**770**		717		340		320	435	

Notes:

® The '2024 *Pro forma*' has been calculated by excluding the impact of the Office UK trademark impairment reversal of R1 019 million, Office UK insurance recoveries received of R20 million, consolidation of the Group's charitable trusts resulting in a reduction in other operating costs to the value of R123 million and net foreign exchange losses of R73 million.

^ The '2023 *Pro forma*' has been calculated by deducting the settlement of a long-standing indirect tax matter with the South African Revenue Service (SARS), resulting in previous adverse assessments that had been issued in the 2022 financial period being reduced by R109 million (including the reversal of interest charged of R37 million), the release of accruals that had been accumulated since the 2008 financial period in respect of this matter amounting to R145 million, and the recognition of interest of R6 million on the overpayment of tax, insurance recoveries received of R85 million as a result of losses and damages arising from the civil unrest in South Africa during July 2021, net foreign exchange gains of R19 million, and its impact on trading profit, profit before finance costs and profit before tax, the resultant tax impact and profit for the period.

* The '2022 *Pro forma*' has been calculated by deducting first week adjustments which relate to sale of merchandise, the related cost of sales (calculated with reference to the gross profit margin for the 53-week period ended 3 July 2022), weekly payroll expense, concession rent, and tax expense (calculated with reference to the actual tax rate for the 53-week period ended 3 July 2022) for the one-week period from 28 June 2021 to 4 July 2021, together with the resultant gross profit, trading profit, profit before finance costs and tax, profit before tax and profit for the said one-week period.

– Excluding the impact of goodwill and intangible asset impairments.

Pursuant to the general buy-back programme as well as for share scheme purposes, and includes shares previously repurchased and cancelled: R1 million (cost of R28 million) in 2023, 29 million (cost of R1.6 billion) in 2022, R5 million (cost of R222 million) in 2021, R44 million (cost of R1.9 billion) in 2014, R36 million (cost of R275 million) in 2007 and R7 million (cost of R200 million) in 2006.

The full 10-year review and definitions are available on the website at **www.truworths.co.za/reports**.

The Summarised Group Annual Financial Statements appear on pages 72 and 73.

Chief Financial Officer's report

Focusing on the financial sustainability of the business

In constrained retail trading conditions, the Group's businesses in South Africa and the United Kingdom experienced differing fortunes in the 52 weeks to 30 June 2024.

NET DEBT

reduced by

R544 million

Truworths was impacted by the ongoing weak consumer spending environment, high interest rates, a late winter as well as significant local and international supply chain headwinds. Office delivered a resilient performance and sustained its recent growth momentum despite the pressure on household spending in the UK.

In this environment, the Group continued to generate robust cash flows and further strengthened its financial position. This is reflected in the 23.2% increase in the net asset value per share to 2 553 cents (2023: 2 073 cents). Cash generated from operations increased by R885 million or 23.2% to R4.7 billion. The Group returned R2.2 billion to shareholders in dividends while R770 million was applied to capital investment.

Net debt was reduced by R544 million to R306 million, with the net debt to equity ratio at 3.2% relative to 11.1% in the prior period.

Headline earnings per share (HEPS) decreased by 6.3% to 818 cents (2023: 873 cents), with diluted HEPS declining by 6.5% to 806 cents (2023: 861 cents). On a *pro forma* basis, HEPS increased by 1.0% with diluted HEPS increasing by 0.9%.

The annual cash dividend decreased by 6.4% to 529 cents per share (2023: 565 cents per share), comprising an interim dividend of 332 cents and final dividend of 197 cents, with the dividend cover being maintained at 1.5 times.

The Group again achieved all six of its board-approved financial targets.

GROUP FINANCIAL AND OPERATING TARGETS

Financial targets are published to provide guidance to shareholders on the Group's financial performance objectives. Targets and performance are benchmarked against JSE-listed apparel retailers and leading global fashion retailers. The targets are reviewed annually by the board, based on actual performance and the medium-term outlook.

		***Pro forma* 2024**	**Medium-term targets#**	Target achieved or exceeded	Local benchmark@	Global benchmark^
Gross margin	(%)	**52.3**	**49 – 53**	✓	43.7	51.6
Operating margin	(%)	**22.0**	**18 – 23**	✓	12.8	11.9
Return on equity	(%)	**36**	**31 – 36**	✓	18	20
Return on assets	(%)	**24**	**22 – 27**	✓	15	12
Inventory turn	(times)	**4.3**	**3.5 – 4.5**	✓	2.8	3.5
Asset turnover	(times)	**1.1**	**0.9 – 1.3**	✓	1.1	1.1

Medium-term targets as published in the Group's 2023 Integrated Report.

@ The local benchmark is based on the average ratios for comparable JSE-listed apparel retailers, being Mr Price Group (year ended 30 March 2024) and TFG (year ended 31 March 2024).

^ The global benchmark is based on the average ratios for listed global fashion retailers (with a 70% weighting), being H&M (year ended 30 November 2023), Inditex (owner of the Zara fashion chain) (year ended 31 January 2024) and Lojas Renner (year ended 31 December 2023) and listed sportswear retailers (with a 30% weighting), being Frasers Group PLC (year ended 28 April 2024) and JD Sports Fashion PLC (year ended 3 February 2024).

This performance highlights how the consistent application of the Business Philosophy has enabled the Group to continue to deliver some of the highest returns of fashion retailers in the world, thereby delivering on the Group's Vision for shareholders. The revised medium-term financial targets are set out on page 71.

Chief Financial Officer's report continued

OUR RESPONSE TO ISSUES IMPACTING FINANCIAL PERFORMANCE

SUSTAINED PRESSURE ON CONSUMER SPENDING IN SOUTH AFRICA

Consumer disposable income continued to be eroded by sustained pressure from electricity, food and cost-of-living increases while borrowing costs were maintained at elevated levels for longer than expected.

TRUWORTHS' RESPONSE

- Focused on elevating and differentiating product ranges across all brands to offer an even more appealing and enticing proposition to customers.
- Identified opportunities to grow market share in categories where Truworths is under-represented.
- Continued to enhance online functionality to drive e-commerce sales.
- Introduced new store formats and concepts to drive sales growth, in particular the new Truworths Emporium Re-imagined store concept.
- Refined, retail concepts launched in recent years and introduced product range extensions in new brands.
- Grew the active account base as well as the loyalty programme membership base.
- Improved the predictive power of credit scorecards to improve decision making.
- Maintained focus on cost containment to mitigate the impact of constrained consumer spending.
- Negotiated store rentals on acceptable terms, with rental reversions where possible.

GLOBAL AND LOCAL SHIPPING CHALLENGES IMPACTING SUPPLY CHAINS

Global shipping challenges resulted in the late delivery of imported merchandise for several months, adversely impacting stock deliveries and sales, including over the peak festive season trading period. Local manufacture was also impacted by the shipping crisis due to the reliance on imported fabric. These supply chain challenges were compounded by the congestion at local ports due to infrastructure failure.

TRUWORTHS' RESPONSE

- Developed a decisive mitigation plan, including forming a shipping task team to monitor the import programme.
- Utilised alternative ports and shipping routes to increase speed of delivery.
- Extended merchandise order lead times for certain product categories to allow for delayed deliveries.
- Increased local production using fabric stocks held by the business.
- Supported local strategic CMTs to protect the manufacturing base.

LATE ONSET OF WINTER IN SOUTH AFRICA

Unseasonably warm weather and the late onset of the 2024 winter season constrained demand for warm winter products, impacting on retail sales in the last quarter of the financial period.

TRUWORTHS' RESPONSE

- Optimal stock levels were monitored and responded to weekly, to take account of the unseasonably warm weather in winter.
- In-season promotional activity was aligned to seasonal targets.
- All outstanding orders were reviewed to assess if the merchandise was still required, based on the seasonal projected sales.
- Reduced local supply orders where practical to do so.

CONSTRAINED RETAIL SALES IN UK DUE TO PRESSURE ON HOUSEHOLD INCOME

Household income in the UK remained under pressure due to high living costs and interest rates being at the highest level in 16 years.

OFFICE'S RESPONSE

- Focused on offering the most appealing and differentiated branded and own-brand footwear ranges.
- Improved the merchandise management and stock level process by aligning with Truworths' proven methodology.
- Applied the new store design concept in the eight stores opened in the period.
- Modernised and extended trading space in three flagship stores to drive sales.
- Expanded the brand portfolio with the inclusion of several new branded footwear partners.
- Ensured better product access and larger stock allocations through quality of brand relationships.
- Invested in new customer relationship management solution to improve customer retention.
- Improved customer experience online by introducing express 'click & collect' facility.
- Continued to remodel the warehousing and distribution function to reduce costs and enhance productivity.
- Maintained strong focus on cost containment.

ANALYSIS OF FINANCIAL CAPITAL

The analysis of performance in this report aims to demonstrate how the Group's financial capital has been increased, preserved or eroded through the Group's operating and investing activities in the period, and how the effective management of this capital is expected to contribute to value creation for shareholders in the medium and long term.

This review of financial performance for the 52-week period ended 30 June 2024 should be read together with the Group's Audited Annual Financial Statements 2024, which are available at **www.truworths.co.za/reports**.

PRO FORMA INFORMATION

The Group is again providing *pro forma* information, which excludes the effects of the following adjustments, to enable shareholders to make meaningful comparisons between the performance for the current and prior reporting periods.

***Pro forma* information is indicated by an asterisk (*) throughout this report.**

The Group's earnings for the period benefitted as a result of the following:

- The partial reversal of previously recognised impairments on the Office UK trademarks to the value of R1 019 million (£43 million, before tax). The partial reversal of this trademark impairment reflects the sustained recovery and ongoing improvement in the performance of Office since the COVID-19 period;
- Insurance recoveries received of R20 million (£0.8 million) relating to a burglary at the Office distribution centre during the prior period; and
- A reduction in other operating costs of R123 million resulting from the first-time consolidation of the Group's charitable trusts.

Earnings for the prior period ended 2 July 2023 were enhanced by the following:

- The settlement of a long-standing indirect tax matter with the South African Revenue Service, resulting in a previous adverse assessment issued in the 2022 financial period being reduced by R109 million (including the reversal of interest charged of R37 million), the release of accruals that had been accumulated since the 2008 financial period in respect of this matter amounting to R145 million, and the recognition of interest of R6 million on the overpayment of tax; and
- Insurance recoveries received of R85 million as a result of losses and damages suffered during the civil unrest in South Africa in July 2021.

In addition, foreign exchange gains and losses have been excluded from both periods. The current period includes a foreign exchange loss of R73 million compared to a foreign exchange gain of R19 million in the prior period.

GROUP FINANCIAL PERFORMANCE

STATEMENTS OF COMPREHENSIVE INCOME

Sale of merchandise

Group retail sales increased by 3.6% to R21.4 billion from R20.6 billion in the prior period. Account sales comprised 48% (2023: 51%) of retail sales for the period. Cash sales increased by 10.0% while account sales decreased by 2.5%.

Group sale of merchandise, which comprises Group retail sales, together with wholesale sales and delivery fee income, less accounting adjustments, increased by 3.9% to R20.7 billion.

Chief Financial Officer's report continued

Divisional sales	52 weeks to 30 June 2024 Rm	52 weeks to 2 July 2023 Rm	Change on prior period %
Truworths Africa	**14 530**	15 006	(3.2)
Truworths ladieswear	**5 140**	5 383	(4.5)
Truworths menswear‡	**3 619**	3 734	(3.1)
Identity	**2 289**	2 420	(5.4)
Truworths kids emporium#	**1 430**	1 522	(6.0)
Other@	**2 052**	1 947	5.4
Office UK	**6 848**	5 621	21.8
Group retail sales	**21 378**	20 627	3.6
YDE agency sales	**216**	233	(7.3)

‡ Truworths Man, Uzzi, Daniel Hechter Men's, Fuel and LTD Men.
# LTD Kids, Earthchild and Naartjie.
@ Cosmetics, Cellular, Truworths Jewellery, Office London (South Africa), Loads of Living and Sync.

Group trading space increased by 1.2% (0.9% in Truworths and 11.4% in Office). At the end of the period, the Group had 888 stores, including 11 concession outlets (2023: 876 stores, including 11 concession outlets).

Gross margin

The Group's gross margin decreased marginally to 52.3% (2023: 52.5%), but remained within the medium-term target range. Truworths' gross margin reduced to 54.9% (2023: 55.4%), mainly due to higher levels of sales promotion activity over the winter season. The gross margin in Office improved to 47.0% (2023: 45.2%), primarily due to distribution efficiencies.

Trading expenses

Trading expenses increased by 5.1% to R8.2 billion and constituted 39.5% (2023: 39.1%) of sale of merchandise. Trading expenses in Truworths increased by 1.9% and were well controlled despite pressure on utility costs due to above-inflationary increases. The 7.4% increase in Office's trading expenses were mainly due to higher depreciation charges and employment costs.

An analysis of trading expenses is included in the Truworths and Office sections in this report.

Interest income

Interest income increased 21.4% to R1.4 billion (2023: R1.1 billion) due to higher interest rates and the increased cash balances in Office.

Trading profit

Group trading profit, which excludes interest income, increased 16.6% to R4.2 billion (2023: R3.6 billion) while the trading margin increased to 20.4% from 18.2%.

Profit before finance costs and tax

Group profit before finance costs and tax increased 17.9% (increase of 3.0%*) to R5.6 billion (2023: R4.8 billion). The operating margin increased to 27.3% (22.0%*) from 24.0%.

Finance costs

Finance costs were 25.9% higher at R476 million (2023: R378 million) due to higher borrowing levels at higher interest rates to fund working capital requirements in Truworths as well as increased IFRS 16 finance costs for new and renewed leases.

Earnings

Earnings per share (EPS) increased by 17.8% to 1 046.9 cents (2023: 888.5 cents). Headline earnings per share (HEPS) decreased by 6.3% to 817.9 cents (2023: 873.3 cents) and diluted HEPS decreased by 6.5% to 805.8 cents (2023: 861.4 cents).

The variance between the change in EPS and HEPS for the current period relative to the prior period relates mainly to the reversal in the current period of previously recognised Office trademark impairments. This impairment reversal is included in earnings but excluded from headline earnings.

On a *pro forma* basis, EPS, HEPS and DHEPS increased by 2.1%, 1.0% and 0.9%, respectively.

STATEMENTS OF FINANCIAL POSITION

Net asset value

The Group's financial position strengthened with the net asset value per share increasing 23.2% to 2 553 cents (2023: 2 073 cents).

Property, plant and equipment

The increase of 22.4% to R2.5 billion (2023: R2.1 billion) in property, plant and equipment (PPE) was mainly due to capital expenditure on the new Truworths distribution centre (DC) with progressive operational implementation from November 2024 and planned to be fully operational by March 2025.

Right-of-use assets

Right-of-use assets increased by 6.5% to R3.5 billion (2023: R3.3 billion) due to new leases being concluded, including the lease in respect of the 50% share of the Truworths DC owned by the joint operator, King Air Industria, lease renewals and modifications in terms of IFRS 16, and the reversal of previously recognised right-of-use asset impairments.

Intangible assets

Intangible assets increased to R1.5 billion (2023: R590 million) following the partial reversal of impairments on the Office trademarks to the value of R1 019 million (£43 million).

Assets held at fair value

Non-current assets held at fair value increased mainly due to the consolidation of the Group's charitable trusts for the first time in the current period. Current assets held at fair value comprise highly liquid, low-volatility net asset value money market investments, mainly in respect of Office.

Inventory

Inventories increased by 3.0% to R2.3 billion (2023: R2.2 billion) and the inventory turn increased to 4.3 times (2023: 4.2 times). Truworths' gross finished goods inventory increased 11.4% and the inventory turn decreased to 4.0 times (2023: 4.5 times). In Office, gross inventory decreased by 10.5% to £38.9 million (2023: £43.4 million) and inventory turn (measured in Sterling) increased to 4.8 times (2023: 4.2 times).

Chief Financial Officer's report continued

TRUWORTHS AND OFFICE BUSINESS SEGMENTS

Management measures the operating results of the Truworths and Office business segments separately for the purpose of resource allocation and performance assessment. Segmental performance is reported on an IFRS basis and evaluated with reference to revenue, gross margin, operating margin, EBITDA and profit after tax.

		Truworths Rm	Office Rm	Consolidation entries Rm	Group Rm
2024					
Total revenue		**15 490**	**7 012**	**(66)**	**22 436**
Third party		**15 428**	**7 008**	**–**	**22 436**
Inter-segment		**62**	**4**	**(66)**	**–**
Trading expenses		**6 175**	**2 055**	**(62)**	**8 168**
Depreciation and amortisation		**1 170**	**305**	**–**	**1 475**
Employment costs		**2 019**	**699**	**–**	**2 718**
Occupancy costs		**668**	**404**	**–**	**1 072**
Trade receivable costs		**1 310**	**–**	**–**	**1 310**
Net bad debt and expected credit losses raised		**1 168**	**–**	**–**	**1 168**
Other trade receivable costs		**142**	**–**	**–**	**142**
Other operating costs		**1 008**	**647**	**(62)**	**1 593**
Interest income		**1 319**	**69**	**–**	**1 388**
Finance costs		**425**	**51**	**–**	**476**
Profit for the period		**2 045**	**1 855**	**–**	**3 900**
Profit before tax		**2 739**	**2 416**	**–**	**5 155**
Tax expense		**(694)**	**(561)**	**–**	**(1 255)**
EBITDA		**4 334**	**2 772**	**–**	**7 106**
Segment assets		**24 489**	**5 081**	**(10 918)***	**18 652**
Segment liabilities		**7 131**	**2 050**	**(35)***	**9 146**
Capital expenditure		**632**	**181**	**–**	**813**
Key ratios					
Gross margin	(%)	**54.9**	**47.0**	**–**	**52.3**
Trading margin	(%)	**13.3**	**34.6**	**–**	**20.4**
Operating margin	(%)	**23.1**	**35.5**	**–**	**27.3**
Inventory turn	(times)	**4.0**	**4.8**	**–**	**4.3**
Account : cash sales mix	(%)	**70:30**	**0:100**	**–**	**48:52**

* Elimination of investment in Office as well as inter-segment assets and liabilities.

		Truworths Rm	Office Rm	Consolidation entries Rm	Group Rm
2023					
Total revenue		16 112	5 907	(27)	21 992
Third party		16 088	5 904	–	21 992
Inter-segment		24	3	(27)	–
Trading expenses		6 057	1 738	(23)	7 772
Depreciation and amortisation		1 139	220	–	1 359
Employment costs		1 915	590	(16)	2 489
Occupancy costs		604	357	–	961
Trade receivable costs		1 265	18	–	1 283
Net bad debt and expected credit losses raised		959	–	–	959
Other trade receivable costs		306	18	–	324
Other operating costs		1 134	553	(7)	1 680
Interest income		1 130	14	(1)	1 143
Finance costs		350	29	(1)	378
Profit for the period		2 478	810	–	3 288
Profit before tax		3 374	1 023	–	4 397
Tax expense		(896)	(213)	–	(1 109)
EBITDA		4 863	1 272	(1)	6 134
Segment assets		18 739	3 243	(5 849)*	16 133
Segment liabilities		6 544	1 948	(13)*	8 479
Capital expenditure		651	94	–	745
Key ratios					
Gross margin	(%)	55.4	45.2	–	52.5
Trading margin	(%)	18.1	18.3	–	18.2
Operating margin	(%)	26.2	18.5	–	24.0
Inventory turn	(times)	4.5	3.8	–	4.2
Account: cash sales mix	(%)	70:30	0:100	–	51:49

* Elimination of investment in Office as well as inter-segment assets and liabilities.

Chief Financial Officer's report continued

TRUWORTHS

This analysis covers the performance of the Truworths business segment which operates in South Africa and the rest of Africa, and includes YDE.

STATEMENTS OF COMPREHENSIVE INCOME

Sale of merchandise

Retail sales in Truworths declined by 3.2% to R14.5 billion (2023: R15.0 billion). Account sales decreased by 2.5% and comprised 70% of retail sales. Cash sales decreased by 4.7%.

Like-for-like store retail sales decreased by 6.1% (2023: increased 4.4%) with retail selling price inflation averaging 6.4% (2023: 12.6%).

Retail trading space increased by 0.9% as Truworths opened 20 stores and closed 13.

E-commerce delivered a strong sales performance as online retail in South Africa gathers momentum, increasing by 34% and contributing 4.9% of Truworths retail sales (2023: 3.5%).

The South African operations accounted for 96.5% (2023: 96.6%) of Truworths' retail sales, with the 33 (2023: 31) stores in the rest of Africa contributing the balance.

Trading densities decreased by 4% to R37 648 per m² from the record level of R39 359 per m² in 2023.

Gross margin

The gross margin decreased from 55.4% to 54.9%, owing mainly to higher levels of sales promotion activity in the 2024 winter season.

Trading expenses

	June 2024 Rm	June 2023 Rm	Change on prior period %
Depreciation and amortisation	**1 170**	1 139	3
Employment costs	**2 019**	1 915	5
Occupancy cost	**668**	604	11
Trade receivable costs	**1 310**	1 265	4
Other operating costs	**1 008**	1 134	(11)
Trading expenses	**6 175**	6 057	2

Trading expenses increased by 2% to R6.2 billion (2023: R6.1 billion). Trading expenses to sale of merchandise increased to 45.0% from 42.6% in the prior period.

- Depreciation and amortisation increased by 3%. Depreciation of the right-of-use assets increased by 6% due to an increase in the number of leases accounted for under IFRS 16, including new leases, lease renewals and the lease related to the 50% share of the new Truworths DC. Depreciation in respect of PPE and software decreased by 12% due to assets becoming fully depreciated in the current period.
- Employment costs increased by 5% due to annual salary increases.
- Occupancy costs, which comprise rentals not accounted for in terms of IFRS 16 as well as other occupancy costs, increased by 11%. Other occupancy costs, comprising mainly utilities and security, increased by 19%. Rentals paid (ie on a cash basis and not necessarily accounted for under occupancy costs) increased by 3%.
- Trade receivable costs increased by 4%. Net bad debt and related costs, excluding the movement in the expected credit loss (ECL) allowance, decreased R189 million. Net bad debt (after debt sold) decreased by 16% (R155 million), due to enhancements to the Group's existing charge-off hold-back criteria, as well as the creation of an on-balance sheet charged-off portfolio. The movement in the ECL allowance resulted in an increase of R234 million in provision cost compared to the prior period. The ECL allowance on the active trade receivables portfolio decreased from 20.6% to 20.3% of the active gross trade receivables. The charged-off trade receivables portfolio totalled R0.5 billion, with the ECL allowance on this portfolio at 78.5%. Refer to Account management on page 83 for detail on changes to the trade receivables portfolio. The net cost (after taking into account interest) of the book totalled R42 million for the current period relative to R226 million in the prior period.
- Other operating costs decreased by 11% mostly due to the one-off income statement effect of the consolidation of the Truworths charitable trusts and lower account acquisition costs.

Interest income

Interest income increased by 17% to R1 319 million (2023: R1 130 million) owing to the growth of the trade receivables portfolio and high interest rates that prevailed throughout the period.

Finance costs

Finance costs increased by R75 million to R425 million (2023: R350 million) mainly due to higher borrowing levels at higher interest rates to fund working capital requirements, as well as increased IFRS 16 finance costs for new and renewed leases.

Trading profit

Trading profit decreased by 29% (decreased 21%*) to R1 820 million (2023: R2 578 million). The trading margin reduced from 18.1% (15.6%*) to 13.3% (12.8%*) mainly due to the lower gross profit.

Profit before finance costs and tax

Profit before finance costs and tax decreased by 15% (decreased 8%*) to R3.2 billion (2023: R3.7 billion), with the operating margin declining to 23.1% (22.5%*) from 26.2% (23.7%*).

OFFICE

This analysis covers the financial performance of the Office business segment, which operates primarily in the UK, with a small presence in the Republic of Ireland.

STATEMENTS OF COMPREHENSIVE INCOME

Sale of merchandise

Sale of merchandise increased by 10.9% to £294 million (2023: £265 million) while retail sales increased by 10.8% to £290 million (2023: £262 million). Trading space increased by 11.4% (2023: decrease of 12.6%) following the opening of eight stores and closure of three.

E-commerce retail sales increased by 13.8% to £134 million and accounted for 46% of total retail sales (2023: 45%).

	Retail sales June 2024 52 weeks £m	Retail sales June 2023 52 weeks £m	Change on prior period %	**Number of stores* June 2024**	Number of stores* June 2023
United Kingdom	**276.8**	246.8	12	**79**	74
Republic of Ireland	**13.6**	11.3	20	**7**	7
Germany	**–**	4.0	(100)	**–**	–
Total	**290.1**	262.1	11	**86**	81

* Including 11 concession stores (June 2023: 11 concession stores).

Gross margin

The gross margin strengthened to 47.0% (2023: 45.2%) owing mainly to improved distribution efficiencies.

Trading expenses

	June 2024 £m	June 2023 £m	Change on prior period %
Depreciation and amortisation	**12.9**	10.3	25
Employment costs	**29.7**	27.5	8
Occupancy cost	**17.1**	16.6	3
Other operating costs	**27.4**	26.7	3
Trading expenses	**87.1**	81.1	7

- Depreciation and amortisation increased by 25%. Depreciation of PPE increased 65% due to higher capital expenditure on store development. Depreciation on right-of-use assets increased by 26% due to the reversal of right-of-use asset impairments of £3.7 million in December 2022, £0.3 million in June 2023 and £4.1 million in December 2023. Depreciation of software decreased by 16% due to assets becoming fully depreciated.
- Employment costs increased 8% mainly due to higher operational demand (attributable to growth in store numbers) and UK national minimum wage increases effective April 2024.
- Occupancy costs increased by 3%. Costs were impacted mainly by the £1.0 million increase in electricity costs, an increase of £1.1 million in turnover rental, lower business rates and prior period lease termination costs in Germany. Excluding once-off items, occupancy costs increased by 6% due to higher turnover rentals.
- Other operating costs increased by 3%, mainly driven by online marketing costs to promote e-commerce sales and consequential online store delivery costs due to increased e-commerce sales.

Profit before finance costs and tax

Profit before finance costs and tax increased by 113% (increased 25%*) to £104.6 million (2023: £49.1 million), with the operating margin strengthening from 18.5% to 35.5% (20.9%*).

Chief Financial Officer's report continued

GROUP CAPITAL MANAGEMENT

Capital allocation

The Group's capital structure is actively managed to enhance financial returns to shareholders and generate competitive capital ratios. Management's approach to capital allocation is aligned with the Group's strategy and Business Philosophy, with its focus on long-term value creation for shareholders.

The components of the capital allocation strategy, in order of priority, are as follows:

1	**Investing to sustain the organic growth of the business**	Reinvesting in the business through maintenance and expansion capital expenditure, mainly in-store development, distribution facilities and information technology.
2	**Returning funds to shareholders through dividends**	Dividend cover is determined annually by the board. The dividend cover has been at the current level of 1.5 times headline earnings per share since the 2014 financial period.
3	**Returning excess capital to shareholders through share buy-backs at levels that are earnings accretive**	Since the inception of the share buy-back programme in 2002, 155 million shares have been repurchased at a total cost of R6 billion at an average price of R38.72 per share, 141% below the period-end closing price of R93.28. Since January 2020, 51.9 million shares have been repurchased (12% of shares in issue, net of treasury shares) for R2.5 billion at an average price of R47.88 per share.
4	**Seeking opportunities for bolt-on acquisitions of fashion-related businesses in SA and the UK**	Recent bolt-on acquisitions that have been successfully integrated into the Group's operations include the Barrie Cline design department (2021) and Bonwit design centre (2022).
5	**Seeking opportunities for larger and potentially diversifying acquisitions**	The acquisition of the Office fashion footwear chain in the UK in 2015 diversified the Group's product offering, sales, earnings and country risk profile.

Capital efficiency is measured by the return on equity and return on capital which were 36% (2023: 44%) and 53% (2023: 64%), respectively.

Real wealth continued to be created for shareholders with a return on invested capital of 25% (2023: 28%).

Capital management in 2024

The Group generated R4.7 billion (2023: R3.8 billion) in cash from operations during the period and this mainly funded the following:

- Dividend payments of R2 204 million (2023: R1 989 million)
- Capital expenditure R770 million (2023: R717 million)

The Group utilised a further R99 million of the green loan facility secured in December 2022 for the construction of the new Truworths DC, bringing the total green loan amount to R268 million. No further drawdowns will be made against this loan facility.

Group net debt (excluding IFRS 16 lease liabilities) decreased from R850 million at the prior period-end to R306 million at the current period-end. The Group's net debt to equity ratio was 3.2% (2023: 11.1%) and net debt to EBITDA was 0.0 times (2023: 0.1 times).

The cash realisation rate, which is a measure of how profits are converted into cash, was 99% (2023: 74%).

Truworths

Truworths generated R3.1 billion (2023: R2.9 billion) in cash from operations. This was used to pay dividends of R2 204 million (2023: R1 989 million) to Truworths International which was in turn declared and paid to shareholders of the company.

Capital expenditure of R632 million for the period (2023: R651 million) includes R352 million for the new DC, R236 million for the development and renovation of stores and R41 million for information technology.

Truworths' net debt increased by R257 million to R2 133 million at the current period-end. Truworths' net debt to equity ratio was 21.5% (2023: 18.4%) and net debt to EBITDA 0.5 times (2023: 0.4 times).

The cash realisation rate improved to 100% (2023: 73%).

Office

Office generated cash from operations of £67.7 million (2023: £45.0 million). This was partially used to fund capital investment of £7.9 million on store development and renovations (£6.5 million), information technology (£1.1 million) and distribution facilities (£0.3 million).

Office is debt free and held net cash (including money market fund investments) of £79.3 million at the current period-end, an increase of £36.5 million over the prior year. Office's net cash to equity ratio was 60.3% (2023: 79.1%) and net cash to *pro forma* EBITDA was 1.1 times (2023: 0.7 times).

The cash realisation rate increased to 96% (2023: 79%).

ACCOUNT MANAGEMENT

Following a review of the Group's credit risk management strategies during the period, and in anticipation of an improving economic outlook in SA, management has identified account rehabilitation as a key strategy for stage three delinquent accounts that show a high probability of payment.

The Group has previously followed a practice of concurrently charging off (for credit management purposes) and writing off (derecognise) accounts that were 210 days in arrears, had not made a qualifying payment in the most recent monthly billing cycle, and did not meet the Group's behavioural risk scorecard hold-back criteria.

The following changes were implemented during the period. The existing hold-back criteria were amended to ensure that accounts with a strong likelihood of payment are not charged off or written off prematurely. This has resulted in an increase in accounts in stage three delinquency, with a consequential decrease in gross bad debt and an increase in the ECL allowance. This also led to an increase in overdue balances and a decrease in the percentage of active account holders able to purchase.

The Group has also separated the point at which accounts are charged off and written off. Accounts that no longer meet the Group's criteria to remain in the active book will either be charged off and remain on balance sheet in a separate portfolio, if they meet certain behavioural risk criteria, or will be written off if there is no reasonable expectation of recovery.

All accounts in this portfolio are classified as stage three trade receivables and customers are not able to shop on their accounts. This has resulted in a decrease in gross bad debt, a decrease in post write-off recoveries and an increase in the ECL allowance.

Accounts from this portfolio that pay their balance can reapply for credit and if they meet the Group's strict credit lending criteria, will be given an account and be able to shop again.

Following these changes, the Group's trade receivables are now reported as two separate portfolios, namely the active trade receivables portfolio and the charged-off trade receivables portfolio. At the period-end, the charged-off trade receivables portfolio totalled R0.5 billion and the ECL allowance of this portfolio was 78.5%.

These changes have not had a material impact on the Group's earnings in the current period.

Chief Financial Officer's report continued

GROUP INFORMATION TECHNOLOGY

Capital expenditure of R66 million (2023: R66 million) was invested in leading edge information technology (IT) systems in the reporting period to support the retail operations and supply chain. The Group has committed R99 million for Truworths and Office IT capital expenditure for the 2025 reporting period.

Major IT projects: Truworths

Completed in the 2024 financial period:
- New point-of-sale solution installed in more than half of the Truworths store portfolio.
- Transferred all YDE systems from the third-party provider platform onto the Truworths integrated system.
- Configured the warehouse management applications in preparation for the move to the new Truworths distribution facility.
- Added functionality to online systems to improve the user experience.
- Completed the roll-out of the latest technology across the enterprise network to support future networking requirements and transferred the enterprise telephony onto this new network.
- Enabled customer self-service capability using chatbot functionality.
- Integrated the systems of the Barrie Cline and Bonwit design centres and implemented additional systems to better manage the design centre.
- Implemented digital tools for improved field operations.
- Implemented systems for better management of sourcing documentation.
- Enhanced business intelligence capabilities.
- Continued improvement and delivery of cybersecurity strategies.

Planned for completion in 2025 financial period:
- Complete the implementation of the point-of-sale solution across all stores in South Africa and in the rest of Africa.
- Commission and transfer all merchandise distribution systems to the new distribution facility, with improved inventory allocation and replenishment algorithms and capabilities.
- Implement the next phase of the Group's financial planning and forecasting solution.
- Enhance cybersecurity systems and mitigate cyber risks.
- Upgrade campaign management to state-of-the-art solution.

Major IT projects: Office

Completed in 2024 financial period:
- Commenced the project for the implementation of a new ERP merchandise management system, with significant progress made on the design phase of the solution.
- Completed the implementation of the new wide area network with added resilience and bandwidth to enable trade and significantly reduce networking costs.
- Implemented new unified VOIP (voice over internet protocol) system to improve internal communications.
- Implemented express 'click & collect' facility for e-commerce orders to improve customer convenience and choice.
- Implemented online web chat solution to improve the customer experience and reduce costs by driving efficiencies.

Planned for completion in the 2025 financial period:
- Progress development of the new ERP merchandise management system for implementation in the 2026 financial period.
- Implement new workforce management and digital forecasting and scheduling tool to replace legacy system and reduce staff costs.
- Implement new network security infrastructure (firewalls) to enhance digital security and meet the increased capacity demands of new technologies.
- Ongoing development of in-store technology to drive sales.

GROUP FINANCIAL PLANS FOR 2025

Capital expenditure of R820 million (Truworths R591 million and Office £10.0 million) has been committed for the 2025 financial period and will be applied mainly as follows:
- R410 million for the development of new stores and the expansion and refurbishment of existing stores.
- R99 million for computer infrastructure and software.
- R300 million for distribution facilities, including the final capital expenditure on the new Truworths DC.

Trading space is planned to increase by approximately 2%, comprising an increase of 1% in Truworths and 11% in Office.

The trading outlook for Truworths and Office for the 2025 financial period is covered in the Review of 2024 and Outlook for 2025 on page 2 and in the Chief Executive Officer's report on page 62.

GROUP MEDIUM-TERM FINANCIAL TARGETS

The Group has reviewed its medium-term financial and operating targets. Key factors considered in this review are:
- the normalisation of the Group's equity and total asset value due to intangible and right-of-use asset impairment reversals;
- the growing cash balance in Office, which the board has decided to retain for strategic purposes;
- the dissipating benefit of the share buy-backs between January 2020 and June 2022; and
- the performance of the Group relative to our selected local and international benchmarks. In each instance, the lower-end of the Group's revised medium-term target ranges for return on equity and return on assets exceed the higher of the respective local and international benchmark by at least 2 percentage points.

These revised targets have been approved by the board.

	Revised medium-term targets	Previous medium-term targets
Gross margin (%)	**49 – 53**	49 – 53
Operating margin (%)	**18 – 23**	18 – 23
Return on equity (%)	**22 – 27**	31 – 36
Return on assets (%)	**18 – 23**	22 – 27
Inventory turn (times)	**3.5 – 4.5**	3.5 – 4.5
Asset turnover (times)	**0.9 – 1.3**	0.9 – 1.3

EXTERNAL AUDITOR TRANSITION

The Group transitioned from Ernst & Young, who had been the auditor for Truworths and the Group since 1975, and from PricewaterhouseCoopers, who were the auditors for Office UK, to Deloitte & Touche (Deloitte) across the Group for the current reporting period. The audit transition went well and Deloitte issued an unmodified audit opinion for the period.

APPRECIATION

Thank you to our local and international shareholders as well as the broader investor community for your interest and engagement with management over the past year. We also acknowledge the support of our lending institutions. I also thank my fellow directors, executive colleagues, employees and the Group's professional service providers for your support and commitment. Thank you to my Group finance team who continue to be recognised for achieving best practice standards in financial reporting. Our 2023 Integrated Report was ranked 7th in the Ernst & Young Excellence in Integrated Reporting Awards. This is the 17th consecutive year that the Group has been placed in the top 10, the only company on the JSE to have achieved this distinction.

Emanuel Cristaudo
Chief Financial Officer and
Joint Deputy Chief Executive Officer

Summarised Group financial statements

SUMMARISED GROUP STATEMENTS OF FINANCIAL POSITION

		at 30 June 2024 Rm	at 2 July 2023 Rm
ASSETS			
Non-current assets		**8 553**	6 716
Property. plant and equipment		**2 533**	2 069
Right-of-use assets		**3 545**	3 329
Intangible assets		**1 534**	590
Goodwill		**294**	294
Other non-current assets		**343**	113
Deferred tax		**304**	321
Current assets		**10 099**	9 417
Inventories		**2 312**	2 244
Trade and other receivables		**5 419**	5 546
Derivative financial assets		**–**	28
Assets held at fair value		**1 468**	–
Other current assets		**99**	137
Cash and cash equivalents		**801**	1 462
Total assets		**18 652**	16 133
EQUITY AND LIABILITIES			
Total equity		**9 506**	7 654
Non-current liabilities		**3 794**	3 237
Lease liabilities		**2 927**	2 827
Interest-bearing borrowings		**268**	169
Provisions		**186**	166
Other non-current liabilities		**76**	75
Deferred tax		**337**	–
Current liabilities		**5 352**	5 242
Trade and other payables		**1 636**	1 591
Interest-bearing borrowings		**1 208**	1 208
Bank overdraft		**1 099**	935
Lease liabilities		**990**	1 019
Provisions		**205**	267
Other current liabilities		**214**	222
Total liabilities		**9 146**	8 479
Total equity and liabilities		**18 652**	16 133
Number of shares in issue (net of treasury shares)	(millions)	**372.3**	369.3
Net asset value per share	(cents)	**2 553**	2 073
Key ratios			
Return on equity	(%)	**45**	48
Return on capital	(%)	**65**	69
Return on assets	(%)	**30**	30
Inventory turn	(times)	**4.3**	4.2
Asset turnover	(times)	**1.1**	1.2
Net debt to equity	(%)	**3.2**	11.1
Net debt to EBITDA	(times)	**–**	0.1

Total additions of R784 million in the current period consisting mostly of plant, equipment, furniture and fittings (R608 million) and buildings (R99 million), mainly as a consequence of capital expenditure incurred in respect of the new Truworths distribution centre (DC) that is currently in the fit-out stage and due to be commissioned by March 2025.

Right-of-use assets increased by R216 million due to new leases concluded (including the lease in respect of the 50% share of the new Truworths DC), lease renewals and modifications and the reversal of previously recognised right-of-use asset impairment losses of R134 million in the current period.

Intangible assets increased by R944 million following the partial reversal of previously recognised impairment losses on the Office trademarks to the value of R1 019 million.

Non-current assets held at fair value increased mainly due to the consolidation of the Group's charitable trusts for the first time during the current period.

Inventories increased by R68 million and the Group's inventory turn increased to 4.3 times (2023: 4.2 times). Truworths' gross finished goods inventory increased by 11.4% and the inventory turn decreased to 4.0 times (2023: 4.5 times). In Office, gross inventory decreased by 10.5% (measured in Sterling) and inventory turn (measured in Sterling) increased to 4.8 times (2023: 4.2 times).

Active gross trade receivables (relating to the Truworths, Identity and YDE businesses) decreased by 2.1% to R6.4 billion (2023: R6.6 billion). The ECL allowance in respect of the Truworths active trade receivables portfolio decreased to 20.3% of active gross trade receivables (2023: 20.6%).

Current assets held at fair value comprise highly liquid, low-volatility net asset value money market investments, mainly in respect of Office.

Utilised a further R99 million of the green loan facility concluded in December 2022 for purposes of construction of the new Truworths DC, bringing the loan amount to R268 million.

All medium-term targets published by the Group have been achieved or exceeded.

Group net debt decreased from R850 million at the prior period-end to R306 million at the current period-end.

SUMMARISED GROUP STATEMENTS OF COMPREHENSIVE INCOME

		52 weeks to 30 June 2024 Rm	52 weeks to 2 July 2023 Rm
Revenue		**22 436**	21 992
Sale of merchandise		**20 664**	19 894
Cost of sales		**(9 859)**	(9 445)
Gross profit		**10 805**	10 449
Other income		**562**	939
Intangible asset impairment reversal		**1 019**	–
Trading expenses		**(8 168)**	(7 772)
Depreciation and amortisation		**(1 475)**	(1 359)
Employment costs		**(2 718)**	(2 489)
Occupancy costs		**(1 072)**	(961)
Trade receivable costs		**(1 310)**	(1 283)
Net bad debt and expected credit losses		**(1 168)**	(959)
Other trade receivable costs		**(142)**	(324)
Other operating costs		**(1 593)**	(1 680)
Trading profit		**4 218**	3 616
Interest income		**1 388**	1 143
Dividend income		**25**	16
Profit before finance costs and tax		**5 631**	4 775
Finance costs		**(476)**	(378)
Profit before tax		**5 155**	4 397
Tax expense		**(1 255)**	(1 109)
Profit for the period		**3 900**	3 288
Attributable to:			
Equity holders of the company		**3 887**	3 275
Holders of the non-controlling interest		**13**	13
Profit for the period		**3 900**	3 288
Basic earnings per share	(cents)	**1 046.9**	888.5
Headline earnings per share	(cents)	**817.9**	873.3
Diluted basic earnings per share	(cents)	**1 031.3**	876.4
Diluted headline earnings per share	(cents)	**805.8**	861.4
Gross margin	(%)	**52.3**	52.5
Trading expenses to sale of merchandise	(%)	**39.5**	39.1
Trading margin	(%)	**20.4**	18.2
Operating margin	(%)	**27.3**	24.0
Reconciliation of headline earnings per share:			
Basic earnings per share	(cents)	**1 046.9**	888.5
Impairment reversal of trademarks	(cents)	**(204.5)**	–
Net impairment reversal of right-of-use assets	(cents)	**(24.5)**	(13.8)
Reversal of impairment of property, plant and equipment	(cents)	**(1.3)**	(3.0)
Loss on write-off of intangible assets	(cents)	**1.3**	–
Loss on write-off or disposal of plant and equipment	(cents)	**–**	1.6
Headline earnings per share	(cents)	**817.9**	873.3
Reconciliation of diluted weighted average number of shares:			
Weighted average number of shares	(millions)	**371.3**	368.6
Add: Dilutive effect of share options, unvested restricted shares and share appreciation rights	(millions)	**5.6**	5.1
Diluted weighted average number of shares	(millions)	**376.9**	373.7

Group sale of merchandise, which comprises Group retail sales, together with wholesale sales and delivery fee income, less variable consideration adjustments, increased by 3.9% to R20.7 billion. Retail sales in Truworths decreased by 3.2% and increased by 10.8% in Office.

In the prior period, other income benefitted from the impact of the indirect tax matter settlement (R254 million). Furthermore, in the prior period IFRS 16 impairment reversals were higher, higher insurance recoveries were received when compared to the current period and the prior period included foreign exchange gains. Excluding these, other income decreased 3%.

The intangible asset impairment reversal is an exceptional item of income arising from the partial reversal of previously recognised Office trademark impairment losses due to the overall improvement in the performance of Office.

Trading expenses for the current period increased by 5.1% to R8.2 billion compared to the prior period, and constituted 39.5% (2023: 39.1%) of sale of merchandise. Trading expenses in Truworths increased 1.9% and were well controlled overall despite pressure on utility costs due to higher than CPI increases. In Office, trading expenses increased 7.4% (in Sterling) mainly due to rising depreciation charges (in respect of IFRS 16 *Leases* and capital expenditure) and employment costs (impacted by national minimum wage increases, lower vacancies and higher operational demand based on sales).

Interest income increased 21.4% to R1.4 billion as a consequence of higher interest rates, as well as the growing cash balances in Office.

On a *pro forma* basis, profit before finance costs and tax increased 3% (refer to note 18 of the Summarised Audited Group Annual Results for further information).

Finance costs increased by 25.9% to R476 million (2023: R378 million), due to higher borrowing levels together with higher interest rates in Truworths to fund working capital requirements, as well as an increase in IFRS 16 finance costs due to new and renewed leases.

Headline earnings per share (HEPS) and diluted HEPS decreased 6.3% and 6.5%, respectively. On a *pro forma* basis, HEPS and DHEPS increased by 1.0% and 0.9%, respectively (refer to note 18 of the Summarised Audited Group Annual Results for further information).

The Group's gross margin decreased to 52.3% (2023: 52.5%), but fell within the Group's target range. The gross margin in Truworths decreased to 54.9% (2023: 55.4%) and in Office increased to 47.0% (2023: 45.2%).

The Group recorded profit before tax of R5.2 billion in the current period, and the operating margin increased to 27.3% (2023: 24.0%).

Summarised Group financial statements continued

SUMMARISED GROUP STATEMENTS OF CHANGES IN EQUITY

	30 June 2024 Rm	2 July 2023 Rm
Balance at the beginning of the period attributable to equity holders of the company	**7 654**	6 106
Total comprehensive income for the period	**3 919**	3 486
Profit for the period	**3 900**	3 288
Other comprehensive income for the period	**19**	198
Dividends declared	**(2 204)**	(1 990)
Shares repurchased	**–**	(28)
Shares sold by Truworths International Limited Share Trust	**36**	–
Utilisation of reserves on exercise of 1998 share scheme options	**(14)**	–
Share-based payments	**139**	137
Acquisition of non-controlling interest	**(19)**	(46)
Movement in put option liability	**(5)**	(11)
Balance at the reporting date attributable to equity holders of the company	**9 506**	7 654
Comprising		
Share capital*	**–**	–
Treasury shares	**(1 920)**	(2 066)
Retained earnings	**11 093**	9 393
Non-distributable reserves	**333**	327
Total equity attributable to equity holders of the company	**9 506**	7 654
Dividends (cents per share)		
Cash final – payable October/paid September	**197**	245
Cash interim – paid March	**332**	320
Total	**529**	565

* Zero due to rounding.

Other comprehensive income comprises the movement in the foreign currency translation reserve, the fair value adjustment in respect of financial assets held at fair value through other comprehensive income and gains on defined benefit plans.

Increase in the present value of the amount payable on the future exercise of the put options granted to the non-controlling management shareholders in Office as a result of the increase in Office's profitability.

Annual dividend per share decreased by 6% to 529 cents. Dividend cover maintained at 1.5 times.

SUMMARISED GROUP STATEMENTS OF CASH FLOWS

		52 weeks to 30 June 2024 Rm	52 weeks to 2 July 2023 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from profit before tax		**4 658**	5 038
Working capital movements		**38**	(1 227)
Cash generated from operations		**4 696**	3 811
Interest and dividends received		**1 352**	1 155
Finance costs paid		**(468)**	(370)
Capitalised finance costs paid		**(9)**	(6)
Tax paid		**(967)**	(1 068)
Cash inflow from operations		**4 604**	3 522
Dividends paid		**(2 204)**	(1 989)
Net cash from operating activities		**2 400**	1 533
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant, equipment and computer software		**(770)**	(717)
Other investing activities		**(1 378)**	(10)
Net cash used in investing activities		**(2 148)**	(727)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares repurchased by the company		**–**	(28)
Proceeds on disposal of treasury shares		**21**	–
Borrowings repaid		**(500)**	–
Net borrowings incurred		**599**	669
Lease liability payments		**(1 101)**	(1 254)
Acquisition of non-controlling interest		**(19)**	(46)
Net cash used in financing activities		**(1 000)**	(659)
Net (decrease)/increase in cash and cash equivalents		**(748)**	147
Net cash and cash equivalents at the beginning of the period		**527**	138
Net foreign exchange difference		**(77)**	242
NET CASH AND CASH EQUIVALENTS AT THE REPORTING DATE		**(298)**	527
Key ratios			
Cash flow per share	(cents)	**1 240**	956
Cash equivalent earnings per share	(cents)	**1 255**	1 286
Cash realisation rate	(%)	**99**	74

Working capital levels stabilised following the significant growth in inventories and trade and other receivables in the prior period.

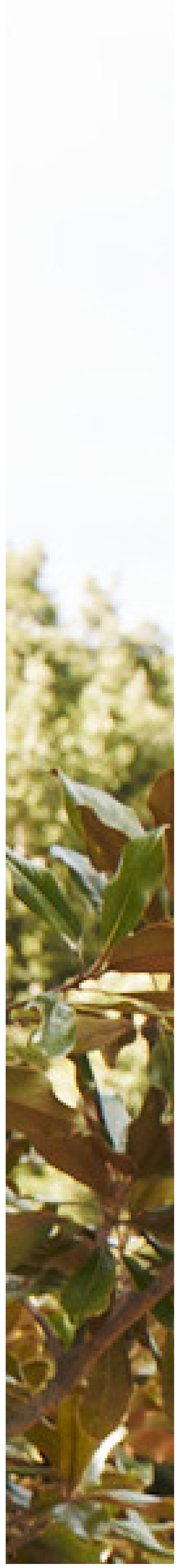
The cash inflow from operations of R4.6 billion was utilised to fund dividend payments (R2.2 billion) and capital expenditure (R770 million).

R1.4 billion investment made in highly liquid, low-volatility net asset value money market investments, mainly in respect of Office.

Net R99 million utilisation against the green loan facility for the construction of the Truworths DC

Net cash and cash equivalents of -R298 million (representing cash and cash equivalents of R801 million net of overdraft of R1.1 billion).

The cash realisation rate has averaged 99% over the past five years. The cash realisation rate was 99% for the current period (2023: 74%).



5. Operational review Truworths

'Truworths' brands are premium-quality, aspirational and authentic, and focus on a tasteful blend of colour, fabric and fashion styling in line with international trends but customised for the South African consumer.'

In this section:

Market-leading brand portfolio

TRUWORTHS OWNS A BROAD PORTFOLIO OF MARKET-LEADING FASHION CLOTHING AND FOOTWEAR BRANDS.

These brands are sold exclusively by Truworths and extend across the ladieswear, menswear and kidswear categories. Together, they target the many lifestyle needs of Truworths' customers who are youthful and fashionable South Africans.

The brands are premium-quality, aspirational and authentic, and focus on a tasteful blend of colour, fabric and fashion styling in line with international trends but customised for the South African consumer. The portfolio of brands comes together across lifestyles to create a unique and compelling customer offering.

The brand offering is complemented by an aspirational yet accessible range of beauty products from many of the world's leading international brands together with own-brand fragrances, as well as a combination of branded and own-brand fine jewellery, footwear, sunglasses and watches, along with a range of mobile products. A premium homeware brand completes the customer offering.

BRAND DIFFERENTIATION

Truworths' brand strategy is focused on growing and developing exclusive and highly sought-after in-house brands. These brands are complemented by a small collection of specialist third-party licensed brands. Truworths constantly reviews and refines its brand portfolio to identify new merchandise opportunities across the customer spectrum.

Each brand in the Truworths portfolio has its own clearly defined look and feel, and a statement of its brand DNA which ensures the merchandise has a distinctive signature, differentiated from the other brands in the portfolio. Each brand is designed to cater to a wide range of customer lifestyle needs.

These brand profiles guide the merchandise-buying teams in their product design and development process, and also determine how the brands are visually presented in stores and windows, as well as in digital marketing.

Over the past year, there has been an ongoing review of the DNA of each brand to ensure lifestyle differentiation, identify opportunities to further differentiate and elevate product, where necessary, and explore brand range extensions.

During this time there has been a renewed focus at the start of each buying cycle on ensuring that teams have focused time to creatively address their ranges with a view to achieving fashionable, well co-ordinated and tasteful ranges that will be enticing to the customer. This creative process is enhanced by collaboration between the buying teams, the in-house trend studio, and the design division.

RETAIL SALES CONTRIBUTION

- Ladieswear Emporium – **26%** (2023: 26%)
- Menswear Emporium – **25%** (2023: 25%)
- Identity – **16%** (2023: 16%)
- Ladieswear Designer Emporium – **10%** (2023: 10%)
- Truworths Kids – **10%** (2023: 10%)
- Other – **13%** (2023: 13%)

EXPANDING BRAND PORTFOLIO

Truworths and **Truworths Man** are the core brands. They are supported by a range of internally developed mainstream brands that make up the emporium:

- **Inwear** (1986)
- **Truworths Jewellery** (1989)
- **LTD** (1992) with **LTD Kids** introduced in 2000
- **Truworths Elements** (1999)
- **Ginger Mary** (2004)
- **Hey Betty** (2011)

Emporium stores include several other sub-brands which are essential to the variety of lifestyles that Truworths offers to satisfy customers' needs. These include well-established brands: Outback Red, Hemisphere, Finnigans, Skiny, TRS, Trench and TRNY.

Daniel Hechter, the French designer brand, has been offered under an exclusive long-term licence agreement since 1984.

Identity, launched in 1999, offers a range of young, affordable and trendy merchandise for the fashion-aware and value-conscious youth market. The chain operates from stand-alone stores. **ID Kids** was introduced in 2019 offering boys' and girls' collections.

Office London, the South African offering of the UK fashion footwear brand owned by the Group, was launched in 2017. The brand offers a wide selection of sought after third-party branded athleisure footwear and complementary apparel for the highly brand-conscious sneaker customer.

Context was introduced in 2019 to offer a range of exclusive Truworths fashion, including Earthaddict, LTD, lingerie, beauty and homeware for discerning female customers.

Fuel and **Sync** were launched in 2021. Fuel is a young, masculine fashion brand with a streetwear edge, targeting a cool, urban aesthetic. Sync targets the value segment of the South African fashion market and offers well priced product for young men and women at excellent value.

EXPANSION THROUGH ACQUISITION

Over the past two decades organic growth of the brand portfolio has been complemented by the acquisition of specialist brands:

- **Young Designers Emporium (YDE)** (2003)
- **Uzzi** menswear brand (2006)
- **Earthaddict** ladieswear brand (2015)
- **Earthchild** and **Naartjie** kidswear brands (2015)
- **Loads of Living** homeware and linen retailer (2017)

Market-leading brand portfolio continued

SPECIALIST BRAND EMPORIUM STORES

The Truworths Emporium store enables customers to shop for Truworths' multiple fashion brands in a single location, and is complemented by an advanced e-commerce site to complete the omni-channel experience. The emporium store concept has evolved with the expansion of the brand portfolio and customers have access to four specialist branded emporiums within the Truworths Emporium:

TRUWORTHS LADIESWEAR EMPORIUM

TRUWORTHS MENSWEAR EMPORIUM

TRUWORTHS LADIESWEAR DESIGNER EMPORIUM

TRUWORTHS KIDS

The Truworths portfolio of brands and specialist branded emporium stores offer an enticement to youthful and fashionable consumers to shop for quality apparel merchandise of international styling and standard.

Identity Megastore is the Emporium concept for the Identity brand and houses Identity Ladies, Men and Kids together in a single-store format.

Market-leading brand portfolio continued

TRUWORTHS LADIESWEAR EMPORIUM

Brand description

Truworths Ladieswear Emporium offers a wide range of aspirational and fashionable apparel, footwear and accessories for multiple lifestyle needs including formalwear, leisurewear and denim, eveningwear and lingerie. Truworths has a curated range of exclusive brands that are carefully differentiated to ensure variety and excitement, and is designed for the youthful, modern, fashion-conscious woman.

Brand profile

Each of the brands within the Emporium has its own clearly defined DNA and targets the lifestyle needs of fashionable women who appreciate good quality, combined with the exclusivity that comes from a blend of international fashion and unique in-house designs. The footwear range is complemented by well-known third-party footwear brands.

Supporting brands and ranges

Truworths, Outback Red, OBR Sport, TRS, TRNY, Hey Betty, Inwear, Basix, Finnigans, Zeta, Truworths Maternity, Intrigue, Skiny and Peep

Retail sales for 2024:
R3.7 billion

Retail sales growth on prior period
4.4% decrease (2023: 7.6% increase)

Truworths retail sales contribution
26% (2023: 26%)

Number of emporium stores, departments within emporium stores or stand-alone stores

353 Truworths Emporium stores

TRUWORTHS MENSWEAR EMPORIUM

Brand description

Truworths Menswear Emporium caters for the wardrobe requirements of modern, fashion-conscious, youthful men by offering a range of exclusive aspirational brands that encompass formalwear, leisurewear and athleisurewear, in addition to a range of Truworths footwear, underwear and accessories. The footwear range is complemented by well-known third-party footwear brands.

Brand profile

The exclusive mix of brands in the Menswear Emporium targets all the lifestyle needs of youthful men who desire good-quality aspirational fashion apparel and footwear.

Supporting brands and ranges

Truworths Man, Uzzi, Daniel Hechter Mens, Hemisphere, Hemisphere Sport, Rosati Uomo, Trench, Moskow, Exstream, Fuel and LTD Man

Retail sales for 2024
R3.6 billion

Retail sales growth on prior period
3.1% decrease (2023: 2.4% increase)

Truworths retail sales contribution
25% (2023: 25%)

Number of emporium stores, departments within emporium stores or stand-alone stores

356 Truworths Man departments
352 Daniel Hechter Mens departments
329 Uzzi departments
52 Fuel departments
35 Truworths Man stand-alone stores
32 Uzzi stand-alone stores
7 Fuel stand-alone stores

TRUWORTHS LADIESWEAR DESIGNER EMPORIUM

Brand description

Truworths Ladieswear Designer Emporium offers a unique range of exclusive fashion apparel, footwear and accessory brands that appeal to the discerning South African woman. The ranges are carefully designed and curated, with each having a clearly defined look and feel and lifestyle relevance. This combination, housed in a single retail space, makes for an exciting better-end shopping experience.

Brand profile

Targets the specialised lifestyle needs of youthful, fashionable women who are attracted to good-quality designer brands.

Supporting brands and ranges

Daniel Hechter Ladies, Ginger Mary, Truworths Glamour, Emily Moon, Essence, LTD Ladies and Earthaddict

Retail sales for 2024
R1.4 billion

Retail sales growth on prior period
4.9% decrease (2023: 9.9% increase)

Truworths retail sales contribution
10% (2023: 10%)

Number of emporium stores, departments within emporium stores or stand-alone stores

310 Ginger Mary departments
309 Daniel Hechter Ladies departments
147 Earthaddict departments
113 LTD departments
17 Context departments within store
2 Earthaddict stand-alone stores
1 Daniel Hechter stand-alone store
1 Ginger Mary stand-alone store
1 Context stand-alone store

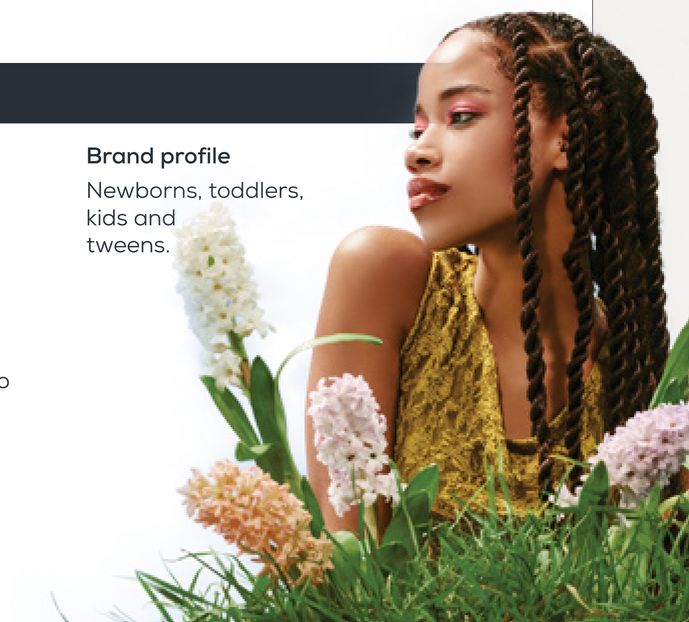
TRUWORTHS KIDS

Brand description

Truworths Kids offers a range of exclusive, aspirational childrenswear clothing, accessories and footwear brands that are of exceptional quality for the fashion and brand-conscious parent and child. Each supporting brand offers a range of boys and girlswear for targeted age profiles. When placed together or within an Emporium, the unique handwriting of each brand creates an enticing offering that covers age, gender and lifestyle needs. The brands cater for babies and children from newborns to 14 years old.

Brand profile

Newborns, toddlers, kids and tweens.



Supporting brands and ranges

LTD Kids, Earthchild, Naartjie, Max and Mia, and Zigi

Retail sales for 2024
R1.4 billion

Retail sales growth on prior period
6.0% decrease (2023: 8.0% increase)

Truworths retail sales contribution
10% (2023: 10%)

Number of emporium stores, departments within emporium stores or stand-alone stores

310 LTD Kids departments
127 Truworths Kids within Truworths Emporium stores
12 Earthchild stand-alone stores
9 Naartjie stand-alone stores
8 Truworths Kids stand-alone stores
6 Earthchild and Naartjie stand-alone stores
5 Earthchild and Earthaddict stand-alone stores

Market-leading brand portfolio continued

OTHER TRUWORTHS BRANDS

Brand description

Truworths Elements, Truworths Jewellery, Truworths Cellular, Office London, Loads of Living and Sync

Truworths Elements offers a range of premium international skincare, cosmetics and fragrance brands. Truworths Elements is a fresh and uncluttered beauty destination, focusing on highly sought-after prestigious brands for fashion-conscious customers, where they can enjoy the expertise of trained specialist cosmetic consultants.

Truworths Jewellery offers a selection of quality fine jewellery, trendy fashion jewellery and leading international watch and sunglass brands. The merchandise appeals to youthful women and men, across broad lifestyle spectrums, who view jewellery and accessories as an integral aspect of fashion. The range includes gold, silver and faux jewellery collections, as well as a broad assortment of fashionable watch and sunglass brands.

Office London is inspired and guided by Office UK. It offers a wide selection of in-demand third-party branded fashion sneakers and apparel. The majority of the range is primarily targeted at the female fashion customer, however, it is complemented by an appealing range of footwear for the trend-informed male customer. The range is complemented by a selection of branded accessories and bags that complete the sneaker-led lifestyle look.

Loads of Living offers a collection of sophisticated, high-quality homeware, bed linen and decorative accessories for the discerning customer.

Sync is a youthful, fashionable and commercial value brand. It is a well-priced range with an aspirational feel due to its quality and unique design. Sync offers fashion clothing, footwear and accessories for value-conscious, fashionable women and men.

Brand profile

Youthful ladies and men.

Supporting brands and ranges

MAC, Estée Lauder, Clinique, Clarins, Revlon, Kangol, Elizabeth Arden, Coty, Gatineau and Aramis, as well as niche fashion and salon brands, international fragrance brands, third-party footwear as well as own-brand fashion

TRUWORTHS elements The beauty destination

OFFICE LONDON

Loads of Living

sync

Retail sales for 2024
R2.1 billion

Retail sales growth on prior period
5.4% increase (2023: 16.5% increase)

Truworths retail sales contribution
13% (2023: 13%)

Number of emporium stores, departments within emporium stores or stand-alone stores

- **186** Truworths Jewellery departments
- **141** Truworths Cellular departments
- **84** Truworths Elements departments
- **26** Sync stand-alone stores
- **24** Loads of Living departments within Truworths Emporiums
- **22** Office London stand-alone stores
- **9** Loads of Living stand-alone stores

IDENTITY

Brand description

Identity offers a range of affordable and trendy fashion clothing, underwear, footwear and accessories for women, men and kids. Identity caters for the fashion-aware and value-conscious youth market. Identity operates from independent stand-alone stores.

Brand profile

Young ladies, men and kids.

Supporting brands and ranges

IDENTITY

Identity Ladies, Identity Man, Identity shoes, bags, lingerie, accessories and ID Kids

Retail sales for 2024
R2.3 billion

Retail sales growth on prior period
5.4% decrease
(2023: 5.8% increase)

Truworths retail sales contribution
16% (2023: 16%)

Number of emporium stores, departments within emporium stores or stand-alone stores

- **254** Identity stand-alone stores
- **240** ID Kids departments within the Identity stores

YDE

Brand description

Young Designers Emporium (YDE) showcases South Africa's young, cutting-edge fashion talent. As an agent, YDE markets the clothing and lifestyle products of both emerging and well-established local designers. The unique trading formula of YDE provides an exciting platform for designers to present their exclusive own-label ranges in some of the top malls in the country. The emporiums are aimed at fashion-forward customers aged 16 to 35 years and offer ladies and mens clothing, shoes, bags and accessories. YDE operates from independent stand-alone stores.

Brand profile

Young women and men in the 16 – 35 age group.

Supporting brands and ranges

YDE YOUNG.DESIGNERS.EMPORIUM

Brands of various designers

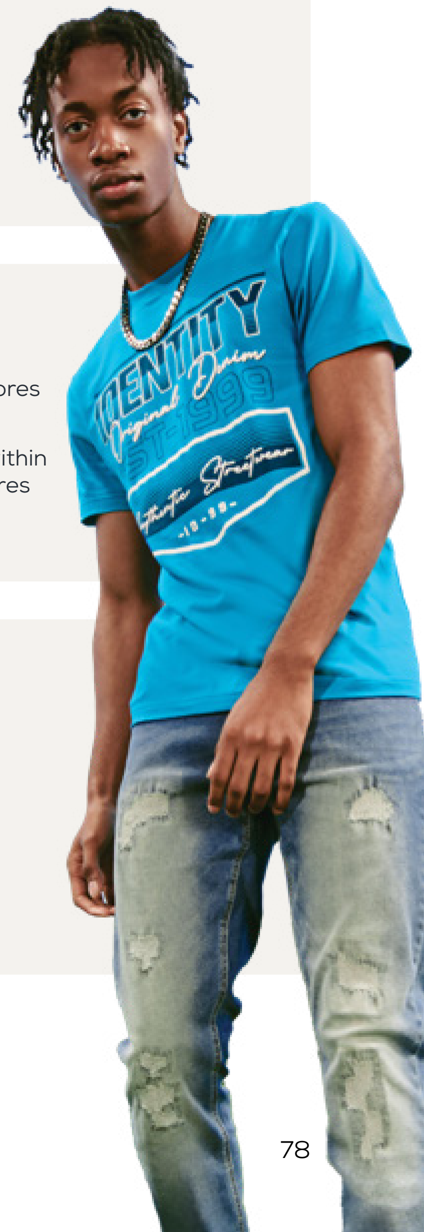
Retail sales for 2024
R216 million

Retail sales growth on prior period
7.3% decrease (2023: 1.3% increase)

Truworths retail sales contribution
Agency sales, so therefore not included in retail sales

Number of emporium stores, departments within emporium stores or stand-alone stores

- **19** YDE stand-alone stores



Truworths

ASPIRATIONAL FASHION

Truworths strives to create aspirational, better-end and authentic merchandise ranges across its brand portfolio season after season, offering customers internationally inspired fashion of superior quality. This is supported by Truworths' merchandise philosophy of creating an extensive range of fashion apparel and related accessories that meets the lifestyle needs of its customers.

MANAGING THE RISK OF FASHION

The merchandise planning and buying teams manage and mitigate the risk of fashion across the product lifecycle through the following processes:

- forecasting and interpreting international fashion trends and customising these trends for the South African market;
- creating product designs through in-house fashion design specialists and selected supplier teams working together with experienced buyers;
- using world-class systems in planning and assorting ranges;
- following a preferred supplier approach to ensure consistency in the supply chain, with many suppliers being exclusive to Truworths; and
- using the fast fashion and quick response capability to capitalise on new trends and popular styles through local manufacture and investing in strategic fabric.

THE YOUTHFUL, FASHIONABLE CUSTOMER

Truworths targets a youthful and fashionable customer and, through its exclusive market-leading ladies' and men's brands, aims to cater to the varied lifestyle needs of this customer, from casualwear to workwear, eveningwear, accessories and footwear.

Fashion is aimed at making customers look and feel attractive and successful. This single customer focus on youthful, fashionable South Africans removes the risk of over-segmenting the market and provides clarity and focus to the buying and marketing teams.

FORECASTING FASHION TRENDS

The Truworths ladieswear and menswear fashion studios drive the fashion forecasting process. The studios, research international fashion trend information from a wide range of sources, including catwalk collections, trade fairs, online fashion intelligence, influencers and social media, and by following global and local street trends.

Merchandise designers from these studios and in-house design centres work in partnership with buyers to understand the trends and formulate the required fashion direction for each new season. A design and customisation process is completed for each brand, providing direction on style, colour, fabric, print and trim, in line with the latest emerging trends. Season-ahead travel to the northern hemisphere supplements and confirms these seasonal processes.

Similarly, homeware ranges for Loads of Living and Loads for Kids require the buying team to monitor local and international interior and lifestyle trends to meet the needs of discerning homeware customers.

CONSISTENT FASHION FORMULA

A consistent merchandise buying and planning formula is applied every season. This process is constantly refined and updated to align with the growth and complexity of the business, and to continue to meet the challenges of the fast-moving and evolving global fashion retail market. Checks and balances at critical stages in the process limit the risk of fashion failure.

Refer to Material issues, risks and opportunities on page 22 for more detail.

TRUWORTHS
Aspirational fashion continued

Collections are carefully curated and designed with the DNA and end-use of each brand in mind to create a broad and exciting range of ever-changing products to entice the customer. The focus on creativity in the buying process has been elevated to ensure that the buying teams have additional time to drive product design and innovation within the assortment process.

Leading-edge systems and technology are applied to enable detailed planning and balancing of ranges, ensure consistency in the merchandise offering and provide structure to the creative process.

Merchandise is sourced from a combination of local, regional and international suppliers based on a carefully considered methodology that provides flexibility and reliability, and mitigates supply chain risk. At each stage in the process there are interventions to ensure that the merchandise meets the exacting quality standards that customers both value and expect.

SUPERIOR QUALITY FASHION

Truworths is synonymous with quality fashion and better-end fabrics, with industry-leading metrics for low levels of quality-related customer returns. The quality assurance team partners with local and international suppliers to ensure merchandise is manufactured to consistent quality and prescribed standards.

The in-house fabric and garment-testing laboratory, accredited by South Africa's Council for Scientific and Industrial Research, ensures that the laboratory's methods and results are aligned with international standards.

MANAGING FASHION IN 2024

In the constrained consumer spending environment, which prevailed throughout the financial period, Truworths' merchandise strategy continued to be directed by its Business Philosophy which guides decision making in good and bad times. The merchandise teams have focused on offering value-add to ensure that garments provide real intrinsic value, without compromising on quality and fashionability and without changing strategy to compete in the 'value segment'.

Global supply chain challenges resulted in the late delivery of imported product and fabric, which impacted seasonal products and the merchandise mix in stores. The challenges with imported fabric also affected local production.

Unseasonably warm weather stretching into late May and the late onset of the 2024 winter season in mid-June negatively impacted sales of winter products.

A key merchandise objective has been to drive sales growth to increase market share in specific product categories which are under-represented in the merchandise assortment. While growth initiatives were unfortunately constrained by supply chain challenges, reasonable progress was achieved in certain of these key opportunity categories. This remains an area of ongoing focus and opportunity.

Managing the impact of exchange rate volatility is a perennial challenge as approximately 55% of Truworths' merchandise is sourced offshore. The impact of the movement in the Rand on product pricing was compounded by the uncertain social and political environment in South Africa in the second half of the period ahead of the general elections in May. The volatility is reflected in the currency trading between a low of R17.16 and a high of R19.75 against the US dollar during the financial period. Forward cover contracts mitigate currency risks and assist the buying team to accurately determine pricing and input margins during periods of rapid exchange rate movements.

The supply chain disruption experienced during the financial period impacted optimal stock levels and, together with the late onset of winter and constrained demand, necessitated slightly elevated levels of promotional activity and markdowns to achieve end-of-season terminal stock levels, negatively affecting the gross profit margin. A number of interventions have been implemented to curb the impact of supply chain disruption in the period ahead.

ENTRENCHING RECENTLY LAUNCHED BRANDS

New brands and ranges are constantly developed to address the many lifestyle needs of customers. While no new brands were introduced into the portfolio during the reporting period, the merchandise and operations teams focused on entrenching the most recently developed brands, Fuel and Sync. The store presence of both brands continued to be expanded, while the product offering was extended to include shoes, bags and accessories.

Fuel offers highly fashionable lifestyle product to the trendy, youthful customer. The brand's store footprint increased to 52 across stand-alone stores and departments in emporium stores.

Sync offers lower priced merchandise to consumers who choose to spend less, with the product offering including casual fashion ranges and own-brand sneakers and accessories. Sync is positioned as a separate brand, distinct from Truworths and Identity, with a focus on lower-priced, fashionable and good quality merchandise. Following the opening of seven new stores, Sync has grown its presence to 26 stores.

ENHANCING ONLINE CUSTOMER EXPERIENCE

Customer demand for online shopping continued to gather momentum as e-commerce sales grew by 34% accounting for 4.9% of total segment retail sales (2023: 3.5%).

The shopping experience of Truworths' online customers was enhanced with ongoing improvements to the website. This included the introduction of product recommendations based on user behaviour, abandoned basket reminders and other features aimed at growing online sales. Digital communication was enhanced to ensure customers are regularly updated on their order delivery status. Improved efficiencies in the order fulfilment process, with an increased focus on picking e-commerce orders from a greater number of stores and the nearest location, has resulted in reduced delivery times for customers, and reduced costs for Truworths.

All Truworths products and brands are available on the Truworths, Office London, Loads of Living and Identity e-commerce sites. Customers are able to shop with a single basket across the three Truworths sites (Truworths, Office London and Loads of Living). Together with the extensive Truworths store footprint, this creates an engaging omni-channel experience for customers to shop effortlessly in-store and on digital devices.

The YDE website went live on the Truworths platform during the period, with YDE customers now able to shop online with their accounts.

Ongoing collaboration with the Office digital team in the UK ensures that the Truworths website is aligned with the functionality and offering of the more established Office UK site.

TECHNOLOGY SUPPORTING MERCHANDISE PROCESS

Ongoing systems enhancements and new technologies to support the merchandise buying and planning process are aimed at managing fashion risk and ultimately improving the customer experience.

Merchandise systems and processes have been enhanced by automating manual tasks in the planning process, upgrading the product lifecycle system to better utilise the glass pipeline as well as further markdown and planning improvements. The merchandise planning system has been upgraded to improve store demand planning functionality and improve the speed of markdown implementation to increase flexibility in the timing of markdowns.

Artificial intelligence (AI) presents a major opportunity to support the merchandise planning and buying functions and trials are being conducted on several potential AI solutions. Testing of AI in product development is showing positive initial results, while the application of AI is also being evaluated in merchandise planning.

Truworths

SUPPLY CHAIN

Truworths' supply chain strategy is based on receiving product in the most efficient manner and delivering to stores and customers as effectively as possible to meet consumer demand. Local and international channels are used and there is constant focus on managing costs and shortening lead times. Local apparel manufacturing maximises speed-to-market opportunities and contributes positively to the sustainability of the domestic apparel manufacturing sector.

The Truworths supply chain was severely impacted by global and local shipping challenges during the reporting period. The international shipping crisis resulted in container shortages in China as vessels faced extended shipping times and routings around Africa to European and US markets, with a resultant significant increase in shipping freight rates.

Truworths responded with a mitigation plan by establishing a shipping task team to monitor the import programme, extending order lead times and utilising alternative ports and shipping routes.

Local manufacture was also impacted by the shipping crisis due to the reliance on imported fabric. Strategic fabric stocks held by the business and fabrics sourced from SADC countries were used to substitute delayed imported fabric, where possible.

These global supply chain challenges were compounded by the disruption at local ports due to infrastructure failure and operational inefficiencies. These factors resulted in delays in the berthing and unloading of container vessels which were already experiencing extended delays.

ADVANTAGES OF LOCAL MANUFACTURE

Speed to market is critical for a fashion retailer. Local supply offers shorter lead times than imported product as suppliers can respond quickly to replenishing popular selling styles during a season. Local manufacturing is therefore a critical component of Truworths' supply chain, with approximately 45% of apparel units being produced in South Africa.

Truworths has applied the quick response and fast fashion model with key local manufacturers and suppliers for many years. Merchandise buyers are able to respond more rapidly to customer-buying patterns and can make styling changes as late as four weeks prior to delivery, ensuring that the ranges reflect the latest fashion trends.

Truworths uses several factories and cut-make-trim manufacturers (CMTs) across the country. Many of these are exclusive to Truworths or have Truworths as their largest customer, with financial and other support being provided to protect the local supply base. These CMTs produce a wide range of product, including highly specialised and unique-to-Truworths garments that ensure speedy, flexible delivery across most product categories. Truworths owns a factory in Darling, Western Cape, which produces ladies' formal product.

Refer to Material issues, risks and opportunities on page 23 for more detail.

TRUWORTHS AFRICA DESIGN DIVISION

Integration of Truworths' in-house Barrie Cline and Bonwit design centres into the Truworths Africa Design Division was completed during the reporting period, creating a combined internal ladies', men's and kids' design division.

The integrated design division has enabled Truworths to control a significant portion of its local procurement and enhance the existing quick response and fast fashion models. Initial efficiency gains are being realised from the integration, although to some degree speed to market improvements were hampered by delays in the delivery of imported fabric during the period and some resource constraints.

The design division, which includes design, pattern making and sample manufacture, is housed in the same building as the product buyers, enabling creative development and faster communication of product requirements to improve speed to market.

The in-house design capability enhances Truworths' ability to design and create unique ranges for customers, while realising economies of scale in fabric purchasing, production planning and logistics.

SUSTAINING THE LOCAL SUPPLIER BASE

The sustainability of the local apparel manufacturing sector remains under threat as suppliers face mounting financial pressures. Truworths has provided financial support to certain of the strategic CMT partners to install generators, which has reduced downtime during load shedding, ensuring that product is not delayed and staff continue to be paid. Truworths has also provided plant and equipment on loan to certain CMTs to extend manufacturing capabilities and improve production efficiencies.

As a signatory to the Department of Trade, Industry and Competition's Masterplan for the Retail, Clothing, Textile, Footwear and Leather value chain, Truworths is committed to ensuring the sustainability of its local supply base. The executive and merchandise teams have continued to work closely with suppliers, particularly the exclusive design centres and CMT partners, to identify opportunities to develop a broader range of product locally to drive more consistent volumes and improve efficiencies.

The support from Truworths has ensured the sustainability of many of these key partners, resulting in limited attrition in the supplier base and the preservation of employment, while capitalising on the quick response capability of the local industry to react to consumer demands.

TRUWORTHS Supply chain continued

REASONS FOR IMPORTING PRODUCT

Imported product accounts for approximately 55% of Truworths' total apparel units. Merchandise is typically imported in categories where local suppliers are not as price competitive as their offshore counterparts or do not have the manufacturing capabilities to meet the required production and quality standards. Categories with a higher import component include shoes, fashion accessories, lingerie, fine gauge knitwear, winter outdoor jackets and denim.

While China is the major source of international supply, Truworths has diversified its dependency on China in recent years to mitigate supply chain risk. Countries of origin have been diversified to include Bangladesh, Pakistan and India, and SADC countries, namely Lesotho, eSwatini, Madagascar and Mauritius. New countries of origin are evaluated on an ongoing basis to capitalise on product opportunities.

MANAGING SUPPLIER RELATIONSHIPS

Truworths has established long-term, sustainable relationships with local, regional and international suppliers, resulting in a well-diversified and sometimes exclusive supplier base across a wide range of product types.

A supplier scorecard measures the performance of key suppliers to promote high standards of quality and delivery. The B-BBEE status of South African suppliers has been incorporated as a selection criteria in the scorecard.

The scorecard informs the decisions of the merchandise-buying teams in their selection of suppliers, with volume growth being prioritised with better-performing suppliers. The scorecard also identifies areas for improvement in underperforming suppliers and these development areas are addressed through collaboration and targeted support. The scorecard encourages suppliers to improve their performance and this ultimately contributes to a more efficient supply chain.

The Truworths Supplier Code of Conduct and Good Business Practice is incorporated into all supplier agreements and commits local and international manufacturers to comply with ethical business standards, labour legislation (particularly relating to child labour and minimum wage levels), international health and safety standards, and environmental legislation and treaties to which South Africa is a signatory. Legislative compliance audits are conducted by Truworths during the course of the new supplier enrolment process.

NEW DISTRIBUTION CENTRE

Following the completion of the construction of Truworths' new 52 000m² distribution centre (DC) in Cape Town, the materials handling equipment is being installed and thereafter progressive implementation at the facility will take place. The DC is planned to be fully operational by March 2025.

Sophisticated retrieval and storage solutions as well as enhanced picking technology will enable greater volumes of replenishment and part allocation of merchandise to stores. Part allocation of merchandise, with the remainder being pushed to stores based on sales rates, is a key capability of the new DC and is expected to improve the accuracy of product allocation to stores.

The new facility, which will be completed at a cost of around R1 billion, will allow the four existing DCs to be consolidated into a single facility and accommodate growth in the business for at least the next 10 years.

Central to the design and construction of the distribution centre is the focus on sustainability. The new DC was awarded EDGE (Excellence in Design for Greater Efficiencies) Advanced green building certification in July 2024. EDGE certification is aimed at increasing energy, water and materials efficiency and is managed by the Green Building Council of South Africa, which partners with the International Finance Corporation to facilitate certification in Africa.

The DC will include a water-harvesting and purification system and energy-efficient light-emitting diode lighting throughout the facility. A further environmental benefit of the centralised DC is that outbound volumes will be consolidated through better utilisation of cartons and more merchandise transported per load through more efficient packaging, which will reduce carbon emissions.

Truworths

ACCOUNT MANAGEMENT

Truworths continued to experience a strong demand for new accounts during the period, with 5.3 million account applications highlighting consumer appeal of Truworths' premium-quality, aspirational fashion merchandise.

Account sales comprise
70%
of Truworths' retail sales
(2023: 70%)

New account applications of
5.3 million
(2023: 5.4 million)

New account openings increased by
8%
to approximately 900 000

Active account base increased
2.5%
to 2.9 million
(2023: 2.8 million)

Gross trade receivables increased
5.7%
to R6.9 billion
(2023: R6.6 billion)

Net bad debt to gross trade receivables decreased to
11.7%
(2023: 14.8%)

Overdue balances as a percentage of gross trade receivables
17%
(2023: 16%)

Expected credit loss allowance to active gross trade receivables
20.3%
(2023: 20.6%)

A record number of approximately 900 000 new accounts were opened and active accounts grew by 2.5% to 2.9 million. The percentage of account applications which resulted in opened accounts increased to 17% from 15% in the prior period.

Truworths operates its account portfolio statistically, based on consistent application of credit risk criteria. All new accounts are scored using both internal and external scorecards and affordability criteria is applied in line with the requirements of the National Credit Act. Existing account customers are scored monthly to determine changes in risk profile, payment probability, propensity to spend, response likelihood, brand of preference and other predictive behavioural aspects to enable Truworths to better manage the portfolio. Decision optimisation is applied across the portfolio.

Risk scorecards self-regulate as they react to the payment behaviour of the customer. This means that during periods of heightened credit stress new account and credit limit approval rates will automatically tighten in reaction to deteriorating predictive scorecards.

Champion-challenger methodologies are applied and Truworths has multiple strategies running in parallel, with identified performance-based outcomes. A credit risk committee meets regularly to determine the percentage of the portfolio to be run on each strategy.

Gross trade receivables on the Truworths debtors' book, comprising the Truworths, Identity and YDE books, increased by 5.7% to R6.9 billion (2023: R6.6 billion).

Active gross trade receivables decreased by 2.1% to R6.4 billion (2023: R6.6 billion). This excludes the charge-off portfolio.

Account sales decreased by 2.5% and contributed 70% (2023: 70%) of retail sales in Truworths. Lay-by sales decreased by 6.2%. Active account holders able to purchase were at 79% (2023: 80%) at the period-end. Overdue balances to the active debtors' book increased to 17% from 16% in the prior period.

The expected credit loss (ECL) allowance decreased from 20.6% in 2023 to 20.3% of active trade receivables for the reporting period.

Total trade receivable costs increased by 3.6% to R1.3 billion. Net bad debt and related costs decreased 14.6% to R1.0 billion (2023: R1.2 billion).

South Africa's credit market has been particularly challenging as the pressure of high borrowing costs and sustained cost-of-living increases impacted consumers' ability to service debt and meet their payment obligations. The SA Reserve Bank's benchmark repo rate remained unchanged at 8.25% throughout the financial period.

The TransUnion Consumer Credit Index, an indicator of the credit health of consumers in South Africa, measured 47 points for the first quarter and 46 points for the second quarter of calendar year 2024. While this indicates that the credit environment continues to deteriorate, the rate of decline has slowed from June 2023 when the index reached an all-time low of 39 points.

TRUWORTHS Account management continued

ACCOUNTS ENABLING MERCHANDISE SALES

Truworths uses credit to initiate an ongoing relationship with its customers in the mainstream middle-income consumer market. Truworths' strategy is to use credit as a tool to facilitate sales to enable South Africans to buy its high-quality fashion merchandise.

Many consumers in the middle-income market have limited access to traditional bank credit, such as overdraft facilities and credit cards, and are therefore reliant on store accounts to buy fashion merchandise. For some customers, their first credit exposure is with Truworths and they utilise the credit to not only purchase merchandise but also to start building a credit track record and profile. The Truworths account cost is low, with an annual account service fee of R59, and no initiation, club or magazine fees are payable. Financial services income constitutes only 0.9% (2023: 0.8%) of the sale of merchandise in Truworths.

Account facilities are offered to customers across all Truworths merchandise brands in South Africa, Namibia, Botswana and eSwatini.

Payment options include offering customers terms of six, nine and 12 months to settle their accounts. Many customers are offered a six-month interest-free payment plan that only attracts interest if the customer is in arrears on their account. Customers are billed monthly and are required to pay the minimum 90% qualifying payment of the amount due to remain current.

Customers who do not qualify for an account can use the lay-by (set aside) payment facility, enabling them to select merchandise and pay it off over three months. This gives non-account customers access to Truworths' merchandise that they would have not been able to purchase for cash.

REHABILITATION OF DELINQUENT ACCOUNTS

During the reporting period, the Group reviewed and amended certain of its credit risk management strategies, including the criteria for the write-off of delinquent accounts. Based on the expectation of a more positive economic outlook, the Group considers account rehabilitation to be a key strategy for stage three delinquent accounts that show some probability of payment, and has moved these accounts into a separate charged-off portfolio. These customers can reapply for a credit facility with the Group, provided they have been rehabilitated and meet the Group's strict credit risk and affordability criteria.

Refer to the Chief Financial Officer's report on page 65 for further detail.

ACCOUNT MANAGEMENT IN 2024

New technology and processes continued to be implemented to enhance Truworths' ability to deliver an omni-channel experience to customers.

AI is applied in the new account conversion process while machine learning is used across the business. A suite of 59 predictive models is used to encode consistent, performance-based decisions in all aspects of the customer and credit lifecycle. Decision optimisation is used across most areas of the portfolio, with actions taken to maximise profit at a customer level.

Several credit scorecards were developed or refined to improve predictive power in account management. Further investment in new analytics technology has improved scorecard development time and new model-building techniques are being evaluated.

Chatbot software provides automated access to information and allows for self-service instead of dealing with a live agent, resulting in a large reduction in inbound call centre volumes.

Digital engagement with customers across account acquisition, account management and collections is increasing significantly, in particular via mobile phones, as online transacting gains momentum. Accounts can be opened on mobile devices while the majority of account payments on the e-commerce site are via mobile phones. New digital payment channels and payment gateways have increased the number of customers making account payments using channels other than physical stores.

All customer communication has been transitioned to digital channels. The functionality of the e-commerce platform was enhanced to enable further customer self-service. Customers can now move from the account application stage to shopping online within minutes, with most decisions being data-driven without human intervention.

GROWING CUSTOMER LOYALTY

The TruRoyalty (Truworths) and iDream (Identity) customer loyalty programmes are aimed at attracting and retaining customers, while increasing both the basket size and frequency of shopping of account and cash customers. Loyalty members spend on average more than cash customers.

The combined membership of the loyalty programmes has increased during the reporting period by 2.1 million to 20.9 million members, including 4.5 million account customers and 16.4 million non-account customers.

All account customers and account applicants become loyalty programme members. Lay-by customers also qualify for membership of the loyalty programme and receive customer communication to encourage repeat purchases while also being potential future account customers. Cash customers can join the loyalty programme at no cost.

Loyalty members are offered a suite of benefits, including loyalty-only merchandise promotions across brands, additional discounts on sale product, vouchers and competitions.

Refer to Material issues, risks and opportunities on page 24 for more detail.

Truworths

RETAIL PRESENCE

Truworths has continued to expand trading space, introduce new store concepts, maximise space productivity and invest in its digital commerce infrastructure.

Retail trading space increased by 0.9% with the opening of a net seven stores, extending the store footprint to 802 stores. Truworths invested R236 million (2023: R300 million) in new store development and renovations, bringing the total invested in stores over the past five years to almost R1.2 billion.

802 stores
at period-end
(2023: 795 stores)

20 new stores
opened across all brands
(2023: 24 stores)

18 stores
expanded, converted, consolidated or relocated

0.9%
increase in retail trading space

Truworths Emporium Re-imagined
store concept successfully launched

EXPANDING STORE PRESENCE

Twenty new stores were opened across all brands during the year. These include Truworths Emporium (four), Identity (four), Office London (three), and one new store each for Truworths Man and Truworths Kids Emporium. Additionally, seven new Sync stores were opened.

A further 18 stores were expanded, consolidated, converted or relocated. Changes to the existing store footprint usually result in a reconfiguration of the brands within the store, and a decision on including new brands or removing those that are no longer relevant. This analysis considers consumer preferences and purchasing behaviours of customers within the vicinity of these stores and stores are designed accordingly.

Thirteen underperforming stores were closed, including nine smaller-format stand-alone stores where the brands were incorporated into adjacent Truworths stores.

The store presence of the most recently launched brands continues to expand, with Fuel growing to 52 (including seven stand-alone stores), Sync growing to 26 stand-alone stores and Context growing to 18 (including one stand-alone store).

Kidswear remains a strategic growth opportunity. Truworths currently has 132 Kids Emporiums housing the LTD Kids, Earthchild and Naartjie brands, including eight stand-alone Kids Emporium stores. ID Kids, the boys' and girls' wear brand launched within Identity five years ago, is now incorporated in 94% of Identity's 254 stores.

The store footprint in the rest of Africa increased to 33, with the opening of new Truworths and Identity stores in Maun, Botswana. All the stores are located in southern Africa, being Namibia (12), Botswana (12), eSwatini (five), Zambia (two) and Lesotho (two).

GROWING ONLINE BUSINESS

E-commerce sales grew by 34%, accounting for 4.9% of total retail sales (2023: 3.5%).

All Truworths products and brands are available on the Truworths, Office London, Loads of Living and Identity e-commerce sites. Customers are able to shop with a single basket across the three Truworths sites (Truworths, Office London and Loads of Living). Together with the extensive Truworths store footprint, this creates an engaging omni-channel experience for customers to shop effortlessly in-store and on digital devices.

The YDE e-commerce site was relaunched on the Truworths platform during the period, with YDE customers now able to shop online with their accounts.

REDUCED IMPACT OF LOAD SHEDDING

While the trading and financial impact of South Africa's electricity crisis was significantly less than the previous financial period, mainly due to a reprieve from load shedding for the entire fourth quarter, electricity outages continued to affect customer trading patterns and store operations, and increased operating costs.

The Group spent approximately R28 million during the reporting period to mitigate the impact of load shedding across its South African stores. This included the installation of additional inverters, generator charges from landlords, maintenance and servicing costs of generators, and investment in uninterruptible power supply devices to avoid trading downtime during load shedding. Total expenditure on alternative power over the past three years has been R50 million. At period-end, 92% of retail sales in South Africa were covered by alternative power sources. The remaining stores either do not experience load shedding or have adequate natural and artificial lighting to be able to trade offline.

Refer to Material Issues, risks and opportunities on page 25 for more detail.

TRUWORTHS Retail presence continued

DEFINING THE FASHION COURT

Truworths aims to be positioned in the centre of the fashion court in all leading malls and recognised as one of the fashion anchor tenants. This also applies to stores on main streets and in towns where Truworths strives to be located at the heart of the fashion retail zone.

Enticing stores, exclusive brands and internationally styled merchandise position Truworths as an appealing and aspirational destination for quality fashion apparel. Creative merchandise displays in wide window frontages showcase the latest fashion trends and are designed to entice customers into stores.

MULTIPLE STORE FORMATS

Truworths Emporium stores

Truworths' 353 emporium stores house a portfolio of exclusive, market-leading brands. The store format encourages customers to cross-shop between the mainstream areas such as Truworths, Truworths Man and the speciality brands Uzzi, Daniel Hechter, LTD, Earthaddict, LTD Kids, Earthchild and Naartjie. These brands, together with their sub-brands, retain their unique identity and ensure variety and a multiple lifestyle offering within the emporium.

The brands featured in each emporium depend on the size and location of the store. Following the expansion of the Truworths brand portfolio in recent years, four specialist emporiums are now offered within the greater emporium store: Truworths Ladieswear, Truworths Menswear, Truworths Ladieswear Designer and Truworths Kids.

Emporium stores are located in central positions in shopping malls and generally have three to five entrances, with maximum usage of shop frontage and windows showcasing the wide range of brands and merchandise.

Stand-alone only stores

Identity, Sync, and Young Designers Emporium (YDE) operate from stand-alone stores and are not incorporated in emporium stores as they generally target a different customer profile to Truworths' shoppers. Office London also trades from stand-alone stores due to its positioning with the third-party footwear brands it sells.

Identity appeals to the fashion-forward and value-conscious youth market, offering high fashion merchandise at affordable prices. Stores are vibrant, edgy and fun to appeal to younger customers.

Sync targets the value segment of the fashion market with an aspirational offering for young men and women, with good quality at competitive prices in a vibrant, energetic store environment.

YDE showcases the fashion of both well-established and emerging South African designers and targets young, fashionable customers wanting designer labels and styling. The store design is a strong point of differentiation from competitors.

Office London is the South African offering of the Group's UK fashion footwear brand Office. The brand operates in stand-alone stores in central positions in shopping malls, often adjacent to the Truworths Emporium. Stores are modern, light and energetic, and are located in the top retail locations in South Africa. The brand has increased its presence to 22 stores, with seven stores offering apparel ranges in addition to footwear.

TRUWORTHS EMPORIUM RE-IMAGINED

The next-generation store design concept, the Truworths Emporium Re-imagined, was launched with the reopening of the remodelled store at the V&A Waterfront in Cape Town early in the reporting period. The design concept was implemented in emporium stores in a further three high-profile shopping malls during the period and in Cavendish Square in Cape Town shortly after period-end. Customer response has been positive and these stores have all reported an encouraging uplift in sales following the implementation of the new store design format.

The Emporium Re-imagined concept comprises a borderless interior where the brands are displayed in one connected space which is light, bright and engaging. Wide open entrances allow for ease of shopping across brands, with highly impactful visual merchandise displays which are constantly changed.

Refer to Market-leading brand portfolio on page 75 for detail on the brands included in each of the emporium formats.

RETAIL PRESENCE IN 2025

Trading space is expected to increase by approximately 1% in the 2025 financial period with continued new store openings and renovations, as well as consolidation of trading space to improve trading densities and the closure of underperforming stores.

Capital investment of R243 million has been committed to store development for the 2025 financial period.

Stores will be opened in several new mall developments across the country in the year ahead, with many of these locations reflecting the geographically dispersed nature of the store base.

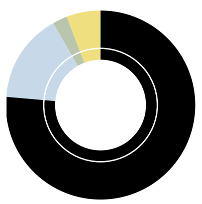
Based on the success of the new concept, the flagship Truworths Emporium Re-imagined design will be extended to at least five further large-format stores across the country. New store design concepts are being developed for Identity and YDE to be introduced in the new financial year.

Truworths

HUMAN CAPITAL

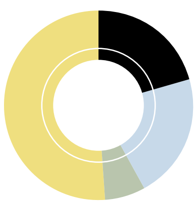
Truworths strives to be the South African retail employer of choice as the business continually invests in attracting, developing and retaining talent, while enhancing employee engagement and satisfaction levels.

RACE: ALL EMPLOYEES



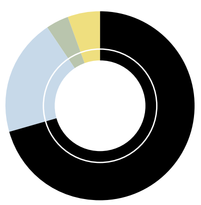
- African – **76%** (2023: 75%)
- Coloured – **15%** (2023: 16%)
- Indian – **3%** (2023: 3%)
- White – **6%** (2023: 6%)

RACE: MIDDLE MANAGEMENT



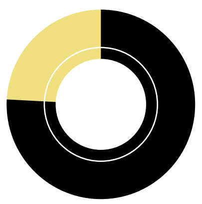
- African – **21%** (2023: 12%)
- Coloured – **21%** (2023: 23%)
- Indian – **7%** (2023: 7%)
- White – **51%** (2023: 58%)

RACE: JUNIOR MANAGEMENT



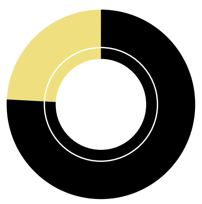
- African – **71%** (2023: 59%)
- Coloured – **20%** (2023: 25%)
- Indian – **4%** (2023: 5%)
- White – **5%** (2023: 11%)

GENDER: ALL EMPLOYEES



- Female – **76%** (2023: 75%)
- Male – **24%** (2023: 25%)

GENDER: MANAGEMENT



- Female – **76%** (2023: 73%)
- Male – **24%** (2023: 27%)

Total employees
10 451
(2023: 10 395)
increased by 0.5%

Turnover of permanent employees
13.4%
(2023: 12.3%)

In South Africa, black employees comprise
94%
of total employees
(2023: 94%)

Female employees comprise
76%
of total employees
(2023: 75%)

Investment in skills development
R129 million
(2023: R122 million)

The human resource focus areas continue to be:

- Enhancing efforts to make a real shift by increasing the number and proportion of black middle and senior management in the business through new internal specialised fast-track development initiatives.
- Ensuring employees understand our Business Philosophy and are in alignment with the Truworths Values when they interact in our business.
- Fostering a culture of diversity, equity and inclusion through both living our Values and targeted interventions within the organisation.
- Identifying and fast-tracking top talent from designated groups.
- Maintaining investment in ongoing training and development despite the challenging macroeconomic environment.
- Investing in employees' financial and broader wellbeing to ensure improved performance and engagement levels.
- Managing employee retention and motivation in an environment where employee expectations have shifted.
- Recruiting and driving internal succession in a globally competitive scarce skills environment.
- Focusing on ways to empower women in the business and build their courage to succeed.

The Truworths workforce comprises a core component of full-time employees and a component of flexi-time employees whose working hours are dependent on the needs of the business. The employee headcount increased by 0.5% over the prior period due to organic growth. Management responsible for human capital has ensured that Truworths remains a stable employer for the many loyal and high-performing employees in the business.

Recruitment from the flexi-time pool of employees to core full-time positions, as these become available, ensures continuity of skills in stores.

Truworths' human capital at a glance		**2024**	2023
Total employees (South Africa and rest of Africa)		**10 451**	10 395
Full-time employees		**5 238**	5 243
Contract employees*		**175**	203
Flexi-time employees		**5 038**	4 949
Skills development expenditure (excluding W&R SETA levies paid)	(Rm)	**129**	122
Skills development spend per employee trained	(R'000)	**11.0**	10.5
Total employees trained (including those who left employment during the period)		**11 706**	11 523
Employees trained in South Africa (including those who left employment during the period)		**11 426**	11 267
Black employees as a percentage of employees trained in South Africa	(%)	**95**	96

* Contract employees include interns, fixed-term and post-retirement contracted employees.

TRUWORTHS
Human capital continued

EMBEDDING OUR VALUES

The Truworths Business Philosophy, our Purpose, our Values and our Vision, permeates the corporate culture, underpins the human capital management strategy and supports the goal to be the South African retail employer of choice. These elements have been central in guiding the business through the challenging trading environment and assisted in navigating the complex social and economic environment.

Management endeavours to foster a culture of innovation and high performance by encouraging employees at all levels to be contribution focused; investing in the future potential of each other by encouraging learning and sharing of skills and talents; embracing the power of inclusive teams; abundantly sharing ideas to drive newness and innovation; approaching our work with passion, energy and enthusiasm; and recognising, celebrating and rewarding excellence in contribution. Truworths also aims to embed a culture of inclusivity in line with its Values, with training programmes and coaching interventions to create awareness and enable diverse teams to work effectively to achieve the Truworths Purpose.

The business strives to continually invest in attracting, developing and retaining talented employees who live by our Values and are ambassadors of our brand.

The Values are incorporated into everyday working life at Truworths through employee engagement, recognition programmes, performance reviews, leadership 360 surveys and employee development. We remained focused on embedding and reinforcing our Values throughout the business during the period to ensure continuity and a common understanding of how each person can contribute to the success of the business by living our Values.

REMUNERATION, BENEFITS AND RETENTION

Truworths' remuneration strategies aim to reward employees who consistently focus on their contribution and achieve the goals of our various business strategies and targets. These rewards consider financial and strategic performance, alignment with our Values, individual contribution as well as the performance of inclusive teams. All management and specialised full-time employees are remunerated on total guaranteed packages, enabling these employees to tailor their cash and benefits to suit their personal needs. In addition, incentives are aimed at driving reward for performance in all areas across the business. Rewarding and retaining high-performing employees is critical as there is a strong demand for talent and scarce skills in the marketplace.

Currently 67% of employees are members of retirement fund schemes and healthcare schemes. Members of the retirement funds enjoy life cover of up to six times their annual pensionable salary.

The wellbeing of employees is a priority for Truworths. Employees on the healthcare plans have 24/7 access to telephonic medical advice. The employee assistance programme was established two years ago and enables all employees and their household dependants in South Africa to access telephonic counselling services, including trauma support, general mental health support as well as financial wellness and legal assistance. In addition, counselling consultations are provided to any female employees who are victims of any form of gender-based violence.

Flexi-time employees with more than two years' service receive company-funded funeral benefits and savings towards retirement funding. These employees may elect to make additional voluntary contributions towards retirement funding.

Benefits offered to employees are reviewed annually and amended based on market practice.

There have been no material changes to remuneration practices in the reporting period.

Owing to changes in business operations and trading patterns, 13 stores in South Africa were closed during the reporting period, with no resultant retrenchments.

TRANSFORMATION

Truworths is committed to transformation and meeting the objectives of the South African Broad-Based Black Economic Empowerment (B-BBEE) Act and Codes.

To ensure the company remains focused on transformation, the responsibility for each pillar in the B-BBEE scorecard has been allocated to a specific director. The Joint Deputy CEO, Emanuel Cristaudo, is the Chairman of the Transformation Committee. The committee meets quarterly to review strategy and measure general transformation activity and progress relative to the B-BBEE scorecard. The committee continues to seek advice from external consultants on opportunities to improve the B-BBEE score and to highlight associated risks.

AQRate, an independent rating agency, reviewed and verified the Group's B-BBEE rating in accordance with the Act.

The heightened focus of the committee on each element has contributed to the B-BBEE scorecard rating improving from level 8 in 2021 to level 6 in 2022 and to level 5 in 2023. In 2024, we have improved from a level 5 to a level 4. Our points have improved further from 75.56 to 82.64, achieving the sub-minimum points on the three priority elements (namely ownership, preferential procurement and skills development) of the B-BBEE scorecard. Truworths remains committed to steadily improving the B-BBEE score in the 2025 period.

Truworths' B-BBEE scorecard	2024	2023
Ownership	**18.43**	15.33
Management control (including employment equity)	**7.90**	7.76
Skills development	**17.74**	17.86
Enterprise and supplier development (including preferential procurement)	**33.57**	29.61
Socioeconomic development	**5.00**	5.00
Total points	**82.64**	75.56
Level	**4**	5

The improvement in the Ownership pillar is attributable to the first time exclusion of treasury shares held by Group subsidiaries as well as shares held by organs of state and government owned entities from the issued share capital, and the increase in the value of the Office segment relative to the value of the Truworths segment.

The continued improvement in the preferential procurement pillar reflects the continued progress in engaging with suppliers on enhancing their B-BBEE credentials as well as an increased focus on procurement from black-owned micro, small and medium-sized enterprises.

Truworths has consistently achieved its socioeconomic development target through meaningful CSI initiatives. Transformation of the economic and business environment is influenced by a number of factors including societal factors. Truworths has partnered with several non-profit organisations to ensure a sustainable and meaningful contribution to meeting the needs of the most vulnerable while meeting socioeconomic development targets.

TRUWORTHS
Human capital continued

EMPLOYMENT EQUITY

An employment equity plan for the South African business was implemented in 2019 and ran until June 2024. The employment equity plan for July 2024 to June 2029 has been finalised. Quantitative and qualitative analyses were undertaken in developing the plan, including an employee survey to identify affirmative action barriers in the workplace. The process included consultation with the Employment Equity Forums, the Truworths International Social and Ethics Committee and the Truworths Transformation Committee, as well as communication to all employees regarding the process of developing and adopting the new plan.

As the plan is not predicated on a growth in headcount, opportunities to transform the workplace profile to be more representative of South Africa's demographic and economically active population will arise from resignations and retirements.

The following table details the improvement made over the five-year period from 2019 to 2024 as well as the goals set for 2024 and 2029.

Employment equity plan 2019 – 2024: Targets	~2019 %	Goal 2024	Achieved 2024 %	Goal 2029 %
Black* representivity				
Top management	6.2	**27.3**	**20.0**	30.0
Senior management	16.3	**23.0**	**20.3**	27.0
Middle management	41.6	**44.3**	**41.8**	45.8
Junior management	88.3	**90.5**	**89.6**	90.1
Female^ representivity				
Top management	18.8	**27.3**	**30.0**	30.0
Senior management	51.3	**52.7**	**51.4**	54.0
Middle management	70.4	**67.0**	**66.5**	64.4
Junior management	76.9	**76.2**	**77.6**	76.3

~ Snapshot profile as at 31 March 2019 when the Employment Equity Plan was submitted for the period 2019 – 2024.
* 'Black' comprises persons classified as African, Indian and Coloured.
^ Female representivity is planned to decline in the middle and junior management levels due to the focus on employing more males at the junior levels.

Although we did not meet the steep target set at top management level, we are pleased with the progress made generally with regard to both black and female representivity. In addition, our focus on succession planning and investment in training and development, as well as the improvement of our black senior management profile will position us to further improve our profile over the next five years in line with our 2029 employment plan. Our challenge is to retain and grow our black representivity at middle management level which will require a strong focus in the new five-year plan.

SUCCESSION, TALENT AND SKILLS DEVELOPMENT

Truworths' Values encourage employees to learn and share, and there is a strong culture of guiding, coaching and mentoring throughout the business. In 2024, 11 706 employees participated in 253 training programmes.

The response to an increased focus on in-person training and the value gained from shared learning has been welcomed by both the trainers and the employees. However, online training will continue where it has benefit.

In 2024, e-learning offerings across various platforms were significantly increased, with 318 training interventions offered (2023: 183). This is a particularly successful platform for the store environment or for high-volume training interventions. TRU Learning, a practical and versatile app-based learning tool, allows for quick response initiatives that are targeted, fit for purpose and cost effective. The high rate of completion, measured by those employees who pass the assessment that forms part of most interventions, reflects employees living the Truworths Values and embracing the opportunity to learn and contribute more effectively. All content is created internally and can be tailored and targeted to business needs.

The merchant graduate training programme is crucial to succession planning in key scarce skill areas in the retail industry. This training programme uses a blended learning approach, combining theoretical, practical and on-the-job training, supported by individual mentorship and coaching for trainees. Over 80% of merchant vacancies are filled by graduates of this programme.

The pressure on the apparel manufacturing sector in South Africa has resulted in a significant loss of key skills in the industry as skilled employees retire and the number of people entering the sector continues to decline. Given the importance of local manufacturing as a source of supply, and the growth in Truworths' in-house design capability, the Group has commenced a process to establish a training programme in the merchandise design service area, which focuses on scarce core skills.

Opportunities have been created for unemployed learners and youth through the implementation of learnerships and internships, in entry-level positions. The internship programme provides opportunities for unemployed graduates to gain workplace experience and become workplace ready. This serves as a talent pool for recruiting for flexi-time and full-time entry-level roles and is targeted at previously disadvantaged groups.

The bursary programme further demonstrates Truworths' commitment to its employees as it provides mentorship and financial support to those who plan to enrol for tertiary academic studies linked to supporting skills to achieve organisational succession and productivity goals.

Truworths continues to offer leadership-focused development programmes for managers and future managers to ensure succession in merchandise, operations and support departments. In 2024, 2 610 employees attended these leadership development programmes (2023: 1 544).

HUMAN RIGHTS

Human rights policies and practices are embedded in the Business Ethics and Integrity Code and the Truworths Supplier Code of Ethics and Good Business Practice, as well as several other supporting policies such as the Anti-bullying and Harassment Policy and Health and Safety Policy.

A human rights policy has been implemented to demonstrate the commitment to the promotion and protection of human rights in line with national and international standards. A human rights due diligence and impact assessment was undertaken to identify and respond to actual and potential risks for workers in our operations and supply chains.

Freedom of association

We respect employees' right to freedom of association, and to choose to belong to a trade union, and to collective bargaining. Employees are made aware of their rights to freedom of association. Managers are trained on the right to freedom of association during the employee relations training programme. Truworths has a policy against unfair discrimination or victimisation of employees exercising any right to freedom of association.

The right to freedom of association is extended across the segment's operations. In 2024, union membership of employees in our Lesotho operations increased and Truworths concluded a relationship agreement with the National Union of Commerce, Catering and Allied Workers (NUCCAW).

Membership of the South African Commercial, Catering and Allied Workers Union (SACCAWU) in respect of the South African operations has decreased from 7.0% in 2023 to 5.9% in 2024. Following the acquisition of the Barrie Cline and Bonwit design centres, 11 employees are members of the Southern African Clothing and Textile Workers Union (SACTWU), representing 0.1% of the total South African employees.

Truworths did not experience any incidents of industrial action in the reporting period.

Labour standards

Truworths complies with the legislative and moral principles relating to the prohibition of work by children under the age of 15 and the protection of young people, and expects suppliers and business partners to adhere to these principles.

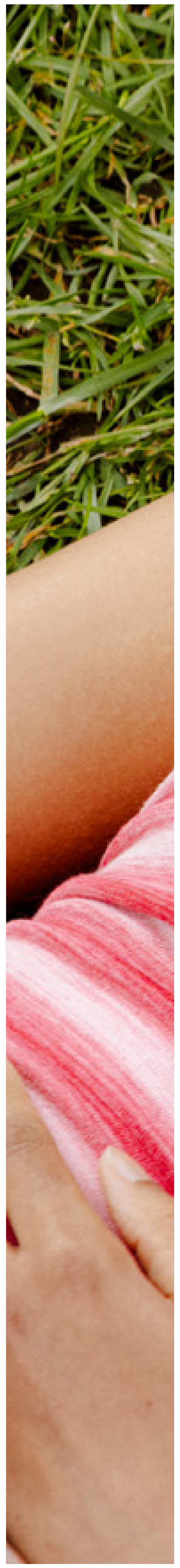
Truworths is committed to valuing the rights of children as outlined in the Constitution of South Africa as well as International Labour Organization (ILO) conventions.

The principles relating to the employment of children aged 15 to 18 are similarly adhered to by Truworths, and no child this age may be required to do work that is inappropriate for their age or that places the child's wellbeing, education, physical or mental health, or spiritual, moral or social development at risk.

Truworths adheres to the ILO Forced Labour Convention and does not engage in or support forced or compulsory labour, trafficked, indentured, or bonded labour, or slavery. Employees are recruited in line with international standards and may resign from their employment as set out as a term in employment contracts. All suppliers and business partners of Truworths are required to implement recruitment and subcontracting practices that are free from forced labour, slavery, servitude and human trafficking, and cruelty or degradation of the human condition.

In addition to the rights of children and forced labour, Truworths adheres to international labour standards in relation to equal remuneration, non-discrimination, dignity and respect, working conditions, and privacy.

Refer to the Environmental, Social and Sustainability Governance Report 2024 as well as the Business Ethics and Integrity Code on the website www.truworths.co.za/sustainability for further details relating to human rights.



6. Operational review Office

‘Office is a sought-after retail partner for the best fashion footwear and top sneaker brands globally and has a unique positioning in the market with a strong focus on the female customer.’

Leading brand portfolio

Office and Offspring are iconic footwear brands created in one of the leading fashion capitals in the world, London. The two iconic brands are well positioned to partner with the leading international branded fashion footwear and sneaker suppliers to deliver the most relevant and fashionable merchandise in the marketplace. Ongoing collaboration with the top footwear brands ensures supply of appropriate and sought-after merchandise that caters for the fashion needs of our customers.

OFFICE

Office is an omni-channel retailer of fashion-forward footwear with a unique offering of branded 'in-demand' footwear and sneakers and own-branded fashion shoes. Office primarily targets the UK fashion-savvy 'London girl', bringing her the latest curated assortment of shoe and sneaker styles from world-renowned and own brands. Office is valued as a strategic partner by the major branded footwear suppliers due to its unique positioning as:

'The London-centric, omni-channel hub for the footwear needs of the fashion-conscious woman.'

OFFSPRING

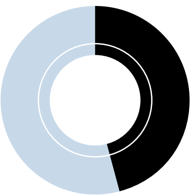
Offspring is a 'sneaker boutique' offering high-end fashion footwear and provides young, fashionable and highly discerning male and female 'sneaker-loving' customers with the most sought-after styles that are in highest demand. Offspring has been at the forefront of collaboration with an extensive collection of special projects with global brands including Adidas, Nike, Converse and Jordan. Offspring is one of the most engaged sneaker retailers in the world and the Offspring 'community' on Instagram is unique and drives customer engagement and associated support through the brand's unique positioning as:

'One of the most authentic and connected sneaker communities globally'

THIRD-PARTY BRANDS

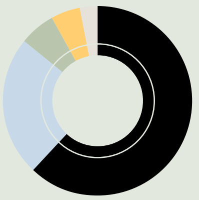
adidas, Birkenstock, Puma, Reebok Classic, Hoka, asics, Salt-Water, crocs, Vans "Off the Wall", Reebok, Converse, Hunter, Toms, Dr. Martens AirWair, havaianas, Teva, Timberland, Blowfish Malibu, Comme des Garçons, UGG, Vagabond Shoemakers, Veja, Steve Madden, Salomon

RETAIL SALES BY CHANNEL



- Online – **46%** (2023: 45%)
- Stores – **54%** (2023: 55%)

RETAIL SALES BY DEPARTMENT



- Sports – **62%** (2023: 59%)
- Ladies branded – **24%** (2023: 23%)
- Ladies – own-branded – **6%** (2023: 8%)
- Mens – **5%** (2023: 6%)
- Kids – **3%** (2023: 4%)

OFFICE

ASPIRATIONAL FASHION

Office has a proud London heritage, strongly influenced by the iconic London fashion culture and focused on young, fashionable female and male consumers in the UK and the Republic of Ireland. Office is a sought-after retail partner for the best fashion footwear and top sneaker brands globally and has a unique positioning in the market with a strong focus on the female customer.

Offspring is a brand within the Office portfolio that caters for the sneaker-loving community and offers a range of limited, highly fashionable sneakers from the world's top brands. Offspring offers product that cannot readily be found in traditional retail outlets and the limited accessibility of collectable product drives a high level of engagement with the passionate Offspring community.

FASHION FOOTWEAR

Multiple leading brands along with Office's own-brand made-to-order (MTO) product create a fashion footwear destination for customers to complete their fashion look.

Branded footwear
Office holds a premium mainstream market positioning and is committed to providing customers with quality footwear that is fashionable and on trend.

Relationships with key brand partners ensure Office has better product access on best sellers, and attracts larger stock allocations and broader ranges. The value and strength of these relationships was evident in the past year with several joint marketing and brand alliance events being undertaken. Office's new store design concept has attracted further support from brand partners.

The merchandise team is highly receptive to introducing new brands in Office and Offspring. Brand partners and customers alike recognise Office as an exciting and strategically important retail partner for launching brands that showcase the latest styles and brands and 'must-have' shoes for the season.

Office also collaborates with key brands to design and develop unique product exclusively available in Office and Offspring stores. Relationships with branded partners have been developed over many years and Office works closely with suppliers to identify future trends and build mutually beneficial strategies to enhance brand exposure and elevation.

The multitude of brands sold by Office reduces brand exposure risk to the business and ensures there is no reliance on a single supplier.

Own-brand footwear
The branded offering is complemented by Office's own-label MTO fashion footwear. The product ranges are designed in-house and sourced globally from European and Asian countries that offer excellent quality and value. European suppliers provide quick response and the ability to react speedily to customer demand. This is particularly important to ensure that Office showcases emerging trends in a highly competitive and fast-paced fashion footwear market.

MTO is a strategic pillar of the business. Following the disappointing performance of own-label MTO in recent years, a new merchandise team was appointed to revitalise the product offering and ensure that Office maintains its status as the style leader in high-street footwear fashion.

The revised product and sourcing strategy has involved improving the product handwriting of the MTO offering to ensure the range is current, fashionable and feminine. Buying and technical teams have worked closely with suppliers to ensure product is of high quality. The early-stage improvement in MTO performance, notably in ladies' footwear, has contributed to lower markdown and promotional sales that supported the gross margin.

Supply chain challenges with shipping delays of approximately three weeks impacted stock availability for the 2024 summer season, which adversely affected sales.

Management aims to increase the contribution from this higher margin category as a proportion of total sales to strengthen Office's gross margin and to further entrench its unique market proposition.

ETHICAL PRODUCT MANUFACTURING

Office is committed to ethical and fair manufacturing. All own-label suppliers are required to comply with the Office Code of Ethics and Good Business Practice, which is designed to be fair, achievable and promote the ongoing development of suppliers.

The code is based on international standards including the Universal Declaration of Human Rights and the International Labour Organization Conventions. The code's general principles ensure that all people who are employed through Office's suppliers have decent working conditions, are not exploited and are treated fairly and with dignity. All products must be produced lawfully, through fair and honest dealings.

A formal statement from the board is published annually on the Office website, in compliance with the UK Modern Slavery Act.

Refer to Material issues, risks and opportunities on page 26 for more detail.

OFFICE

SUPPLY CHAIN

Global logistics and shipping patterns were severely disrupted by the shipping crisis from late in the 2023 calendar year, which resulted in delivery delays of approximately three weeks on traditional shipping routes.

These factors were partially mitigated by building additional shipping lead times into the buying process, moving a portion of Office's own-brand production to European manufacturers and using alternative shipping routes. However, the re-routing of vessels increased lead times, impacted the reliability of service and significantly increased sea freight rates.

CENTRALISED DISTRIBUTION

Office operates a centralised distribution model from its warehouse in Kilmarnock, Scotland. The lease on the warehouse was extended by 10 years and management initiated a project to re-engineer the facility to improve productivity, create distribution efficiencies and increase capacity. The completion of the storage and returns components of the project have alleviated congestion and enhanced productivity, optimising capacity to manage peak volume processing.

Efficient e-commerce fulfilment is key to Office's omni-channel offering. An express 'click & collect' offering was launched on the Office and Offspring websites in October 2023 to increase convenience for customers, with the facility now available in all UK stand-alone stores.

New contracts for the e-commerce courier service and store distribution service were completed on favourable terms during the period.

RELATIONSHIPS WITH KEY SUPPLIERS

Office is a strategically important retail partner to several of the world's leading fashion footwear brands. Office continues to build collaborative, strategic partnerships with key brand partners and suppliers, thereby ensuring that good service levels are achieved and that Office is able to secure allocations of the most in-demand product.

Through long-standing trusted relationships, Office has developed a quick response model for its own-brand made-to-order (MTO) footwear. This allows buyers and designers to work on short lead times and to react to trend information and customer demand by making style changes and adjusting order quantities in season.

Office's European suppliers source all components in the European Union, allowing fast product development and reduced overall lead times. Buyers and designers regularly travel to key sources within Europe and interact with sources in longer-lead destinations in Asia to build relationships, align business strategies, improve communication and reduce development times.

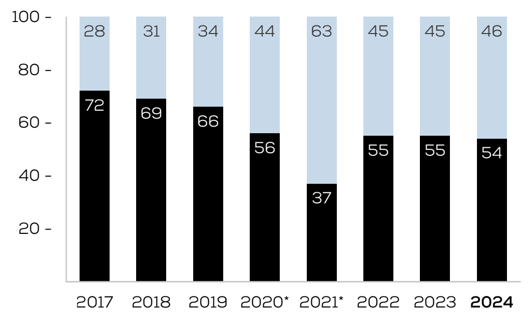
⊕ Refer to Material issues, risks and opportunities on page 27 for more detail.

OFFICE

RETAIL PRESENCE

Office is an omni-channel retailer with a portfolio of stores and concession outlets in the UK (79 stores) and in the Republic of Ireland (seven stores). The physical store network is complemented by a well-established, world-class online business which contributed 46% of the segment's retail sales in the reporting period.

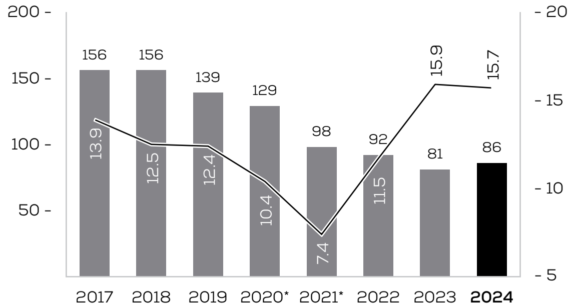
STORE AND ONLINE SALES AS A PERCENTAGE OF RETAIL SALES (%)



● Stores ● Online

* *Trading impacted by COVID-19 lockdown.*

RATIONALISATION OF STORE PORTFOLIO
(Number of stores) (Trading density £000/m²)



● ● Number of stores — Trading density

* *Trading impacted by COVID-19 lockdown.*

86 stores at period-end (2023: 81 stores)

11.4% increase in retail trading space

8 new stores opened (2023: 2 stores)

3 flagship stores modernised and expanded (2023: 2 stores)

New store design applied in new and modernised stores

46% of retail sales generated online (2023: 45%)

Office continued to reinvest in modernising and selectively expanding and upgrading its store estate with the opening of eight new locations in the reporting period. A new flagship Offspring stand-alone store opened in King's Cross, London.

Flagship stores in Oxford Street (London), Stratford and Dublin were modernised, with the new and remodelled stores all trading well ahead of expectations.

After consolidating the physical store base in recent years and closing underperforming and poorly located stores, only three stores were closed in the period. Trading space increased by 11.4% relative to a reduction of 12.6% in the prior period and £6.5 million (2023: £2.6 million) was invested in store development.

The new store design introduced in 2023 was applied to all new and modernised stores. In remodelling and upgrading existing stores, Office aims to increase trading space by regaining space typically used for larger-than-required stock rooms and converting this into productive space.

Office continued to secure rental tenure in most strategic locations, with lease renewals generally concluded for five years or for 10 years with a break clause after year five.

Accessibility of the Office brand is a key attraction for customers and brand partners, with its blend of online and stores in key locations and markets resulting in the current retail sales mix of 54% in-store and 46% online. In the reporting period, in-store sales increased by 8.4% and e-commerce sales by 13.8%.

CONCESSION OUTLETS

Trading through concession outlets allows Office and Offspring to access customer footfall within leading department stores, both physically and online, while simultaneously offering a more flexible physical footprint and cost base. At the end of the period, Offspring had 10 concession outlets (eight in Selfridges and two in Brown Thomas) and Office had one (Selfridges).

ONLINE AND E-COMMERCE

Office continued to invest in its e-commerce capability to enhance the digital user experience. The implementation of a leading-edge customer relationship management (CRM) application contributed to a significant enhancement in personalised communication and targeted segmentation, and ultimately improved customer retention.

Chatbot was introduced as the first line of customer contact for digital platforms, with the initial phase including basic questions. The next phase will be developed in the new financial period and the chatbot will be integrated with the digital carrier.

The branded footwear market is highly influenced by social media. Office and Offspring continued to grow their e-commerce capability with strong support on social media, with over 1.3 million followers across Instagram, TikTok, Pinterest and Facebook.

RETAIL PRESENCE IN 2025

In the new financial period, Office plans to continue its strategy of maximising the store portfolio by securing rental tenure in the best locations at market-related occupancy costs and where internal investment criteria are satisfied.

Capital expenditure of £7.3 million has been committed for store development, with trading space planned to increase by approximately 11%. This includes the opening of four new stores, relocation of three stores, remodelling of 12 existing stores and one store closure.

E-commerce developments will include the upgrading of Office's existing mobile app to enable personalised communications with targeted customers, the development of a new Offspring app and enhancements to marketing communications to increase sales at targeted return on advertising spent.

Refer to Material issues, risks and opportunities on page 28 for more detail.

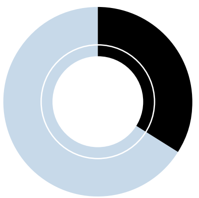
OFFICE

HUMAN CAPITAL

Focus on aligning Office's human resource processes with those of Truworths continued during the reporting period. Office continues to work in collaboration with its counterparts in Truworths on business-critical operations.

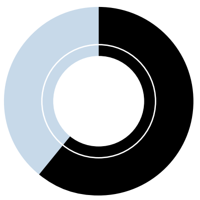
Total employees
1 556
(2023: 1 733)

TOTAL EMPLOYEES



● Full-time **34%** (2023: 31%)
● Part-time **66%** (2023: 69%)

GENDER OF EMPLOYEES



● Female **61%** (2023: 62%)
● Male **39%** (2023: 38%)

LIVING OUR VALUES

The Office Values are aligned with the Truworths Values. The aim is to entrench the Values into everyday working life within Office, just as they have been in Truworths, and to ensure a common understanding of how each Office employee can contribute to the success of the business by living our Values.

Following on from the refresh of the Values in the previous financial year, the process has been reinforced through interventions to ensure that leaders are driving this change in culture within their teams. The major refresh of our Values was the inclusion of an additional value 'embracing the power of inclusive teams' and a greater emphasis on being 'contribution focused'. This was reinforced through the introduction of the CEO Citations recognition programme, a more rigorous performance review process and focused training initiatives which continued into the new financial year.

REMUNERATION, BENEFITS AND RETENTION

The Office remuneration strategy has been aligned with that of Truworths and all employees are rewarded based on financial and strategic project performance, as well as team and individual contribution. All management and full-time employees are remunerated on total guaranteed packages and a private healthcare benefit, which is paid by the company, is available to all qualifying staff. In addition, tailored incentive structures are aimed at driving reward for performance in all areas across the business, including a commission scheme for store staff. While there is a strong demand for talent in the market, there is also a drive to manage costs to ensure the long-term sustainable performance of the business and its ability to continue employing and rewarding people. The national minimum wage in the UK for 2024 increased between 9% and 21% depending on age category, the highest increase since its introduction. Office salaries were reviewed in April 2024 and adjusted, where applicable, in line with the revised minimum wage levels.

The latest gender pay gap report (available on our website **www.office.co.uk/view/content/gender-pay-gap**) was published in May 2024. This report is required to be produced annually in terms of the Equality Act 2010 for businesses employing more than 250 employees in Great Britain.

Staff turnover at the head office in London has normalised, with vacancies at acceptable levels. The number of store-based resignations has also normalised since the migration to the new human resources system, which facilitated the introduction of more efficient payroll processes for the part-time employees. The decline in total headcount is largely due to close management of replacement headcount when existing staff leave.

An annual CEO awards function was also introduced during the year where high-performing employees are nominated and attend the annual awards function to celebrate the recognition of their commitment, their alignment to our Values and their contribution.

TALENT AND SKILLS DEVELOPMENT

The key area of focus has been on training all staff on the updated Business Philosophy, with a focus on our Values. The ACE (Achievers of Continuous Excellence) Programme was introduced for the first time at Office where training is an integral part of the programme. There has also been a focus on leadership development. All mandatory training for new employees (including induction and other key-related topics such as health and safety, fire safety and data protection) are conducted through Office's e-learning training platform. There are currently more than 1 000 active users registered on the e-learning platform.

The e-learning platform houses training modules that staff can access on a needs basis when looking for information on topics such as the staff handbook, diversity and inclusion, sustainability, in-store processes and procedures and human resource-related training. The platform also enables company-wide communication and is used for regular business updates from the Managing Director.

In the year ahead, there will be a greater focus on training through the apprenticeship levy, further leadership training and expanding the ACE Programme.

DIVERSITY AND INCLUSION

Office aims to create an inclusive environment where all employees are able to bring their whole self to work and feel comfortable sharing information about who they are. The principles of fairness and respect for difference, equality of opportunity and treatment across gender and ability (mental, physical and different abilities) are practised across the business. The updated Business Philosophy, with the focus on our Values, embraces the power of inclusive teams.

Office's human capital at a glance		2024	2023
Total employees (UK and Ireland)		**1 556**	1 733
Full-time employees		**529**	537
Part-time employees		**1 027**	1 196
Apprenticeship levy	(£)	**12 739**	13 659
Total employees trained (including online learning platform and those who left employment during the period)		**1 332**	1 065
External referrals for unfair discrimination		**2**	1

7. Shareholder information

In this section:

Shareholder analysis summary
at 30 June 2024

SHAREHOLDER SPREAD

Pursuant to the Listings Requirements of the JSE and to the best knowledge of the directors, after reasonable enquiry, the spread of shareholders at the end of the reporting period was as follows:

	2024 Number of shares	**2024 % of issued share capital**	2023 Number of shares	2023 % of issued share capital
Non-public shareholders				
Treasury shares (repurchased shares and 2012 share plan shares)	**36 181 331**	**8.9**	39 197 196	9.6
Shares held in terms of the 1998 share scheme by directors and other participants	**–**	**–**	1 771 257	0.4
Shares held directly by directors and their associates	**1 447 180**	**0.3**	809 633	0.2
Total non-public shareholders	**37 628 511**	**9.2**	41 778 086	10.2
Public shareholders	**370 870 388**	**90.8**	366 720 813	89.8
Total shareholders	**408 498 899**	**100.0**	408 498 899	100.0

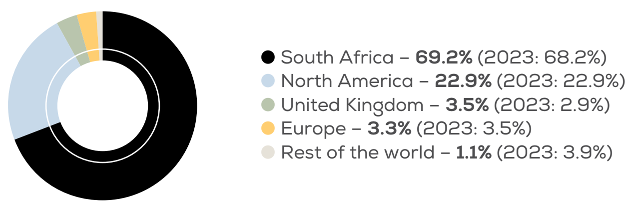
MAJOR FUND MANAGERS

According to the disclosures made by nominee and asset management companies in terms of section 56 of the Companies Act (71 of 2008, as amended), the following fund managers administered portfolios in excess of 3% of the company's shares in issue at the end of the reporting period:

	Country	**2024 % of issued share capital**	2023 % of issued share capital
Public Investment Corporation	South Africa	**17.1**	17.2
Ninety One	South Africa	**8.9**	*
Old Mutual Investment Group	South Africa	**8.3**	*
Westwood Global Investment LLC	United States of America	**7.1**	4.7
Sanlam Investments	South Africa	**5.0**	3.3
Fairtree Asset Management	South Africa	**4.1**	5.2
Vanguard Global Advisors	United States of America	**3.4**	3.5
BlackRock	United States of America	**3.0**	*
Fund managers no longer managing 3% or more			
Allan Gray	South Africa	*****	3.2

*Less than 3% holding.

GEOGRAPHIC SPREAD OF FUND MANAGERS



Shareholders' diary

Annual general meeting	7 November 2024

REPORTS

Annual results for the 52-week period ended 30 June 2024 announced	12 September 2024
Summarised results for the 52-week period ended 30 June 2024 mailed	by 30 September 2024
Integrated Report for the 52-week period ended 30 June 2024 published	by 30 September 2024
Interim results for the 26-week period ending 29 December 2024 announced	27 February 2025*

DIVIDENDS

	Dividend declared	**Dividend paid**
In respect of the period ended 30 June 2024 (Dividend number 51)	12 September 2024	7 October 2024
In respect of the period ending 29 December 2024 (Dividend number 52)	27 February 2025*	18 March 2025*

* These are approximate dates and, in regard to dividends, assume that the board in fact resolves to declare those dividends.

Forward-looking statements

The Integrated Report contains forward-looking statements which relate to the Group's future financial position, results, strategy and operations. These statements by their nature involve risk and uncertainty as they relate to events and depend on factors and macro events that may occur or may change in the future.

Forward-looking statements are not statements of fact, but statements by the Group's management based on its current estimates, expectations and assumptions regarding the future.

Several factors could cause actual results to differ materially from those in the forward-looking statements. These include but are not limited to global and national economic conditions; geopolitical events; natural disasters; changes to IFRS and tax rates with the associated impact on past, present and future periods; changes to legislation, exchange rate and interest rate movements; account management and the associated risks of lending; growth in trading space; merchandise clearance rates, inventory levels and stock turn; gross and operating margins; and competitive and regulatory events.

The Group does not undertake to update or revise any of these forward-looking statements, whether to reflect new information or future events, other than to comply with the JSE Listings Requirements. The forward-looking statements have not been reviewed or reported on by the Group's independent auditor.

Forward-looking statements made by the Group at the time of releasing its 2024 financial results were informed by the Group's Business Philosophy, business plans, financial projections and economic forecasts as at end August 2024.

Administration

Truworths International Ltd

Registration number: 1944/017491/06
Tax reference number: 9875/145/71/7
JSE and A2X code: TRU
NSX code: TRW
ISIN: ZAE000028296
LEI: 37890099AFD770037522

Company Secretary
Chris Durham, FCIS, PG Dip. Adv. Co Law (UCT)

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Lloyds Bank plc

Auditor
Deloitte & Touche

Principal attorneys
Bowman Gilfillan
Cliffe Dekker Hofmeyr
Edward Nathan Sonnenbergs
Shoosmiths
Spoor & Fisher

Sponsor in South Africa
One Capital

Sponsor in Namibia
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Directors
H Saven (Chairman)§‡, MS Mark (CEO)*, EFPM Cristaudo (Joint Deputy CEO/CFO)*, SJ Proudfoot (Joint Deputy CEO)*, RG Dow§‡, D Earp§‡, JHW Hawinkels (Lead Independent Director)§‡, AMSS Mokgabudi§‡, TF Mosololi§‡, DR Motsepe§‡, WG Muller§‡, RJA Sparks§‡ and AJ Taylor§‡

* Executive § Non-executive ‡ Independent

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