



PRESS RELEASE

19 JUNE 2019

Edgars and Jet Proudly Growing Local through its Sustainable Cotton Initiative

Edcon, South Africa's largest non-food retailer, made a commitment in 2016 to a localised cotton initiative - from "farm to shelf" - by participating in the Sustainable Cotton Cluster (SCC).

What started as a pilot project with a commitment of 600 tons of cotton lint from South African cotton farmers has now grown to a staggering commitment of 2200 tons of cotton lint. Through this programme, which is a demand led initiative (Retail), Edgars and Jet aim to make a positive contribution to assist in reviving the textile and garment manufacturing sector. This will help grow local jobs and improve the livelihoods of many employed in this sector.

"The objective," said Edcon CEO Grant Pattison "is about driving job creation with the ultimate aim of growing the South African economy. At this point, Edcon is the only retailer maintaining a truly South African integrated value chain in this initiative".

The SCC programme brings together the entire cotton value chain and was formed as a coordinated platform for cotton, textile and retail value chain stakeholders to formulate strategies which would ensure growth and stability in the sector. Since its inception the cluster has been the stimulus for major economic activity, employment and social development in the Mpumalanga and Kwazulu Natal regions.

The cluster, which is made up of cotton farmers, ginners, spinners, fabric producers, manufacturers and retailers, is strongly supported by Government. The SCC was established in June 2014, funded by an initial grant of R200 million from the Department of Trade and Industry (dti). The grant supports a five-year plan to establish a strong momentum for the

growth and development of the Southern African cotton sub-national cluster. The SCC has been acknowledged by the dti as the only National Cluster delivering on its programme, and which is still in existence.

Grant Pattison added, "What's fantastic about this journey is that we have seen commercial, ethical and social imperatives align perfectly. Buying local fabrics and supporting the industry not only contributes to substantial growth in employment and livelihoods, it improves stock turn significantly and it also creates a new market for our products. We are fully committed to the SCC and applaud the work of the dti in its creation and look forward to its continued growth".

Mike Elliott, Edgars' Chief Executive, highlights the importance of establishing strong relationships in the face of disruptive retailers and the value of an integrated supply chain and fabric strategy to the Edgars brand.

As a result of the SCC, the forum reports that 7000 additional jobs have been created in the textile and retail industry and 1 240 small, medium size enterprises created.

Noël Paulson, Divisional Executive Production and Sourcing at Edcon added that "Edgars and Jet increased the amount of lint cotton it buys from farmers from 600 tons in 2016, to 2200 tons in 2019/2020. This is a clear indication of our commitment towards increasing the amount of cotton that we procure locally and pulling it through a South African value chain benefitting all production partners in the process. We are confident that everyone involved has a singular appetite to grow the industry and support President Ramaphosa's aim to inject confidence, attract investment into our economy and reduce poverty".

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About Edcon

Edcon is southern Africa's largest non-food retailer. We have been in operation for 89 years. We operate our business under four principal divisions as well as mono-branded stores throughout southern Africa:

- Edgars is South Africa's leading department store offering a wide variety of Fashion, Beauty and Homeware. Showcasing a portfolio of desired and recognisable international and local brands Edgars enables South Africans to express themselves for all occasions
- Jet addresses the lifestyle needs of the value conscious customer in clothing, home and beauty without compromising aspirations.
- CNA, your favourite stationery store offers a premium range of stationery, arts and craft lines, gifting solutions and so much more.
- Our thank U division is a newly formed Operating Division focused on enhancing the customer journey through convenient, personalised, access to goods, services, credit and financial services through a variety of physical and digital sales channels. It includes our loyalty programme, *thank U*, which is one of the largest rewards programmes in sub-Saharan Africa.

For more information, please visit the Edcon website: www.edcon.co.za