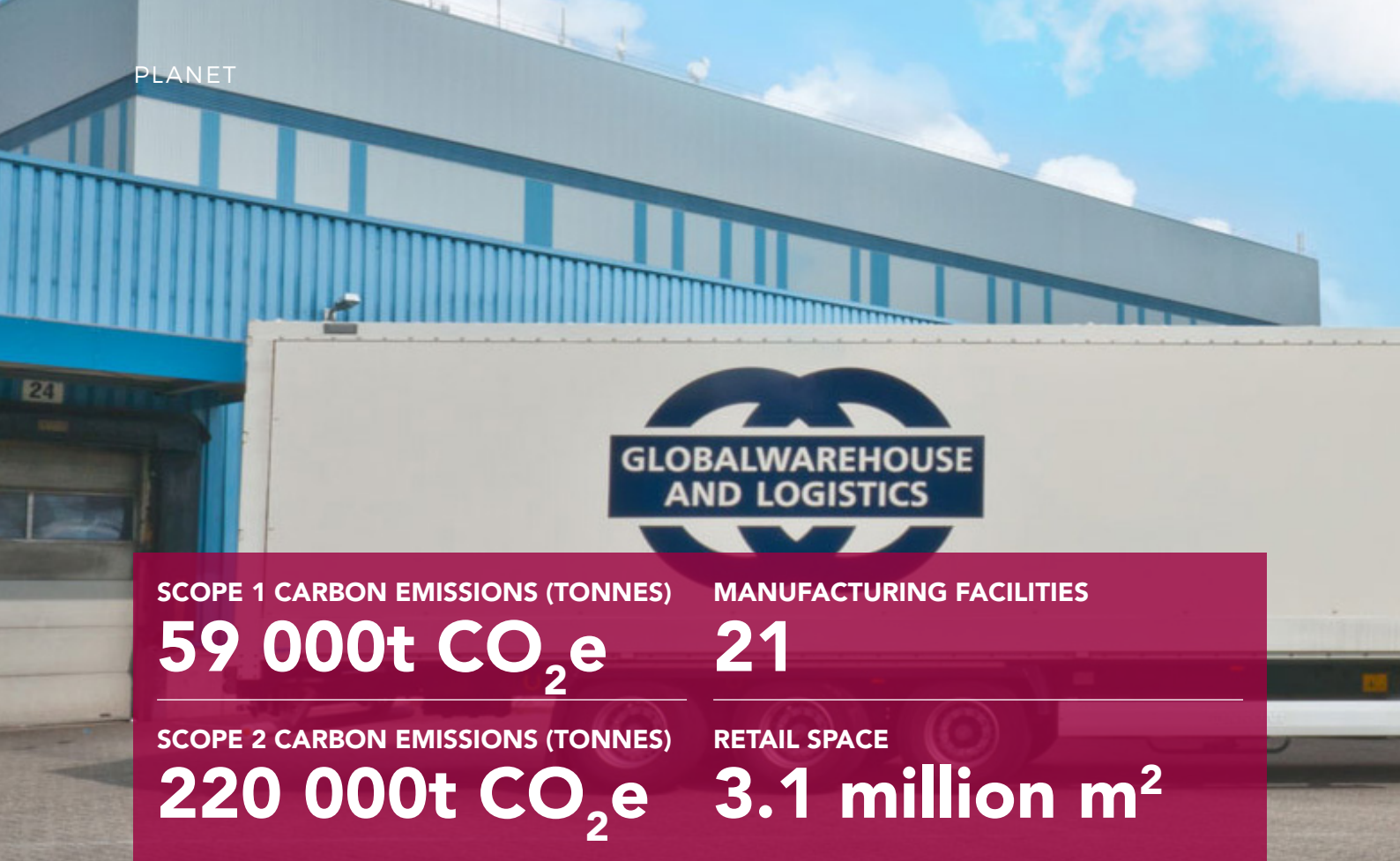




STEINHOFF INTERNATIONAL
CORPORATE RESPONSIBILITY 2015

PLANET



SCOPE 1 CARBON EMISSIONS (TONNES)

59 000t CO₂e

MANUFACTURING FACILITIES

21

SCOPE 2 CARBON EMISSIONS (TONNES)

220 000t CO₂e

RETAIL SPACE

3.1 million m²

GROUP ENVIRONMENTAL POLICY

Steinhoff is committed to proactively promote awareness of environmental management throughout the group and maintaining proper standards of environmental management in all of its operations.

Our policy is to ensure that group operations utilise environmentally acceptable practices that benefit the environment, our shareholders, employees and the community at large. We will continuously aim towards improving our environmental practices. Where viable, we will minimise our use of water and energy, our emissions to air and water and contain our production of waste.

The group’s divisions may formulate separate divisional environmental policies to address specific issues. Such divisional policies shall incorporate the principles of this group environmental policy. The ultimate responsibility for group environmental matters rests with the Steinhoff board.

Steinhoff will publicly report, on an annual basis or more frequently should circumstances require, on the group’s position on environmental matters and is committed to appropriate communications with internal and external stakeholders on any environmental matters of significance.

POLICY MANAGEMENT

Steinhoff remains committed to responsible stewardship of the resources under its control and to the process of identifying, assessing and, where possible, reducing the environmental impact of its activities.

With the group’s geographically diverse retail, logistics and manufacturing footprint, it is natural that its waste, energy and effluent systems and requirements vary from location to location. Within this context of diversity and varying potential impact on the environment, the group has mandated its divisions to:



- focus on their carbon footprint by optimising efficiencies in an effort to reduce energy usage and fuel consumption;
- strive to keep waste materials to a minimum and to recycle efficiently in an effort to reduce and dispose of waste in safe and responsible ways; and
- to be mindful of its impact on water resources, wherever possible.

Global and regional environmental regulatory requirements are constantly evolving and these are becoming increasingly stringent. Throughout the group, divisions have managed to keep abreast of these changes and have an established record of meeting the required environmental standards, implementing international environmental management systems and of being corporate citizens of good standing. Investment in systems, practices, education and facilities to maintain standards, in line with international best practice, is ongoing.

Divisional initiatives are in place to address risks and to leverage opportunities relating to material environmental issues. All material risks are identified, reported and monitored through established risk management and internal reporting structures.

AIR, WATER AND WASTE

All divisions have to comply with environmental regulations and many business licences are dependent on regulatory assessments. Current emissions levels from these operations continue to remain well within the permitted levels.

The group acknowledges the potential future risks associated with water usage. Globally, organisations are becoming more aware of the impact that a potential lack of water availability in the future and increased water costs could have on business processes. Through the group's risk management structure, water management is regularly reviewed on a divisional basis.

Managing and reducing water usage is part of many divisional processes where water usage is

critical. Water is recycled and reused, wherever possible. To enhance the management of water usage the group introduced the measurement of usage as part of the annual reporting process and it will be in a position to report on this in time to come.

Effective waste management

Waste management and recycling are areas of focus in the international manufacturing and retail divisions. Stringent regulations and legislation govern waste management, and divisions are fully compliant.

Divisional waste management and reduction initiatives are in place that sort, compact, reuse, sell and discard waste in a sustainable manner.

This is done through:

- revisiting upstream and downstream contracts and working with customers and suppliers to reduce waste material, where possible;
- investing in new technology to improve processes; and
- implementing working methods, process changes and awareness to reduce/improve the use of material.

Most of the waste produced from the manufacturing operations are reused or recycled. Hazardous residual waste is disposed of through certified processes and by specialist and ethical waste disposal companies and only relate to the foam manufacturing operations. It includes waste from limited chemical processes. Each disposal is effected at approved dump sites, through approved waste management suppliers against the issue of certificates in compliance with the law and ISO standards.

Waste in the European manufacturing and group-wide retail environments is closely linked to the use and discarding of packaging material. Many successful initiatives are in place across the operations to reduce and recycle as much material as possible and, in line with most environmental legislation in Europe, there is a "no waste to landfill" policy in place in most of the international divisions. New legislation in France and proposed legislation in the UK will specifically address used furniture waste, which forms part of the retailer's and/or manufacturer's responsibility.

Effluent is highly regulated and regular site inspections are conducted by relevant government departments or specific standards authorities.

BIODIVERSITY

Biodiversity is not deemed as material for the group, yet it has an indirect impact relating to how we manage and monitor our own use and procurement of sustainable raw materials.

All wood products procured from external suppliers for manufacturing purposes have to be FSC certified. All products containing wood must adhere to the European Timber Regulation, which addresses the ethical sourcing of wood that in part aims to protect natural and indigenous forests.

CLIMATE CHANGE

At group level, Steinhoff has acknowledged that the global concern with climate change is a material issue and that climate change has a direct and indirect impact on all businesses as well as on the communities in which the group operates. For this reason, the group is a participant in the Carbon Disclosure Project (CDP) and has calculated its carbon footprint since 2010. It has publically published its CDP report since 2013.

The group's carbon footprint is calculated under the financial control approach following the GHG Protocol.

For the period 1 July 2014 to 30 June 2015, the total emissions amounted to 278 000 CO₂ tonnes.

Future reporting will see some changes in comparative numbers as the group's subsidiaries and divisions evolve in their reporting on environmental matters. The position of flux should be more settled as divisions become increasingly familiar with carbon footprint reporting and with the inclusion of internal auditing processes in this regard.

STEINHOFF'S CARBON FOOTPRINT

SCOPE	TONNES
Scope 1	
SUBTOTAL	58 624.00
Scope 2	
SUBTOTAL	219 715.00
TOTAL	278 339.00