Sustainable development report

Supplement to the integrated annual report
30 September 2019

2019




We nourish and nurture more lives every day

TIGER BRANDS

WHO WE ARE

Tiger Brands is one of Africa's largest, listed manufacturers of fast-moving consumer goods (FMCG). Our core business is manufacturing, marketing and distributing everyday branded food products to middle-income consumers. We also distribute leading brands in the home, personal care and baby sectors.

OUR PURPOSE

We nourish and nurture more lives every day.

OUR VISION

To deliver top-tier financial results and be recognised by all stakeholders as the best fast-moving consumer goods (FMCG) company in South Africa and most desirable growth company on the continent.

OUR OPERATING MODEL

We focus on the consumer, reigniting innovation and leveraging our scale as one Tiger Team, resulting in an agile, lean organisation that responds quickly and is aided by simple ways of working. We attract the best talent, and we are recognised as a great place to work.

WE NOURISH AND NURTURE MORE LIVES EVERY DAY

OUR STRATEGY

OUR STRATEGY FOR SUSTAINABLE PROFITABLE GROWTH IS SUPPORTED BY FOUR STRATEGIC PILLARS, UNDERPINNED BY OUR CORE VALUES.

DRIVE GROWTH

Winning category, channel and customer strategies

BE EFFICIENT

Cost-conscious and an integrated supply chain

GREAT PEOPLE

A winning mindset and great place to work

SUSTAINABLE FUTURE

Sustainable company, community and planet

OUR VALUES

- We treat each other with **care and respect**
- We deliver with **passion and excellence**
- **Safety and quality** are non-negotiable for us
- We embrace **diversity and inclusivity**
- We act with **integrity and accountability** in all we do

WINNING BEHAVIOUR

- CONSUMER OBSESSION
- TEAMWORK
- EMPOWERED ACCOUNTABILITY
- FOCUSED EXECUTION

(see page 34 for more detail)

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TIGER BRANDS' 2019 INTEGRATED REPORTING SUITE

Our 2019 integrated reporting process comprises the following reports:

- Integrated annual report 2019
- Consolidated annual financial statements 2019
- Sustainable development report 2019

These are all available at **www.tigerbrands.com**

SUPPORTING GLOBAL INITIATIVES

Tiger Brands takes a collaborative approach to sustainability issues by actively engaging with various forums:

- We participate in the annual climate change and water disclosures of the CDP
- We are a member of the National Business Initiative (NBI), Strategic Water Partners Network (SWPN) and Business Leadership South Africa (BLSA)
- Tiger Brands has been independently assessed against FTSE4Good criteria and has satisfied the requirements to remain a constituent of the FTSE4Good index
- We are a member of the Consumer Goods Council South Africa.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The United Nations Sustainable Development Goals (UN SDGs) set a long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030. In fulfilling our core purpose – to nourish and nurture more lives every day – Tiger Brands is committed to playing its role in delivering on goals that are relevant for our business. As part of our strategic pillar on Sustainable Future (see page 12), we are developing a set of commitments and targets relating to three key focus areas: health and nutrition, enhanced livelihoods, and environmental stewardship. In meeting these commitments and targets we believe we will provide a meaningful contribution to the following eleven SDGs:

ABOUT THIS REPORT

REPORT BOUNDARY AND AUDIENCE

This report reviews Tiger Brands' environmental, social and governance performance for the period 1 October 2018 to 30 September 2019. It covers issues of particular interest to stakeholders in the environmental, social and governance (ESG) aspects of our operations, namely our shareholders, employees, local communities, non-governmental organisations (NGOs), investors, customers, partners, suppliers and government.

This supplementary sustainability report is provided in an online format, allowing readers to access specific focus areas or download it as a PDF. The report should be read in conjunction with our primary integrated annual report (IR) and our annual financial statements (AFS), published on our website, **www.tigerbrands.com**. The report covers the activities of all our operations in South Africa, as well as those in Cameroon and Nigeria for most indicators such as people, safety and environment. We do not report on our associates.

REPORTING FRAMEWORK

The reporting process for all our publications is guided by the principles and requirements of International Financial Reporting Standards (IFRS), the International Integrated Reporting Council's framework (IIRC <IR> Framework), GRI Sustainability Reporting Standards, the King Code on Corporate Governance 2016 (King IV™*), JSE Listings Requirements and the Companies Act 71 2008.

COMBINED ASSURANCE

We use a combined assurance model to coordinate assurance obtained from management, internal and external assurance providers (see page 2 of the integrated annual report). We are still in the process of implementing a centralised data management system, therefore there has been no external assurance of non-financial data in this report. Once the data management system is in place and mature, external assurance on selected key performance indicators will be performed. For this report, assurance is limited to sign-off by chief officers for sections under their control.

DIRECTORS' RESPONSIBILITY

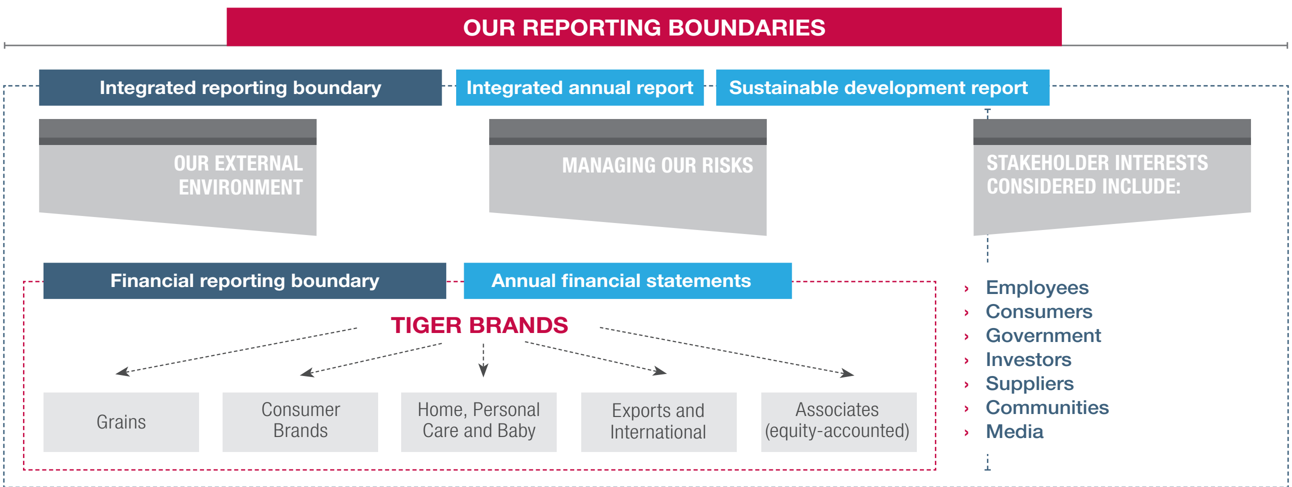
The Tiger Brands board, supported by the social, ethics and transformation (SET) committee, has overall accountability for this report. The board collectively reviewed the content of this report and confirms that it addresses our material issues and is a balanced and appropriate presentation of the sustainability performance of the group. The board approved this report on 21 November 2019. Assisted by a dedicated reporting team, the committee signed off on the content of the report.

BOARD APPROVAL

As a board, we have applied our collective mind to the preparation and presentation of the information in this report. We believe that the report addresses all material matters and that it presents a balanced and fair account of Tiger Brands' performance for the financial year ended 30 September 2019, as well as an accurate reflection of our strategic commitments. On the advice of the audit committee, the board approved the integrated report and the consolidated annual financial statements on 21 November 2019.

Khotso Mokhele

Emma Mashilwane



HIGHLIGHTS

HEALTH AND NUTRITION	78 million meals delivered to date, and 72 000 learners supported per day through the Tiger Brands Foundation
	Innovation launches, including: extending the variants in Purity pouches; Albany Best-of-Both Genius; Ace + Fibre; Tastic variants; and the introduction of 100% Durum pasta in Fattis & Monis
ENHANCED LIVELIHOODS	R14,3 billion spend on BBBEE verified suppliers
	Strong enterprise and supplier development drive, sourcing wheat, maize and beans from emerging black farmers
	R27,4 million total socio-economic development spend (2018: R32 million), reaching around 100 000 beneficiaries, including ad hoc projects such as Food Forward
ENVIRONMENTAL STEWARDSHIP	8,5% reduction in absolute greenhouse gas (GHG) emissions, 5% reduction in energy intensity
	7,2% reduction in absolute water use, 5,4% reduction in water intensity
	6,5% reduction in GHG emissions intensity
	Light-weighted a large percentage of our aerosol cans and the food cans thus achieving a 10% reduction in body plate thickness. These are both significant initiatives to reduce our carbon and packaging footprint
	85% of our Beverages bottles now use recycled polyethylene terephthalate (rPET)

✘ Regrettably, **one** employee fatality

✘ **Lost-time** injury frequency rate of 0,38

✔ **R4,2 billion** paid in salaries and benefits to 10 543 permanent employees

✔ **R127,3 million** invested in employee training and development

CHIEF EXECUTIVE OFFICER'S STATEMENT

"This year, as part of our comprehensive review and update of Tiger Brands' five-year growth strategy, we clarified the nature of our strategic commitment to promoting a sustainable future, one of the company's four strategic growth pillars." ***Lawrence Mac Dougall*** > *CEO*

It gives me pleasure to introduce Tiger Brands' second annual Sustainability Report. Publication of this report reflects our commitment to enhanced transparency on our performance.

This year, as part of our comprehensive review and update of Tiger Brands' five-year growth strategy, we clarified the nature of our strategic commitment to promoting a sustainable future, one of the company's four strategic growth pillars. In doing so, we have set ourselves ambitious targets in three priority focus areas: health and nutrition, enhanced livelihoods, and environmental stewardship. These are the three areas where we believe Tiger Brands can make the most meaningful difference, through its activities as Africa's largest food producer, in addressing some of the significant socio-economic and environmental challenges facing our markets and contribute to the UN Sustainable Development Goals.

As outlined in more detail throughout this report, we have already seen some pleasing initial results in each of these strategic focus areas.

As part of our drive to address some of the significant nutritional challenges in our markets, we have revived the Eat Well Live Well Nutrition Standards that create visibility of the nutritional profile and value of our products. In addition to ensuring full compliance with the regulated targets for sodium reduction, we achieved a 37% reduction in sugar across our sugar sweetened beverages, and a 1 505 ton reduction in Bakeries and Milling. Through the Tiger Brands Foundation's in-school breakfast programme, we continue to make a direct positive contribution to vulnerable learners and schools across the country, providing nutritious meals and investing in school kitchens to provide safe cooking facilities to the beneficiary school.

With more than half of the South African population living in poverty, and with the current low levels of economic growth and high unemployment rate, we recognise the urgent need to promote greater economic and social inclusion. As part of our commitment to provide meaningful opportunities for inclusive economic participation across our value chain, this year we set up a "market access accelerator". The accelerator has already successfully supported seven black-owned enterprises in securing logistics opportunities, trained more than 50 aspiring black entrepreneurs, and provided 58 smallholder farmers with both financial and non-financial support, including agronomics and agrarian advice, business mentorship and interest-free loans, helping them to participate within our procurement value chain.

37%

reduction in sugar

58

smallholder farmers provided with financial and non-financial support

We also launched the Dipuno Enterprise and Supplier Development Fund to support smallholder farmers and other emerging suppliers and enterprises to transform our supply value chain. The fund will be managed as an independent entity with its own board. It will be used as a vehicle through which Tiger Brands will execute its enterprise and supplier development projects and drive job creation and procurement spend with black-owned enterprises.

We have seen some positive initial results in addressing our most material environmental impacts: improving energy and water efficiency, reducing greenhouse gas emissions, and reducing operational and packaging waste.

The effective delivery of each of these three priority focus areas is dependent on continuing strong performance in various strategic enablers, such as good governance, effective internal processes, product quality, occupational health and safety, and stakeholder responsiveness. Our activities in each of these areas are reviewed in more detail in this report. In my opening comments I wish to focus in particular on the issues of food safety and quality, and employee safety.

In response to last year's tragic national listeriosis outbreak, we have placed a particular priority this year on driving the food safety and quality agenda across the company, investing in ensuring that we have well trained and talented people integrated across functions, a robust and integrated set of processes and tools, and a culture and passion for quality that permeates across the organisation. We have strengthened our internal and external audit and assessment processes, improved supplier quality assurance measures, and reinforced Hazard Analysis and Critical Control Points (HACCP) training for all high-risk sites. Through our various quality initiatives, this year we achieved external certification for all our manufacturing sites. These measures are only a start. We will continue to build on this focus on quality, with the aim of delivering a step-change improvement, accompanied by full transparency on our performance.

On employee safety, I am saddened to report that this year one of our employees was killed in a work-related incident. In April 2019, Mr Aubrey Tornado Skosana, a driver at Albany Pretoria, died following a multi-collision vehicle accident while on a delivery. I extend my sincere condolences to the families and friends of Mr Skosana. We will continue to focus our efforts on managing the concerning number of violent route to market incidents; all our delivery routes are risk assessed, and tailored response measures will continue to be developed and implemented.

As one of our stakeholders reading Tiger Brands' Sustainability Report, I encourage you to please give us your feedback on this report, both in terms of the quality of our disclosure and the nature of our performance. Your feedback is hugely helpful as we strive to ensure continuous improvement in our performance, and deliver on our core purpose of nourishing and nurturing more lives every day.

LC Mac Dougall
Chief Executive Officer

21 November 2019

INTERVIEW WITH THE CHAIRMAN OF THE SOCIAL, ETHICS AND TRANSFORMATION (SET) COMMITTEE

Maya Makanjee › *Chairman of the social, ethics and transformation committee*

Q Last year was a very challenging year for Tiger Brands as it engaged in managing the listeriosis crisis and the class action instituted against the company. What has the company done since the outbreak to regain consumer confidence?

Yes, it certainly was a challenging period and we have worked very hard to regain the trust of our consumers regarding the quality of our products. We have implemented a comprehensive seven-step safety promise and accompanying protocols that include full traceability from raw material sourcing through to the finished product. This year, we commissioned an independent international auditing body to undertake food safety and quality audits at all relevant operations; it is pleasing to report that all of Tiger Brands' manufacturing sites have achieved external certification aligned with the Global Food Safety Initiative (GFSI).

To promote broader food safety, Tiger Brands funded the establishment of the Centre for Food Safety at Stellenbosch University, which conducts academic research in this area. The results of its independent research activities will be used to inform government on food safety regulation, raise consumer awareness and improve communication on food safety. The centre is also training postgraduate students in food safety, which will ensure that regulators and the food industry in South Africa and the southern African the region will have increased access to qualified food safety scientists.

We have engaged actively with the class action process to facilitate a speedy resolution of the matter for all stakeholders, by co-funding the class action communication campaign once it was certified. We will continue to act with integrity and do the right thing once the courts have ruled on the matter.

Q A further challenge experienced last year was the significant drop in Tiger Brands' BBBEE rating, from a level 3 to a level 8 contributor. You indicated in your chairman's report last year that plans will be put in place to improve the BBBEE score to level 4 by 2022. What improvement measures have been put in place?

The revised agri-sector codes introduced sub-minimum elements last year which, if missed, result in discounting. These revisions impacted our enterprise and supplier development scores, which in turn also impacted our preferential procurement score. I am, however, pleased with the significant progress that we made in 2019, and I am confident that the plans we are putting in place will set us firmly on the path to achieving a level 4 contributor status by 2022.

This year we launched the Dipuno Enterprise and Supplier Development Fund to support smallholder farmers and other emerging suppliers and enterprises to transform our supply value chain. The fund will be managed as an independent entity with its own board. It will be used as a vehicle through which Tiger Brands will execute its enterprise and supplier development projects and drive job creation and procurement spend with black-owned enterprises.

We have also done some work to understand who the beneficiaries of the mandated investments are, as these were formerly excluded from our scorecard calculations.

This year we will be including mandated investments as we now have a better understanding of the profile of the beneficiaries.

Skills development and employment equity continued to receive focus in 2019, with detailed and refreshed training and development programmes being implemented across the company. Our socio-economic development unit continues to implement the community development strategy which now places greater emphasis on community skills and enterprise development, in addition to building on the company's successful community and university food and nutrition programmes.

Q Tiger Brands had a protracted strike by its bakery employees in Pretoria; unfortunately at times the strike turned violent. How has this matter been resolved?

The SET committee monitors and considers the employee relations climate as part of its mandate. The strike was as a result of wage negotiations and was a protected strike. What was unfortunate was the violence against and intimidation of those staff members who decided to return to work. The perpetrators of the violence were put through disciplinary processes when they returned to work and appropriate consequence management was implemented. The strike was limited to the Pretoria bakeries.

Q One of the company's top 10 risks is employee safety. How was the company's performance this year?

Employee safety is not negotiable for us and remains a top priority at Tiger Brands. We are very conscious that our Bakery drivers sometimes travel into unsafe areas as part of their delivery routes. To enhance employee safety on these routes we have implemented security monitoring and support, and we are looking at solutions to remove cash from the vehicles. We are continuing to work with law enforcement agencies to gather information on the delivery routes and safety of the areas to which we deliver our products.

Despite our strong focus on employee safety, I am deeply saddened that one of our employees died while on duty. In April 2019, Mr Aubrey Tornado Skosana, a driver at Albany Pretoria, died following a multi-vehicle collision while on a delivery. I extend my sincere condolences to his family and colleagues. Regrettably, there was also an increase in the group's lost-time injury frequency rate (LTIFR) to 0,38, this was accompanied by a 20,19% increase in the number of lost-time injuries. We will continue to look for solutions to improve the safety and security of our employees.

Q There has been increasing evidence recently of corruption within both the public and the private sector; what is Tiger Brands doing to prevent this from happening within the company?

We recognise that there is a need for an agreed set of values that are unique to Tiger Brands, and we firmly believe that our values will help drive the right behaviours across the business. We have recently rolled out our refreshed values and culture programme, supported by an intensive communication campaign. The company has a confidential tip-off line that can be accessed by all employees and external stakeholders. All complaints received through the tip-off line or our consumer care line, or those that are uncovered through internal audits, are investigated and reported to the SET committee. All senior employees are required to undergo annual anti-bribery and anti-corruption training.

Q As a food company, product quality is clearly very important. Last year you reported that the consumer contact centre received an increased number of consumer complaints because of the listeriosis crisis. Have the consumer complaints reduced significantly during this review period?

Quality of our products is critical to our success and our differentiation in the markets. We monitor consumer complaints very closely to ensure swift responses to any issues. This year, we reported an 18% year-on-year reduction in consumer complaints; five of the six cases referred to the consumer goods services Ombudsman were closed with one pending closure. We will continue to implement continuous improvement to ensure that our consumers are provided with quality products they can trust.

Q Do you have any closing remarks?

It is increasingly clear that environmental, social and governance (ESG) issues influence our ability to generate value and could ultimately affect the company's future sustainability. For the Tiger Brands SET committee these are issues that receive as much focus as financial matters, as they have the potential to have a material negative impact on the company's financial performance. Strategically, ESG issues also offer Tiger Brands a potential competitive advantage to be a source for revenue generation. With this in mind, we are exploring some exciting business opportunities relating to closed loop economies, inclusive business, conversion of waste into energy or other valuable products, plant-based protein, and regenerative agriculture. These are some of the areas we will be focusing on and will progress as part of our sustainability strategy going forward.

INTERVIEW WITH THE CHAIRMAN OF THE SOCIAL, ETHICS AND TRANSFORMATION (SET) COMMITTEE CONTINUED

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE (SET) MANDATE

The SET committee is primarily focused on areas that impact the long-term growth and sustainability of the business; these cover the broader issues around economic, social and environmental impacts. The SET committee provides oversight of the company's social and ethical performance through its monitoring and reporting function to the board; it receives and considers reports from the risk and sustainability committee covering the environmental risks that they monitor.

This year the SET committee reviewed the following issues to ensure that there is effective and ethical leadership and an integrated approach to how Tiger Brands carries out its business activities:

WORKPLACE

- Transformation
- Employment equity
- Decent work
- Employee safety and health
- Employee relations
- Education and training
- Organisational ethics

SOCIAL ENVIRONMENT

- Social development
- Consumer relations and protection
- Advertising
- Human rights
- Public health and safety
- Sponsorships

ECONOMY

- Social and economic development
- Corruption prevention
- BBBEE

NATURAL ENVIRONMENT

- Greenhouse gas emissions
- Waste
- Water
- Energy

The SET committee's annual work plan is structured to focus on material ESG issues. The committee provides guidance to the CEO and the executive committee in respect of continuous improvement within these performance areas.

SUSTAINABILITY GOVERNANCE

OUR MANAGEMENT APPROACH

The board of directors is ultimately responsible for oversight of Tiger Brands' sustainability performance, as well as the company's code of ethics and anti-corruption and anti-bribery policies.

The social, ethics and transformation (SET) committee assists the board in monitoring and ensuring that matters relating to organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships are effectively managed. On the board's behalf the SET has monitored the development of the code of ethics and a culture of ethical leadership in the group. The workplans for these committees ensure that the board has applied its minds to various material sustainability issues. The SET mandate also covers:

- Promoting equality, preventing unfair discrimination, contributing to community development and monitoring the company's activities in terms of relevant legislation and prevailing code of best practices; and
- Overseeing Tiger Brands' transformation objectives and broad-based black economic empowerment (BBBEE) activities.

The risk and sustainability committee provides strategic guidance and leadership on environmental issues and oversees implementation and revision of our environmental policy (available on the Tiger Brands website). Operational execution of the strategy and management of the environmental system rests with the group manufacturing excellence department.

Our environmental strategy is focused on improving environmental performance in key areas, shown below, and forms the framework for addressing identified priorities in our current organisational and external environment. Our environmental control system covers:

- Policies and procedures
- Responsibilities and accountabilities for environmental management
- Reporting
- Environmental legal compliance
- Waste, water, energy, pollution, recycling, climate change management
- Continuous improvement
- Monitoring and performance measurement of systems.

ETHICAL BEHAVIOUR AND GOOD GOVERNANCE

All Tiger Brands employees subscribe to our code of ethics which prohibits any form of discrimination and contains guidelines on making ethical decisions. We are committed to an environment of mutual trust and respect which is free from discrimination based on gender, race, nationality, ethnicity, age, religion, marital status, sexual orientation or disability and should respect human rights and provide equal opportunities. Such an environment also forbids any forms of sexual harassment.

ANTI-CORRUPTION AND ANTI-BRIBERY

Tiger Brands is committed to ensuring that its principles on ethics are implemented across the company. Any acts of bribery and corruption are strictly prohibited, and we have a zero-tolerance approach to any action that goes against the code. The anti-bribery and anti-corruption policy prohibits facilitation payments, and our code of ethics prohibits political donations. Payment for lobbying or facilitation payments are also not allowed. Our declaration of interest policy sets out situations that may constitute a conflict and provides for the mandatory declaration of any interest, which must be made annually or as soon as reasonably possible after the interest arises.

These policies and the code of ethics are published on our intranet. We also publish and display relevant articles and posters around our sites to further educate employees on corruption. Online learning (e-learning) for all employees above a specific management level is supported by training every two years with the next training cycle taking place in FY20. These ongoing initiatives are mandatory for all employees who might be at risk of corruption or bribery through the course and scope of their work.

Tiger Brands uses the services of Tip-offs Anonymous (a division of Deloitte), to give all employees, suppliers, customers, consumers (not for customer complaints) and members of the public the opportunity to do the right thing and anonymously report any dishonesty or fraud. Our whistle-blowing programmes are proactively communicated to employees and available in local languages. An independent reporting hotline is available 24/7 (for employees and third parties). Non-retaliation is part of the whistleblowing policy and addressed through legislation in South Africa.

All incidents reported to Tip-offs Anonymous are received by the internal audit and risk director and the chief legal officer. Reports are actioned within 24 hours and all investigations are supported by a formal investigative report issued to the relevant line manager and chief executive officer. Further internal controls are in place to mitigate against risks.

SUSTAINABILITY GOVERNANCE CONTINUED

A quarterly ethics report is presented to the executive committee. The status of all cases is noted at this meeting and closed cases are formally agreed on. This report is also tabled at audit and SET committee meetings. Whistle-blowing reports are categorised into alleged corruption, fraud, human resources issues, human rights issues, theft and unethical behaviour.

24/7
Independent reporting hotline

42
Whistle-blowing reports received in 2019

During FY19, 42 whistle-blowing reports were received: 39 were closed and 3 are currently under investigation (FY18: 54 reports – all closed, FY17: 60 reports – all closed).

TAX STRATEGY

The group's tax objective is to protect and enhance shareholder value by achieving a sustainable tax result that complies with the tax laws in jurisdictions where we operate. We continuously observe the changing tax landscape across jurisdictions to ensure that we maintain the effectiveness of our tax framework. We have maintained our approach in aligning our tax framework within the context of the group's overall governance framework. We will not enter into any transactions that will compromise our commitment to comply with all tax laws, regulations and policies. We align our tax values and objectives to our corporate values and corporate social responsibility objectives to ensure that we uphold and protect our corporate reputation.

The company's effective tax rate is 29,7%.

CYBERSECURITY AND PROTECTION OF PERSONAL INFORMATION

Tiger Brands values the security and privacy of the personal information held and processed by us. To this end, continuous enhancement and implementation efforts are under way to ensure sustainable compliance to the Protection of Personal Information Act 2013 (PoPIA) and the EU General Data Protection Regulation requirements, as well as to keep pace with the evolving cybersecurity and technology advancements. The chief privacy officer is responsible for ensuring continued compliance to the PoPIA requirements and reports progress to the board risk committee, in line with the committee's annual work plan.

OUR SUSTAINABILITY STRATEGY

OUR SUSTAINABILITY STRATEGY

This year, Tiger Brands clarified its strategic commitment to promoting a ***Sustainable Future***, the fourth pillar of the company's long-term growth strategy.

The Sustainable Future strategy reflects our approach to driving the company's societal value proposition by optimising our impact on the social and natural capital stocks on which we depend. As Africa's largest food company, we have prioritised the following three focus areas to optimise societal value:

- **Health and Nutrition:** Enabling consumers to improve their health and well-being
- **Enhanced Livelihoods:** Improving the livelihoods of thousands of people
- **Environmental Stewardship:** Significantly reducing our environmental footprint

These are the three areas where we believe Tiger Brands meaningfully intervene through our business activities in contributing to the UN Sustainable Development Goals and addressing some of the significant socio-economic and environmental challenges facing our markets. These focus areas are underpinned by a set of strategic anchors relating to: food safety and quality; occupational health, safety and security; ethical supply chain practices; and transparency, stakeholder responsiveness and partnerships. The strategy will ensure that we achieve our purpose – nourishing and nurturing more lives every day.

HEALTH AND NUTRITION

We will **enable** consumers to **improve** their **health** and well-being by providing affordable good nutrition

- Develop nutritional standards for our products that meet or exceed globally recognised nutritional guidelines
- Develop more nutritious, affordable food products, including fortification of new and existing products
- Leverage our brand and marketing activities to promote consumer nutrition and health awareness and inspire positive behaviour change
- Play a leading role in modern food labelling practices

ENHANCED LIVELIHOODS

We will **improve** the **livelihoods** of **thousands** of **people** by **providing opportunities** across our **value chain** for **inclusive economic participation**

- Support new black/black-women owned enterprises and create sustainable livelihood opportunities by 2030
- By 2030, 50% of our total local procurement spend will be towards black/black-women owned suppliers
- Annually contribute at least 1,5% of net profit after tax towards socio-economic development activities that promote sustainable thriving communities
- To attract, source and develop a skilled and diverse workforce, create an inclusive and collaborative work environment where our people can thrive, grow and innovate

ENVIRONMENTAL STEWARDSHIP

We will **significantly reduce** our **environmental footprint** through **innovative solutions**

- Optimise our energy usage through integrated and environmentally friendly energy options
- Optimise our water consumption through the evaluation of water reuse opportunities and responsible effluent discharges
- Develop innovative product offerings that are "good for you" and "kind to the environment"
- Provide innovative packaging solutions that minimise environmental impact
- Implement closed-loop/circular economy initiatives that stimulate sustainable economic opportunities
- Leverage our brand and marketing activities to inspire positive behaviour change in consumers

Our anchors:	an embedded purpose-driven win-win culture	robust food safety and food quality system	ethical supply chain practices	safety, health and environmental systems	responsible marketing and communication practices	transparency, stakeholder responsiveness and partnerships

The strategy aligns our existing sustainability initiatives in the different functions and businesses, covering the sustainability of our products, improved efficiencies of our production facilities, focus on our employees and the communities where we operate, and our wider stakeholder community. Many initiatives are already in progress and delivering results, as is evident throughout this report. The remaining initiatives will be implemented over the next year, with baselines set for some, and stretched targets for each of the strategic objectives and associated commitments.

As part of the sustainability strategy, we also mapped the United Nations Sustainable Development Goals (SDGs) to our operations and activities. The SDGs where we have the most impact, are shown earlier in the report. We are working closely with the National Business Initiative (NBI) in South Africa to identify the common SDGs across the agri-processing sector in South Africa for alignment and optimal impact.

HEALTH AND NUTRITION

ENABLING CONSUMERS TO IMPROVE THEIR HEALTH AND WELL-BEING

The responsibility of the food sector in driving health and nutrition has been highlighted by various recent studies that suggest that unhealthy diets pose a greater risk to human health than alcohol, drug and tobacco use combined. This is seen to be particularly true in South Africa, which faces the double burden of malnutrition, characterised by the coexistence of undernutrition, along with obesity and diet-related non-communicable diseases.

To address this challenge we are committed to enabling consumers to improve their health and well-being by providing good nutrition. We are reviewing and updating our nutritional standards for our products to meet or exceed globally recognised guidelines, and we are developing more nutritious, affordable food products, including through the fortification of new and existing products. We are committed to leveraging our brand and marketing activities to promote consumer nutrition and health awareness and to inspire positive behaviour change, and to playing a leadership role in modern food labelling practices.

PROVIDING MORE NUTRITIOUS, AFFORDABLE PRODUCTS

Developing nutritional standards that meet or exceed globally recognised nutritional guidelines

With malnutrition affecting a significant proportion of the populations we serve, we understand the important responsibility that comes with manufacturing great quality staple foods like bread and maize meal, particularly to people in lower-income categories. We are reviewing and updating our nutritional standards for our products to meet or exceed globally recognised guidelines. To accelerate Tiger Brands' transformation and be recognised as a thought leader on health and nutrition in Africa, we have revived the Eat Well Live Well Nutrition Standards to create visibility on the nutritional profile and value of our products.

Developing more nutritious, affordable products

During FY20 we will establish the baseline and set a target for more nutritious products as a percentage of our total portfolio. We have been working hard to combine the health and convenience trend with increased affordability and value.

Tiger Brands reduced salt levels since 2016 in affected food categories: bread, breakfast cereals, processed meats, savoury snacks, instant noodles and stock concentrates, to comply with South African regulations. These regulations targeted a further reduction for June 2019 across the affected categories, and we are 100% compliant with the further reduction.

In addition to ensure full compliance with the regulated targets for sodium reduction, we achieved a 37% reduction in sugar across our sugar sweetened beverages, and a 1 505 ton reduction in Bakeries and Milling.

Product and process innovation lies at the heart of our growth agenda. We have a robust innovation pipeline that was launched in the second half of FY19. Our rice brand Tastic recently launched an affordable brown rice to reflect consumer desire for an increasing focus on health and nutrition. We evolved our bread brand Albany to create the Albany "Best of Both Genius", which is a specialty bread with added nutrients made for children, providing benefits such as boosting the immune system while supporting growth and brain development, we have also added a new fibre variant to Ace maize meal, which has more than 25% of a person's recommended daily fibre intake to promote digestive well-being.

Fortification of new and existing products: In line with South African regulations, we fortify staple foods such as brown bread and white bread wheat flour as well as maize meal. These are fortified with key vitamins and minerals, including vitamins A, B1, B2, B3, B6, B9 (folic acid), iron and zinc. Under pending regulatory changes, the amounts of these vitamins and minerals and the type of compound for iron has been amended to better meet micronutrient deficiencies. In addition, fortification will be extended to cake flour for the benefit of consumers. Once the new regulations are published, we will change the fortification for affected products to ensure compliance.

We voluntarily enrich other products including breakfast cereals such as Morvite, certain Jungle cereals and Ace Instant with micronutrients that would otherwise be consumed in inadequate amounts in South African diets. Products are specifically developed to target certain requirements, for example Jungle Oatso Easy cereals are enriched with some B vitamins that assist in releasing energy from the foods we eat, while Morvite has been specifically developed with micronutrients that assist in supporting the immune function.

HEALTH AND NUTRITION CONTINUED

LEVERAGING OUR BRAND AND MARKETING TO INSPIRE POSITIVE BEHAVIOUR CHANGE

Consumer nutrition: As a leading manufacturer, we are aware of the significant impact Tiger Brands has on the nutrition, health and well-being of consumers. We monitor advances in nutrition and broader health issues, including World Health Organisation (WHO) and South African Department of Health public health concerns.

Guideline daily amounts and Eat Well Live Well: We are dedicated to helping consumers make better food choices so that healthy living becomes easier. In 2009, we were the first South African company to voluntarily initiate the Eat Well Live Well (EWLW) system that includes the guideline daily amount (GDA) table on a number of Tiger Brands products (**www.ewlw.co.za**). In 2015, we started to introduce the Be Nutrient Wise GDA system on the front of some of our packs. Its logo alerts consumers to be mindful of the five nutrients that have an impact on non-communicable and lifestyle conditions, such as heart disease, type 2 diabetes, obesity and some cancers.

The Eat Well Live Well system has its own icon – only featured on products that constitute better food choices for overall health – and website, where consumers can learn about incorporating healthy eating into their lifestyle (**www.ewlw.co.za**). Consumers also have access to our nutritionist for further information or assistance. Eat Well Live Well is active on social media such as Facebook **www.facebook.com/EatwellLivewellSA/**, where consumers can interact with others and with the nutritionist. To date, we have over 130 000 followers.

We continue to develop and evaluate products to meet the "good for you" offerings, in line with the Eat Well Live Well programme. Current examples of products meeting the programme's stringent criteria include: Albany: low GI variants, and 100% smooth wholegrain brown bread; Black Cat: no-sugar, no-salt variants; Tastic Wholegrain Brown Rice; and Jungle Oats. This year, we achieved compliance with our Eat Well Live Well nutritional profile criteria across 25,3% of net sales.

We will be driving innovation within our existing brands and categories to develop more nutritious, affordable food products, and we will be working in partnership with government, academia and NGOs, through Eat Well Live Well, to educate consumers in a manner that allows them to make better informed decisions about their well-being.

Taxation of sugar-sweetened beverages: In April 2018, a tax on sugar-sweetened beverages, known as the health promotion levy was introduced. The threshold of 4g per 100ml meant that all beverages containing more than 4g of sugar would be subject to a tax rate of 2,1c for every gram above 4g.

Even though the announcement of the tax and its inclusion in legislation was only confirmed in February 2018, Tiger Brands began implementation of the tax on time. This meant registration of relevant facilities as per the South African Revenue Service (SARS) requirements as well as accounting for the number of products produced and sold prior to and post the implementation date. We continue to account accordingly and comply with SARS requirements to pay the tax.

PLAY A LEADING ROLE IN FOOD LABELLING

We are committed to ensuring transparent labelling of our products, on such issues as additives, allergen, gluten-free, religious requirements, biotech and genetically modified ingredients, caffeine and theobromine. General labelling, as well as declaration on certain ingredients and allergens is regulated. Ingredients, additives and allergens are always declared, irradiated foodstuffs or individual irradiated ingredients are declared, and genetically modified ingredients outside of certain thresholds are also declared. In addition, even where regulations do not specify declaration of certain ingredients, we voluntarily declare issues such as the amount of beta glucan (insoluble fibre) on certain oats containing products as well as the glycaemic index and glycaemic load of low GI products.

PROMOTING NUTRITION THROUGH THE TIGER BRANDS FOUNDATION

The Tiger Brands Foundation was established to enhance our community impact and assist a broader range of underprivileged people in South Africa, particularly communities with whom we interact most. It is managed by an independent board of trustees which establishes the criteria and procedures governing resource allocation. From six primary schools in Alexandra, this has expanded to over 100 schools in all provinces, providing the essential breakfast meal to around 72 000 learners. By September 2019, over 78 million breakfasts had been served to our country's most vulnerable learners.

School kitchens

Between October 2018 and September 2019, the Foundation has donated three school kitchens to schools that won top honours at National School Nutrition Programme (NSNP) Awards run by the Department of Basic Education (DBE). This donation flows out of the public-private partnership that the Foundation has with DBE.

In addition, the Foundation has donated two kitchens to other schools that are on the in-school breakfast programme. In total, the Foundation has donated five school kitchens during the financial year, with the total value of the donations being R2,4 million.

Addition of new schools

The number of schools on the Foundation's in-school breakfast programme has grown significantly over the reporting period. This was largely due to new corporate partners sponsoring schools on the programme. Sponsors elect the number of schools they want to bring onto the programme and make a commitment of a minimum of three years. Tiger Brands Limited's socio-economic development (SED) division has sponsored three schools for the breakfast programme. The three schools are situated in the Eastern Cape (Simekweni Junior Secondary School), the Free State (Phomolong Intermediate School), and Limpopo (St Martin de Porres Primary School).

An additional four schools have been added onto the breakfast programme through a sponsorship from Karoshoek Solar One (RF) Proprietary Limited. All four schools are based in Upington in the Northern Cape. This brings the total number of schools on the breakfast programme to 101 schools as at 30 September 2019.

Food and nutrition support

For over 10 years, as part of our socio-economic development (SED) strategy, we have provided nutritionally balanced food hampers to the most in-need beneficiaries across South Africa. These food hampers enable healthier lives through partnership with food-focused NGOs and university institutions. Through these initiatives Tiger Brands has managed to donate over 46 tons of food and we support nearly over 30 000 community members each month across South Africa.

ENHANCED LIVELIHOODS

IMPROVING THE LIVELIHOODS OF THOUSANDS OF PEOPLE

8 DECENT WORK AND ECONOMIC GROWTH
5 GENDER EQUALITY
10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS

There is an evident need to promote economic and social inclusion in South Africa and regionally. South Africa is one of the most unequal societies in the world, with a Gini co-efficient of 0,66. Currently more than half of the South African population live in poverty, an increase since 2015. This is constrained by a low rate of economic growth, making it difficult to generate jobs, with a high unemployment rate of 27%, and 50% youth unemployment.

In this context, we are committed to improving the livelihoods of thousands of people by providing opportunities across our value chain for inclusive economic participation. As part of our strategy, we are committed to supporting new black/black-women owned enterprises and create sustainable livelihood opportunities by 2030. We will achieve this during FY20 by launching the ESD fund and commit a R100 million investment, setting up new enterprises and facilitate at least 1 000 jobs, as well as setting up a business incubator to support emerging entrepreneurs. Some of these have already been partially achieved as seen above. By 2030, 50% of our total local procurement spend will be towards black/black women-owned suppliers. We will achieve this through a R1 billion incremental preferential procurement spend, having import replacement procurement plans in place, and driving the implementation of our BBBEE procurement policy. We will continue to annually contribute at least 1,5% of net profit after tax towards SED activities that promote sustainable thriving communities, continuing our work establishing food gardens for communities, families, schools and universities, providing food hampers to vulnerable communities and universities, and continuing with community social enterprise projects during FY20.

ENTERPRISE AND SUPPLIER DEVELOPMENT

Tiger Brands is committed to enterprise and supplier development (ESD), through development of operational and financial capacity of black-owned and black women-owned enterprises to become part of Tiger Brands' value chain – from sourcing to distribution.

For FY18, Tiger Brands spent

R14,3 billion

with BBBEE verified suppliers

To ensure that Tiger Brands delivers ESD that is responsive to corporate strategy, a Tiger Brands three-year ESD strategy was developed which fully aligns with the corporate strategy. This strategy provides a roadmap on the key focus areas for the development and support of black-owned and black women-owned suppliers, farming enterprises and distribution enterprises.

Tiger Brands launched the Dipuno ESD Fund which will be a conduit for provision of financial support to black-owned and black women-owned enterprises, suppliers and farming enterprises. An initial capital investment of R45 million has been made to Dipuno Fund to provide loans and technical support to beneficiaries and to provide Dipuno with a small operating budget. More information is available on: **www.tigerbrands.com/sustainability/transformation/developmentfund**

This year, we set up a market access accelerator to support those black-owned enterprises that need intensive business development assistance by providing support to enable them to access Tiger Brands' supply chain opportunities, build their products or service offerings, and assistance in ensuring compliance.

The accelerator has already successfully supported seven black-owned enterprises in securing logistics opportunities and trained more than 50 aspiring black entrepreneurs across sites where Tiger Brands operates factories.

R1,6 billion

with suppliers classified as qualifying small enterprises or exempt micro-enterprises (QSE, EME)

R3,5 billion

with suppliers that qualify as black owned

We also provided 58 black smallholder farmers with both financial and non-financial support, including agronomics and agrarian advice, business mentorship and interest-free loans, helping them to participate within our procurement chain.

- An investment of R4 million in the form of an unsecured input finance loan was invested in 10 black-owned grains smallholder farming enterprises to plant 500ha of wheat and oats in the Western Cape. This loan investment is secured by offtake agreements from Tiger Brands.
- Tiger Brands partnered with Anglo American Platinum through Zenzele Itereleng Community Trust; a 50/50 joint investment of R9 million in the form of an unsecured input finance loan was invested in 48 black-owned grain smallholder farming enterprises to plant 1 000ha of wheat in the North West Taung area. Additionally, an amount of R500 000 of 50/50 joint spend was invested towards the provision of technical and business support for the farmers.

In addition, we spent R14,3 billion with BBBEE verified suppliers, including R3,5 billion with black-owned enterprises.

R1,9 billion

with suppliers that qualify as black women-owned

ENHANCED LIVELIHOODS CONTINUED

SUPPORTING LIVELIHOODS THROUGH PREFERENTIAL PROCUREMENT

Tiger Brands is committed to supporting black economic empowerment and will prioritise procurement awards in South Africa to suitably qualified suppliers in line with the Broad-Based Black Economic Empowerment Act 53 2013 (BBBEE). BBBEE suppliers will be given preference among competing bidders where all other selection criteria are met. Tiger Brands reserves the right to restrict any business with suppliers suspected of BBBEE fronting.

This inclusive approach also ensures our requirements for the best-value package are met, comprising best price, quality, service and delivery performance.

Our procurement team has rationalised these strategies to deliver value to Tiger Brands and meet transformation obligations. This includes ensuring that suppliers improve their BBBEE credentials. Within five years, we aim to get as close as possible to the 40% target on this element in our BBBEE scorecard.

Transformation in the ingredients and agricultural categories remains slow due to the capital and skills needed to establish sustainable supply. Tiger Brands is actively engaging with suppliers to encourage transformation and identifying suitable BBBEE candidates for enterprise supplier development. Transformation is also slow due the input requirements and access to land. The volumes that Tiger Brands sources make it difficult for individual smallholder farmers to compete, which is why we introduced the aggregator model.

REVIEW OF PREFERENTIAL PROCUREMENT

Our BBBEE scorecard as at December 2018 is in the table below. Our BBBEE score at present is level 6, discounted to level 7 against the amended agriculture sector (agri-BBBEE) codes gazetted in December 2017. To align to the revised codes, we have developed a broader group transformation strategy that will ensure focused and integrated execution in all elements of the BBBEE scorecard. Through this approach, we aim to achieve a level 3 contributor status by 2022. The group transformation strategy will guide all activities towards this score. Our 2019 results will only be available after this report is finalised.

Tiger Brands BBBEE scorecard 2018

	Available points 2018*	2018
Ownership	25	18,3
Management control	19	10,13
Skills development	20	11,02
Enterprise and supplier development	40	15,58
Socio-economic development	15	15
Total	119	70,03
Level	Level 6 discounted to 7	

* *Tiger Brands is measured against the amended agriculture sector codes gazetted on 8 December 2017.*

BBBEE ownership 2018

	% by black people
Thusani trusts (beneficiaries are children of black employees)	1,88
Tiger Brands Black Managers Trust	0,64
Tiger Brands Foundation Special Purpose Vehicle (SPV)	4,78
Tiger Brands general staff share trust	0,07
Institutional shareholders with black shareholding	0,32
Total	7,69

SOCIO-ECONOMIC DEVELOPMENT (SED)

Tiger Brands' recently revised Socio-Economic Development (SED) strategy is designed to deliver on the company's core purpose of nurturing and nourishing lives every day. Through our focus on food and nutrition, community skills development, and community enterprise development, we are striving to create resilient, healthy and food secure communities, which are the foundation of our longer-term success. Our SED strategy has been revised to be more responsive to the real and changing issues impacting communities, and to ensure that it is more effectively integrated into our broader business plans. In implementing the SED strategy, supported by our annual budget of 1,5% of NPAT (R27 million in 2019), we are seeking to make a meaningful contribution to the following SDGs: SDG 2 (Zero hunger), SDG 5 (Gender equality), SDG 8 (Decent work and economic growth) and SDG 10 (Reduced inequalities), each of which is underpinned by strong partnerships (SDG 17).

TO BUILD, NOURISH AND NURTURE SUSTAINABLE, FOOD SECURE AND HEALTHY COMMUNITIES (NURTURING THE BODY, MIND AND SOUL SO OUR COMMUNITIES THRIVE)

OUR FOCUS AREAS

- Food and nutrition
- Community skills development
- Community-based enterprise development
- Cause and brand-related marketing
- Employee volunteer programme (EVP)
- Ad hoc initiatives

FOOD AND NUTRITION

Given the nature of our business, and the significant health and nutritional challenges in many of the communities in which we operate, we are fully committed to using our resources to promote food security. Recent statistics by Statistics South Africa reveal for example that almost 20% of South African households had inadequate or severely inadequate access to food in 2017. Providing nutritious food is a significant responsibility, and one that we take very seriously. We recognise, however, that this task cannot be achieved alone. Through our partnerships with various local non-profit organisations (NPOs), we have been supplying nutritionally balanced food hampers to approximately 30 000 families and 4 000 university students every month for the past decade. In addition, through the Tiger Brands Foundation's in-school breakfast programme, we have been providing nutritious breakfasts to vulnerable learners at over 100 schools across South Africa (see page 15).

COMMUNITY SKILLS DEVELOPMENT

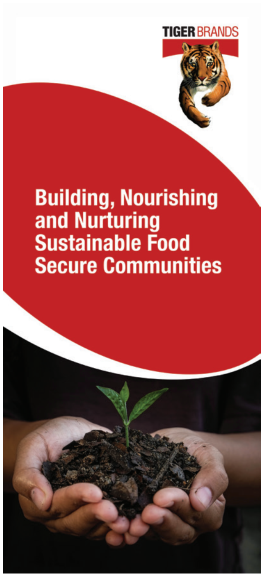
Inspired by the UN's Sustainable Development Goal of ensuring partnerships, we believe that as a society that wants to transform itself, we must move away from the traditional donor-charity dependent relationships, to partnerships of equality and empowerment, and from philanthropy to sustainable community investment. Building on the company's history of working in partnerships to improve food security in South Africa, we have recently embarked on a new approach where we invest in our partnering organisations to build their capacity to become self-reliant and sustainable. This year we began to introduce a range of interconnected programmes aimed at developing the capacity of our SED partners, to ensure that they become sustainable beyond corporate support. This is being facilitated through our newly developed NPO Accelerator Programme, an incubator to build professional and globally compliant non-profit and self-sustaining businesses with access to capital and relevant business networks. The initiative provides our SED partners with skills in governance, compliance, business management and related areas. Through this programme, participants will gain important knowledge to be able to identify potential projects in their communities for sustainable income generation, and successfully manage their income-generating activities and small businesses, all in an environmentally responsible way. For more information, please refer to: **https://www.tigerbrands.com/sustainability/transformation/small-holder-farmer-programme.**

ENHANCED LIVELIHOODS CONTINUED

COMMUNITY ENTERPRISE DEVELOPMENT

In addition to the food hampers that we provide to more than 30 000 families, we are working with community members to establish vegetable gardens for communities to grow their own food to supplement these hampers. It is our long-term view that these community gardens will grow into micro-farms and small-scale commercial farms that could be absorbed into Tiger Brands' enterprise supplier development programmes.

In collaboration with implementing partners, such as Food & Trees for Africa, Tiger Brands is educating communities in organic farming practices and assisting them to modernise their existing community food gardens. This is being achieved through Eduplant, a programme that teaches permaculture in schools and communities and that creates opportunities for people to start micro-farming enterprises and community food gardens. We have also partnered with various NPOs to establish community bakeries in local communities, with the aim of addressing both skills development and unemployment. This approach of empowering communities through skills and network access makes them less reliant on government and corporate partners. Ultimately, Tiger Brands would like to see community enterprises reaching a stage of self-reliance.



TIGER BRANDS UNIVERSITY FOOD GARDENS INITIATIVE

Implemented in partnership with Siyakhana Multipurpose Cooperative, the University Food Garden Initiative is specifically designed to facilitate the establishment of university-based food gardens to support our existing university nutrition support programmes. The objective of the programme is not only to establish food gardens but to also facilitate activities such as research and curriculum change that address food security at higher education institutions in South Africa. The programme has the following five key objectives:

- Improving availability of a wide variety of good and nutritious food for the students through food gardens and food parcels;
- Conducting and documenting relevant and appropriate action-based research for the development of models to be replicated across all the universities in the country, thus influencing policy and strategies;
- Offering training to develop capacity among students and other stakeholders on food gardens and sustainable livelihoods;
- Engaging in advocacy and networking activities; and
- Achieving food production viability and sustainability through producing own food.

Tiger Brands currently supports the University of the Witwatersrand (Wits), North West University, University of Johannesburg, Nelson Mandela University and University of Free State.

WE WELCOME OUR SOCIO-ECONOMIC DEVELOPMENT (SED) PARTNERS

BUILDING THE WALLS
BUILDING THE WALLS OF COMMUNITIES

- Established in 2003
- Beneficiaries: 550
- Uplifts and develops disadvantaged people
- Provides nutritious meals to neglected children, elderly, disabled, those living with HIV/Aids, tuberculosis (TB) and unemployed families in seven wards.

ACFS
community education and feeding scheme

- Established in 1945
- Beneficiaries: 413
- Focusing on alleviating poverty, running HIV/Aids awareness campaigns, setting up and organising community and individual feeding initiatives
- Coordinating community upliftment programmes including skills development, food gardening and early childhood development (ECD).

ASK Amantimande Soup Kitchen
NPO No.: 161-306

- Established in 2015
- Beneficiaries: 200
- Offers emotional support, friendship and nutrition to poor vulnerable families, parents and children.

Love to Give
A Caring COMMUNITY
Stellenbosch Community Development Program

- Established in 2005
- Beneficiaries: 100
- Provides nutritious meals to families whose lives are compromised by poverty in Kayamandi township in Stellenbosch
- Also supports with skills training.

ST. JOHN THE DIVINE ORPHANS AND OUTREACH
"Putting Smiles On The Faces of Children"

- Established in 2002
- Beneficiaries: 739
- Focuses on taking care of orphans and vulnerable children in the community and helps them to develop their full potential
- Removes the stigma of HIV/Aids and helps with making responsible decisions for the future.

St. Clement's Home-Based Care Project
"When I was ill, you visited me..." Matthew 25:35-46

- Established in 2001
- Beneficiaries: 2 222
- Provides support services to families infected and affected with HIV and Aids in Clermont and KwaDabeka townships in KZN
- Programmes for home-based care, food, orphans and vulnerable children (OVC) and skills development are designed to assist vulnerable community members, by providing education, skills and support.

Thulani Dlamini Home Based Care

- Established in 2004
- Beneficiaries: 555
- Provides HIV testing services, bathing of bed-ridden patients, elderly wellness programmes, OVC and needy children.

Valoyi Traditional Authority Trust
FIT FOR LIFE FIT FOR WORK

- Established in 2004
- Beneficiaries: 521
- Provides nutritional support as well as a home-based care centre within the community. It also provides an after school programme for vulnerable children and establishes food gardens in the villages. A programme for unemployed youth to assist them with jobs and bursaries for tertiary studies.

YABONGA
CELEBRATING 20 YEARS

- Established in 1998
- Beneficiaries: 1 075
- Yabonga Children's Project is a non-governmental organisation (NGO) working to enable children and youth disadvantaged through socio-economic circumstances and the impact of HIV to reach their full potential.

WITKOPPEN HEALTH + WELFARE CENTRE
PROMOTING HEALTH IN YOUR COMMUNITY

- Established in 1946
- Beneficiaries: 150
- Specialises in the provision of comprehensive primary healthcare and social services to mostly impoverished residents of informal settlements in the far northern areas of Johannesburg.

ENHANCED LIVELIHOODS CONTINUED

EMPLOYEE VOLUNTEERISM AT TIGER BRANDS

As part of the revised SED strategy, the Tiger Brands Employee Volunteerism Programme (EVP) was designed with the intention to build, nourish and nurture the communities around our sites, and to provide opportunities for all Tiger Brands' employees to engage in social causes that are close to their hearts and in the communities that they live and work.

Through EVP initiatives, we have managed to donate to communities that are indirectly supported by the company. We support Food Forward SA, a South African NGO that collects edible surplus food from manufacturers, wholesalers and retailers, and redistributes this food to hundreds of verified NPOs that collectively feed thousands of hungry people daily.
In commemoration of national World Hunger Day, the Tiger For Good employee volunteering platform was used to donate over 15 tons of near-expiring food to deserving beneficiaries, equating to over 50 000 meals; this was distributed by FoodForward SA on behalf of Tiger Brands.

Sites have also been actively involved in contributing to the communities they operate in. This has been driven by the Tiger Brands Site Champions, a team of passionate employees across all our operations, who together drive positive change in their host communities.

IMPROVING EMPLOYABILITY TO ENHANCE ECONOMIC ACTIVITY

Tiger Brands' skills development programme aims to empower communities to foster sustainable economic activity by improving employability. In collaboration with partner NPOs, programme participants are identified from the communities in which the company operates, such as communities in which the Tiger Brands Foundation's in-school breakfast programming is run. Participants, most of whom are women in rural communities, acquire skills relevant to the company, such as food handling. This is an accredited skill in high demand in the food manufacturing and consumable goods industry, which can lead to careers and small enterprise opportunities.

The end goal is to improve employability by creating a pipeline of employees with skills that are required by companies well beyond Tiger Brands. The company is also currently undertaking a social mapping exercise of the communities in which its SED programming is being run, to ascertain each community's specific needs.

Its SED strategy is underpinned by a sound monitoring and evaluation process, to track whether the company is achieving its intended outcomes, with particular emphasis on whether the sustainability of its implementing partner NPOs are being bolstered.

To further the agenda of a future that is co-created through partnership, Tiger Brands hosts workshops with all of its NPO partners from across South Africa, creating a platform to share insight and lessons from successful case studies, as well as to facilitate collective problem-solving and innovation.

The company is passionate about and committed to the sustainability of its operations, communities and society at large, and recognises the interdependency thereof. To this end, Tiger Brands will continue to ensure that its operations will not compromise the future of the planet, and that it creates a lasting legacy.

ENVIRONMENTAL STEWARDSHIP

SIGNIFICANTLY REDUCING OUR ENVIRONMENTAL FOOTPRINT

In promoting environmental stewardship, we are committed to continuously reducing our environmental impact by implementing innovative solutions that optimise energy and water consumption in our operations, to increase the use of renewable energy sources, and reduce greenhouse gas emissions. We are exploring opportunities to reduce the negative impacts of packaging, to minimise waste, effluent and emissions, and to develop innovative product offerings that are good for you and kind to the environment.

During FY20, we will also provide ground-breaking packaging solutions that attract attention at the point of sale and embody the message of the product brand. In terms of circular economy initiatives, we will stimulate sustainable economic opportunities by setting up Tiger Brands recycling hubs, and have at least one by-product beneficiation initiative established. We will continue with our voluntary food waste reduction programme and leverage our brand and marketing activities to inspire positive behaviour change.

OPTIMISING OUR ENERGY USAGE AND REDUCING GHG EMISSIONS

This year the company has shown an absolute energy reduction of 8,5% and a 5,0% decrease in energy intensity (kWh/ton) year-on-year.

During the year we also delivered capability building initiatives at selected energy-intensive sites through the National Cleaner Production Centre South Africa. During FY20, we will continue to optimise our energy usage through integrated and environmentally friendly energy options. We will be targeting a 10% reduction in energy intensity (kilowatt hour per ton).

REDUCING OUR GREENHOUSE GAS EMISSIONS

Total carbon emissions were down by 6,5% year-on-year, with a reduction in carbon emission equivalent (CO_2-e) intensity from 0,23 CO_2-e/ton to 0,21.

We are implementing various initiatives to reduce GHG emissions at our operations. We have established a partnership with an external service provider to assist our operations to reduce their emissions. The partnership will help us to deliver GHG emissions beyond what has been realised through our existing initiatives. A target of 10% reduction of greenhouse gas (GHG) emissions and defining by-product process energy generation initiatives will be a focus area for FY20.

REDUCING WATER CONSUMPTION

This year our absolute water usage was reduced by 7,2% and the water intensity (kℓ/ton) was down 5,4% year-on-year. With the increased pressure from municipalities in the Western Cape to reduce water consumption, and with the launch of the industrial water efficiency programme in water-intensive operations, there was extra emphasis and efforts to drive water saving initiatives.

In FY19 we conducted water efficiency assessments in partnership with industry experts from the National Cleaner Production Centre South Africa (NCPC-SA), identifying, evaluating, and recommending the most significant opportunities to conserve water, prevent pollution, and increase productive and efficient water use. We will optimise our water consumption through the evaluation of water reuse opportunities and responsible effluent discharges, targeting a 10% reduction in water use intensity and implementing additional smart metering for steam systems and water intensive process areas.

DRIVING WASTE MINIMISATION

We have conducted waste-stream mapping and waste reduction assessments across a number of our operations. Through the waste stream mapping we have identified and quantified our major waste and effluent streams arising from the production processes, and quantified the base volumes and current costs incurred for different waste streams. Ongoing work is being done to identify further opportunities to reduce waste at source and identify possible alternate use of waste by other entities (waste symbiosis). We have engaged the NCPC-SA to support us in scoping and identifying suitable SME partners for industrial symbiosis implementation. In FY20, the waste reduction target is set at 5% for the operations.

ENVIRONMENTAL STEWARDSHIP CONTINUED

PROVIDING INNOVATIVE PACKAGING SOLUTIONS

Packaging plays a vital role in delivering products to our consumers in a manner that preserves the integrity of the product, promoting convenience, and protecting health and safety. In recent years, the cost of raw materials has escalated significantly, with a direct impact on the packaging costs. This has required more efficient and sustainable packaging management. The extraction, location and processing of packaging can also contribute significantly to carbon emissions and the overall environmental impact of a product through its lifecycle. Where possible, for example by light-weighting our packaging, we are able to significantly reduce carbon emissions and costs throughout the manufacturing and transportation value chain.

In considering the various packaging options, Tiger Brands has completed lifecycle assessments (LCAs). As part of these LCAs, we consider a number of factors including affordability and convenience. Informed by these LCA results, we will be introducing alternative packaging solutions for some of our most popular brands. Recent packaging initiatives include:

- *Introducing light-weighting across all types of substrates:* A large percentage of our aerosol cans and the food cans have been light-weighted thus achieving a 10% reduction in body plate thickness.
- *Reduced primary, secondary and tertiary packaging:* At our beverage factory we have removed flat-boards as secondary packaging on a new product line. All products will now be packed directly onto a pallet using a thinner but stronger shrink; this will reduce factory space complexity and minimises paper packaging. We will be extending these initiatives to the rest of our product range. With the introduction of automated palletisation, we will be looking at the elimination of the use of shrink wrapping for the finished goods.
- *Using recycled plastics where possible:* 85% of our beverages bottle now use recycled PET. We plan to increase this content of recycled PET from 30% to 50% by the end of FY20.
- *Carefully investigating the use of biodegradable packaging:* We are in the testing phase of material made from sugarcane from Brazil; this will be included in all our high-density polyethylene (HDPE) closures and bottles, and enable us to achieve the global green logo.
- *Replacing current non-recyclable substrates with recyclable alternatives:* Flexible materials remain a global challenge. The pyrolysis process is being explored to recycle non-recyclable materials in future, among other potential solutions.

We support reduce, reuse and recycle packaging principles and the waste hierarchy: The circular design and economy approach is adopted when designing packs for any new innovation or renovation. To achieve our goals, we work in partnership with key suppliers and industry bodies (see page 38).

ENVIRONMENTAL INCIDENTS

The period of FY19 has seen the organisation drive root cause analysis on environmental infringements and to ensure that corrective plus preventive measures are put in place. The increase in the frequency of reporting and the site reviews conducted, has further ensured that deviations are dealt with timeously.

USING LIFECYCLE ASSESSMENTS (LCA)

Lifecycle assessments (LCA) are used to evaluate the environmental impacts of all stages of a product's lifecycle from raw material extraction through materials processing, manufacture, distribution, use, repair and maintenance, to disposal or recycling. LCAs help prevent a narrow outlook on environmental concerns by:

- Compiling an inventory of relevant energy and material inputs as well as environmental releases
- Evaluating potential impacts of identified inputs and releases
- Interpreting the results for more informed decisions.

RESPONDING TO THE PLASTICS CHALLENGE

Plastic has been an integrated part of our lives for more than 50 years. Barely a day goes by when we do not have contact, directly or indirectly, with plastic in some form or another. For Tiger Brands, plastic plays a major role in delivering and sustaining the quality, safety and convenience of many of our products. Plastic's ratio of cost to performance also means that people of all income groups can enjoy its important benefits. While the benefits of plastic are significant, its production, use and disposal also presents some environmental challenges, including most visibly in the form of plastic pollution.

Driving positive behavioural change has a critical role to play in addressing the challenge of plastics pollution. As brand owners, we are raising awareness among consumers through effective communication on our labelling. We are also engaging with the government to incentivise plastic waste pickers and waste collectors, as well as educating our employees to sort at source to reduce complexity down the value chain of recycling. At its end-of-life phase, plastic is too valuable a resource to be thrown away and should not be landfilled and not littered. In South Africa, where there is a viable market for plastics recycling, we are reviewing how we can most effectively use our marketing and labelling to encourage effective recycling.

With the aim of reducing the volume of plastic we use, we are setting some reduction targets that build on the reduction efforts that we have already been taking for several years. Key initiatives include the light-weighting of plastic containers, and reducing the volume of single use plastics, mostly used for packaging. To address the problem of plastic ending up in landfills, we have introduced targets for our PET containers to contain 30% recycled PET, and will be increasing this to 50% in future. This will also include other forms of plastic such as polypropylene, high-density polyethylene and others.

Recognising that we cannot win the war on plastics alone, we are working in partnership with organisations such as the Consumer Goods Council South Africa, Plastics SA and others. Through our own programmes – including our enterprise and supplier development initiatives and corporate social investment projects – we are setting up recycling stations in partnership with others, creating potential job opportunities for recyclers in the informal sector, and raising awareness about recycling. In pursuit of our 2030 "circular economy" ambitions, we are partnering with suppliers, converters, recyclers and other brand owners. At the same time we are continuing to research alternative packaging for our products, looking for solutions that are more environmentally friendly, yet that serve the primary purpose of getting our products to the consumers safely, conveniently and in a manner that prevents possible contamination. We have eliminated all non-recyclable sleeve PVC materials in our value chain and replaced them with PET material which is 100% recyclable.

ENVIRONMENTAL **STEWARDSHIP** CONTINUED

PROMOTING SUSTAINABLE AGRICULTURAL PRACTICES

Our business depends on healthy ecosystems to produce sustainable supplies of wheat, maize, fruit, vegetables and other raw materials. We are using our company's scale and presence, and working with experts, to make a positive impact on the farms, communities and environment where our main raw materials are grown, focusing on those areas where we can have the most impact. We are consolidating codes and practices across our business units into a group standard for sustainable agriculture and livestock farming that will be based on key principles, including:

› *Using pesticides and herbicides in crops:* Only AVCASA and BASOS accredited agriculturists are allowed to give active technical advice on registered chemicals and fertilisers. We are busy with the process to include the use of pesticides and herbicides in suppliers' contracts and testing for chemical residues takes place.
› *Genetically modified (GM) crops and product labelling:* Our priority is to produce products that are safe, meet all regulatory requirements and fulfil our high standards for quality, for the ultimate benefit of our consumers. Our commitment to safety and quality includes all our food ingredients, whether produced from conventional crops or GM crops authorised by regulatory bodies. To address consumer perceptions, we select non-GM cultivars for vegetables where possible. Maize and soya beans grown in South Africa are mostly genetically modified cultivars. We do not use any GM cultivars in Purity baby food products.
› *Protecting biodiversity:* Environmentally benign chemicals are used where possible as part of an integrated pesticide management system to minimise environmental impacts and ensure biodiversity. Crop rotation also prevents biodiversity loss. Good crop-rotation principles are applied in the vegetable supply chain by rotating between vegetables and grains. In summer rainfall areas, planting beans and groundnuts is also part of a crop-rotation system with maize. We are currently investigating the possibility of crop rotation for tomatoes in Limpopo.
› *Animal welfare:* Tiger Brands adheres to recommended best practice in the rearing, transporting and slaughtering of livestock. At all times, the welfare of the animal supersedes commercial interest and our goal is humane treatment that ensures both a good quality of life and a quality end product.

OUR STRATEGIC ANCHORS

OUR STRATEGIC ANCHORS

ROBUST FOOD SAFETY AND FOOD QUALITY SYSTEM

We are committed to energising the quality agenda, sustaining the superior quality of our product by raising the bar. We are determined to develop a quality capability that differentiates Tiger Brands from our competitors, supported by trained and talented people integrated across functions, a robust and integrated set of processes and tools, and a culture and passion for quality that permeates across the organisation.

Quality and food safety is the responsibility of all employees, particularly at site level. Execution of a standardised and central approach to food safety and quality rests with the chief supply chain officer supported by the quality and manufacturing excellence director. The quality function reports to the board through the risk and sustainability sub-committee.

This year, we invested in driving the quality agenda across the company. Quarterly self-assessments against Global Food Safety Initiative (GFSI) requirements and gap closeouts were driven across all our manufacturing sites. Our manufacturing facilities were audited by DQS, an international certification body, and were certified against globally recognised food safety standards FSSC 22000 and HACCP. Unannounced hygiene audits across our sites by the group's microbiologist were conducted to ensure compliance and embed the newly introduced micro and hygiene requirements.

We have continued with our robust group supplier quality management process, together with centralised procurement. The process includes supplier qualification, and is being rolled out together with the data management module, a technology platform that includes plant maintenance and improves validation. Supplier quality assurance processes are now in place for all new raw material and packaging suppliers, and we successfully delivered an online self-assessment module and incident management tool against the Global Food Safety Initiative (GFSI) for reporting and managing quality data.

We have introduced standardised product complaints procedures and communication protocols across the group to ensure quick and decisive response times. We completed HACCP training for all high-risk sites, provided basic microbiology and sampling training for relevant factory teams, and made progress with quality onboarding and awareness training across our operations. In ensuring an adequate pipeline of skills, a centralised in-service trainee recruitment model has been implemented with a number of candidates already in place. Through our various quality initiatives, this year we have seen a 18% reduction in consumer complaints, a 35% reduction in marketplace incidents, and zero public recalls.

During FY20, we will deploy European Hygienic Engineering and Design guidelines as a manufacturing hygiene standard, deploy sensory analysis guidelines, and develop and implement metrics and processes for supplier performance measurement.

More about the safety standards applicable to our operations can be found on: **www.tigerbrands.com**.

PARTNERSHIP WITH THE CENTRE FOR FOOD SAFETY AT STELLENBOSCH UNIVERSITY

In November 2018, Tiger Brands and Stellenbosch University launched the Centre for Food Safety. The first of its kind in the country, the centre is a unique applied food science research consortium, comprising scientists working at the university and in the food industry. Since its launch, the centre has collaborated with Tiger Brands on various projects aimed at providing trusted, independent, timely and credible food safety advice, and translating research into constructive policy options.

The Centre for Food Safety operates on three pillars:

- Undertaking scientific research and training on food safety, through collaborative multidisciplinary teams, making the results available to the public and other researchers
- Promoting consumer education and awareness aimed at protecting people's health through the provision of trusted information and advice that enables them to make informed food safety decisions, making the results of research available by means of seminars and short courses, as well as through web pages and social media platforms
- Providing expert advice on food safety policy: The centre uses a science-based approach, translating research into relevant and realistic policy options focusing on four strategic elements relating to: food safety policies and plans of action; food control systems; the control and prevention of foodborne diseases; and partnerships and networking.

This year, the centre has been involved in various applied research projects, including:

- Microbiological pathogens in foods and the application of whole genome sequencing (WGS)
- The effect of sanitisers on pathogens associated with food production
- The investigation of listeria spp. associated with the prepared fruit supply chain
- Survival and proliferation of listeria monocytogenes and salmonella in a South African ready-to-eat food factory
- Implementation of food safety management systems to reduce risk of listeria monocytogenes contamination of processed meat products
- Preventive sanitation measures to eliminate listeria monocytogenes biofilms in difficult-to-sanitise micro-environments.

As part of its community involvement activities, the centre has run a lecture series on listeriosis in South Africa, given food safety talks to prospective food science students, run a food safety discussion with a group of consumers, and undertaken an audit on food safety and hygiene at the Wine 2 Whales cycling event.

CENTRE FOR
FOOD SAFETY
INNOVATION THROUGH COLLABORATION
UNIVERSITEIT STELLENBOSCH UNIVERSITY

OUR STRATEGIC ANCHORS CONTINUED

MANAGING THE LISTERIOSIS OUTBREAK AND FOOD SAFETY FOR THE LONG TERM

The listeriosis outbreak in 2018 has been a tragic event that has deeply affected the Tiger Brands family, including the board, leadership and our staff. Those who lost their lives are never far from our minds. Since the crisis, we have remained focused on two key areas: Firstly, taking clearly defined steps that will bring closure to those impacted through our proactive participation in the class action lawsuit; and secondly, to maintain the focus on moving beyond compliance and focusing on progressing the food safety agenda to embrace a source to table mindset with innovative and simple interventions that empower consumers.

PARTICIPATING IN THE LEGAL PROCESS

A class action initiated by the attorneys acting on behalf of the claimants in the listeriosis case was certified on 3 December 2018. Given the lengthy timeframe class action processes can take, the company has remained committed to ensuring that the legal process is not unnecessarily delayed in the interest of reaching an outcome for all affected parties. As such, we have supported the certification of the class action and provided R1 million to support a nationwide media campaign to reach as many potential claimants as possible. As a company, we will continue to engage in this legal process with honesty and integrity and commit to abiding by the outcomes of the court's decisions.

In recognition of the significant public interest surrounding the class action, we proactively conducted a series of briefings between senior members of the media and the lawyers retained by the insurer to represent Tiger Brands in this matter. The intention of these interviews was to support understanding of the complex legal process. Additionally, we have made a wealth of materials available on our website for anyone with an interest in the class action to follow its developments (**www.tigerbrands.com**).

DRIVING A MULTI-SECTORAL APPROACH TO ENHANCING FOOD SAFETY

Tiger Brands is committed to playing a leading role to forge and strengthen a multi-sectoral approach to support better food safety in South Africa. In addition to the launch of the Centre for Food Safety as reported in FY18, Tiger Brands also supported the Association for Food Scientists, Technologists and other Professionals serving the food and allied industries in South Africa (SAAFoST) 23rd biennial international congress and exhibition this year themed: Food Science and Technology for the 21st Century.

FURTHER ADVANCING FOOD SAFETY AND PROVIDING ASSURANCE OF MEAT PROCESSING

With the consumer at the heart of all we do, we have been deliberate about regaining trust through action. To facilitate better transparency of our meat processing, we introduced a seven-step quality check process that has provided transparency and assurance to consumers. To drive consumer engagement and understanding, we provided details on our Enterprise Foods website and invited consumers to engage with us on all our social media platforms directly.

Enterprise Foods adheres to Pork 360, the South African Pork Producers' Organisation (SAPPO) Farm Assured accreditation scheme that is a commitment to the consumer that South African farmers, processors and retailers all adopt best practices and processes that comply with global standards to ensure safe, fresh and affordable pork.

While not a requirement of South African regulations and is generally not adopted by other manufacturers, Tiger Brands introduced a positive release process for its ready-to-eat processed meats and only releases product into the market once every batch of finished product is tested. Additionally, we introduced a post-packaging pasteurisation process for added food safety.

CONCLUSION

As the class action moves ahead, we remain resolute and committed to acting with honesty and integrity and will continue to conduct ourselves in a manner that upholds our values. We embrace an inclusive approach to transforming the entire food value chain as part of a coordinated effort to achieve a safer, healthier, more nutritious, sustainable and efficient food system.

UNLEASHING THE POWER OF OUR PEOPLE

Our people strategy seeks to unleash the power of our people and embed the winning mindset needed to deliver long-term growth. To realise this objective, we have prioritised the following three focus areas:

- Building a diverse talent base to deliver our growth strategy
- Developing leadership capability to inspire winning performance
- Creating a great place to work to energise a consumer-obsessed agile Team Tiger.

These focus areas are underpinned by a commitment to execution excellence, and technology to enable winning performance.

PERFORMANCE SUMMARY 2019

- Implemented a standardised talent management framework
- Established a "One Tiger" onboarding framework
- Embedded talent reviews and accelerated talent mobility
- Developed an executive leadership succession plan
- Developed a long-term HR enabling technology and digitisation roadmap
- Designed and developed a learning and skills development framework and refreshed the Tiger Academy Blueprint
- Successfully piloted and paved the way for digital learning at Tiger Brands
- Invested R127 million in training which is 4,18% of payroll
- 214 culture dialogues held across our sites
- Employee diversity: 93% black and 30% female
- 40% of leadership appointments were internal.

CHALLENGES

- During this period a protected strike lasting seven weeks was experienced in Albany Pretoria and Secunda negotiating cluster. The strike was marred by acts of intimidation and violence
- To balance production supply with seasonal or fluctuating market demands, Tiger Consumer Brands has traditionally relied on contingent labour; to ensure that we remain compliant with relevant labour legislation, we continue to improve the employment conditions and treatment of contingent labour.

BUILDING A DIVERSE TALENT BASE TO DELIVER OUR GROWTH STRATEGY

Numerous initiatives were undertaken this year to further strengthen our diverse talent base and develop our core capabilities to deliver on our growth strategy. We reviewed the management structures to improve efficiency and effectiveness. We developed and implemented a standardised talent management framework, supported by targeted talent strategies for marketing, R&D, Bakeries and Africa. We reviewed our learning and development framework, and developed an employer brand and employee value proposition aimed at attracting and retaining talent. To provide a compelling work environment that recognises and rewards talent, we have embedded action-based talent reviews and accelerated talent mobility.

Recognising the critical importance of driving diversity across all management levels, we have developed and approved a five-year employment equity plan, as well as a gender equity strategy. Key initiatives include a focused management trainee and leadership development programme. During the period, we had 25 management trainees and 881 learnerships across Tiger Brands.

To attract talent for our Africa operations, we have developed a talent sourcing strategy that includes partnerships with LinkedIn, in-country distributors and tertiary institutions. We have developed a customised Africa management trainee programme, and this year we sourced management trainees from Mozambique, Zambia and Nigeria. A priority talent focus area for the year ahead is to continue to build commercial and supply chain capability. We will continue to work on implementing a fit-for-future organisational structure, embed digital learning, and execute a clear career development framework and appropriate learning and skills development.

DEVELOPING CORE CAPABILITIES THROUGH THE TIGER BRANDS ACADEMY

In FY19, we invested R127 million or 4,19% of total payroll on overall training in South Africa, through our refreshed Tiger Brands Academy, as well as learnerships.

The Tiger Brands Academy is an internal skills development vehicle that develops core capability through various academies for the disciplines of supply chain, finance, IT, customer, human resources, marketing and R&D. It also offers learnerships in manufacturing, logistics, supply chain and management to school leaving youth. The academy includes the Leadership Academy, that delivers leadership development programmes for leaders across the business.

OUR STRATEGIC ANCHORS CONTINUED

Tiger Brands creates opportunities by providing workplace experience for selected candidates in food technology, engineering, marketing, production and operations.

We provide bursaries for the children of qualifying black employees. In 2019, we spent R7 million on bursaries for 164 students (2018: R6,3 million and on bursaries for 188 students). A total of 423 students have graduated since 2007 and 42 graduated in 2018.

Gender diversity profile

Our EE profile FY19

Occupational levels	Workforce profile as at 30 September 2019 (South Africa)											Total
		Male				Female				Foreign nationals		
	Band	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	FL-FU	1	–	2	4	2	–	–	–	1	1	11
Senior management	EL-EU	14	2	13	31	11	3	13	13	2	1	103
Middle management	DL-DU	76	29	55	123	86	18	50	58	11	1	507
Junior management	CL-CU	529	138	113	206	261	75	63	113	12	6	1 516
Semi-skilled	BL-BU	2 219	167	141	37	642	139	82	83	8	1	3 519
Unskilled	AL-AU	3 622	170	49	5	1 457	149	61	4	12	3	5 532
Total		6 461	506	373	406	2 459	384	269	271	46	13	11 188
Employees with disabilities		14	–	1	–	2	–	–	–	–	–	17

DEVELOPING LEADERSHIP CAPABILITY TO INSPIRE WINNING PERFORMANCE

The current business environment is experiencing a shift in leadership focus away from functional specialised teams, towards purpose-driven cross-functional teams that leverage the broader ecosystem. This shift has informed the work that we are doing to develop the right leadership capability to lead the company into the future.

Guided by this understanding, we focused our leadership development efforts this year on developing an executive leadership succession plan, undertaking leadership capability assessment for key successors, and reviewing the leadership development framework. Informed by the benchmark assessment of our senior leadership team, we have prioritised various focus areas for leadership development in FY20, including driving winning business performance and embedding a culture of consumer obsession.

We have developed a leadership competency framework that outlines our unique leadership brand and that is aligned to drive and sustain a winning performance culture across our operations and geographies.

To achieve this ideal, we have designed a stratified leadership development curriculum as part of our framework. The curriculum comprises five customised programmes that are focused to equip leaders at all levels of the organisation, starting with first-time line leaders to executive leadership levels.

Our leadership competencies

LEADS PEOPLE	LEADS PERFORMANCE	LEADS SELF	LEADS INNOVATION	LEADS PARTNERSHIPS
• Inspires winning performance • Nurtures and grows talent	• Shapes strategy • Achieves results through others		• Market focused • Consumer obsessed	• Builds partnerships • Builds teams

Our leadership development programmes

Intervention	Target audience
LIFT leadership programme	Lead operators
EDGE leadership programme	Frontline leaders
GAME CHANGER leadership programme	All leaders
SOAR leadership programme	Leaders of leaders
REIMAGINE Tiger Leadership Development programme	Enterprise leaders

We will continue to accelerate the roll-out of these programmes across the organisation to build the required capability and capacity to embed our winning performance and culture through our leaders.

To improve our talent pipeline and strengthen business performance, we are ramping up talent rotation. We are embedding coaching and mentoring practices as part of the Tiger development approach, and we will embed the outcomes of our women in leadership programme – RISE.

CREATING A GREAT PLACE TO WORK

Creating a great place to work is critical both to attracting and retaining talent, and to ensuring that we have an agile culture that inspires innovation and drives winning performance. The key focus for the year under review was to establish a strong foundation to enable the One Tiger winning culture transformation journey. Leader-led dialogues were held with our leadership teams to equip them to lead the journey in their teams. These were followed by Heart of the Tiger dialogues where team members had the opportunity to openly engage and develop a team pledge on how they will bring the company's values and winning behaviours to life. Overall, 214 culture dialogues were held and 6 786 employees impacted.

Our strategic focus for the year ahead is to continue to improve the employee experience and accelerate business performance. We will continue executing a Tiger-wide employee experience and engagement survey and employer brand campaign, further embedding the reward and recognition strategy and well-being programme while continuing to drive the modernisation and harmonisation of benefits.

OUR STRATEGIC ANCHORS CONTINUED

We will also be implementing our people with disabilities framework to enable an inclusive great place to work, as well as delivering our employee relations strategy to maintain employee relations stability.

REWARDING WINNING PERFORMANCE

During the year under review, we continued on our journey of ensuring that our remuneration policy is competitive and agile; enabling the attraction, motivation and retention of key skills to drive our business strategy.

Some of our highlights include:

- Aligning Tiger Brands' annual and long-term performance to the delivery of the strategy by creating an STI balanced scorecard, as well as revising performance conditions in our LTI scheme
- Cementing the foundation we have already built for fair and responsible pay
- Ensuring that reward mechanisms are simple and provide line-of-sight to all employees.

EMPLOYEE RELATIONS

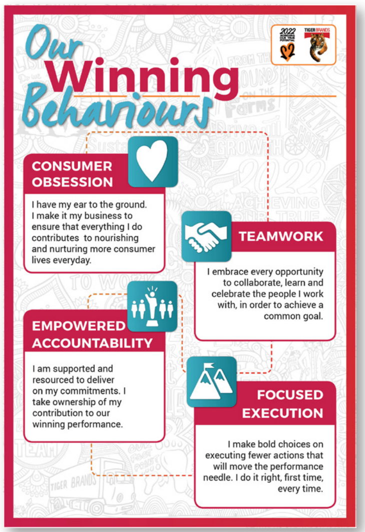
Tiger Brands' employee relations (ER) approach seeks to promote a harmonious and collaborative working environment and instil a winning culture that ensures stability and business sustainability.

Stability of our employee relations environment:

- A total of 20 wage negotiations were planned and 10 have been settled with at least 50% achieving multi-year agreements. The balance will be concluded during the balance of 2019. To continuously improve equity and fairness, the disciplinary and grievance procedures were reviewed during FY19. Continuous direct engagement with all our employees remains a key focus. Leaders are expected to engage and consult directly with employees on matters of mutual interest.

Our employees have full freedom of association, with 67% of our bargaining unit employees who are members of trade unions. Site management and union partner representatives meet monthly to address issues of mutual interest. At each site, union partners are represented on forums that monitor employment equity, skills development and related employee matters.

Tiger Brands complies with South African legislation on labour relations, basic conditions of employment, employment equity, skills development, among others. We also comply with International Labour Organisation conventions, and relevant regulations in operating areas in Africa. In FY19, there were no instances of non-compliance with labour standards.



SAFETY, HEALTH AND SECURITY SYSTEMS

Ensuring zero injuries and delivering strong safety, health and security performance through visible felt leadership is a top priority. We have a holistic health and safety programme with clear road maps and deliverables, supported by behavioural safety initiatives that drive leadership accountability and responsibility, as well as effective internal and external auditing.

OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH

This year we focused on driving the implementation of a revised occupational health (OH) strategy and improving the reporting of OH key performance indicators (KPIs) and incapacity cases. We ran ongoing operational OH awareness campaigns and interventions with the support of external OH service providers, developed and standardised our occupational hygiene surveys, and conducted health risk assessments. We commenced a process of rationalising the health service providers across the group to deliver a consistent, cost-effective and standardised approach, and ensure that mobile healthcare service providers are available at relevant sites. Where necessary, we have contracted occupational health nurses, and we are upgrading medical clinics' infrastructure and equipment.

A group proposal for outsourcing occupational health is under way and will be launched for implementation in FY20. This year we focus on the following areas:

- Medical surveillance, feedback on abnormal health surveillance testing, identification and feedback on management of the top health risks, chronic diseases monitoring, primary healthcare consultations and the management of infectious diseases under primary healthcare
- Ongoing operational OH awareness campaigns and interventions with the support of external OH service providers
- Health promotion training for diet, personal hygiene, physical fitness, high blood pressure, infectious diseases and management of chronic conditions in a work environment
- Conducting site occupational hygiene surveys
- The facilities continue to report on OH initiatives, incapacity cases, medical surveillance and implementation of the fitness-to-work guideline.

EMPLOYEE WELL-BEING PROGRAMME – THRIVE

Our employee well-being support programme offers 24-hour telephonic counselling, and face-to-face professional counselling from psychologists, social workers, dieticians, biokineticists, and financial and legal advisers. Our onsite clinic services include occupational health support, and limited primary healthcare, free to all permanent and temporary employees onsite. Our clinic in Ashton (Western Cape, South Africa) is also open to the community. Contracted services include an HIV/Aids management programme and a free advisory and counselling service for all permanent and temporary employees. We also offer all South African employees membership of our in-house medical scheme for cost-effective comprehensive health cover.

SAFETY

This year, tragically, one employee was killed in a work-related incident.

In April 2019, Mr Aubrey Tornado Skosana, a driver at Albany Pretoria, died following a multi-collision vehicle accident while on a delivery. The Albany drivers have all subsequently been provided with refresher training on defensive driving, plus an online training programme for all Bakery drivers and van assistants on route-to-market alertness. The family of the employees have been given support and counselling. Our sincere condolences go out to the families of the deceased employee.

OUR STRATEGIC ANCHORS CONTINUED

Regrettably, there was an increase in the group's lost-time injury frequency rate (LTIFR) to 0,38, against the 2018 reported number of 0,27. We attribute this increase to the frequency and tighter reporting as part of our behavioural safety programme. This establishes a new base to drive our improvement behavioural safety initiatives. The findings inform the implementation of appropriate preventive measures and are used to improve the operational safety culture. Disciplinary action is applied where appropriate. We are in the process of rolling out behaviour-based safety to all our manufacturing facilities and ensuring safety visual management standardisation in all operations.

The LTIFR performance against set targets, for end of September 2019 is presented in the table below:

	FY16 Performance	FY17 Performance	FY18 Performance	**FY19 Performance**
Tiger Brands Group	0,36	0,30	0,27	**0,38**

LOST-TIME INJURY (LTI) PERFORMANCE

The table below presents the lost-time injuries for the FY19 period.

	FY16	FY17	FY18	**FY19**
Tiger Brands Group	162	123	107	**139**

For all reported incidents, thorough root cause analysis is undertaken to ensure that preventive measures are put in place. Ongoing capability building and safety initiatives have been delivered in order to improve the operational safety culture and to also inspire our employees to take personal responsibility for their health and safety. Additional work is being undertaken to get employees to know their risks, make informed decisions and to work in a safe way.

Security

We have improved security at our facilities, informed by site security risk assessments using a methodical security management system to review and ensure the availability of appropriate physical security measures and access controls. Training awareness is provided, and appropriate incident management, reporting and investigations undertaken.

ETHICAL SUPPLY CHAIN PRACTICES

We are committed to promoting ethical supply chain practices, with the aim of promoting fair labour activities, ensuring animal welfare and mitigating the potential impacts associated with potentially high-risk raw materials such as palm oil and cocoa. We work with suppliers that are members of the Roundtable on Sustainable Palm Oil (RSPO) to ensure the sourcing and processing of traceable and certified sustainable palm oil. We are concerned about deforestation, loss of biodiversity, and the use of peat lands, all associated with palm oil production on plantations. We work with RSPO-certified suppliers that can improve on this global body's existing principles and criteria to address these and other emerging issues.

We only source cocoa liquor and butter – important ingredients for our chocolate business – from suppliers certified by Fairtrade and the Rainforest Alliance, ensuring our supply chains are anchored by the principles and standards of sustainable production. Finally, we engage with government departments that have a bearing on our business and imminent legislative changes through facilitated discussion forums such as the World Wide Fund for Nature (WWF) and manufacturing industry debates.

SUPPLY CHAIN

While our supply chain draws on most of our capitals, its key impact is on natural capital. Over the past three years, we have focused on reducing this impact through specific initiatives. We reviewed formulations to improve costs without affecting taste and quality, we actively researched and expanded sourcing programmes in the Southern African Development Community (SADC) and we continued support to develop domestic farmers. We continue to refine our logistics network with selected partners to achieve cost efficiency and the highest standards of customer service.

ETHICAL SOURCING

Our ethical sourcing policy was approved by the board in 2018 and is being implemented throughout our supply chain. This policy addresses human rights within our supply chain and is available on our website, **www.tigerbands.com**. Suppliers are required to declare their commitment to comply to our ethical sourcing policy annually. Where deemed necessary, suppliers may be audited by Tiger Brands or an external party to verify compliance. For FY19, we issued compliance notifications to 208 suppliers which represents 73% of our procurement managed spend. We received signed commitments to comply to our ethical sourcing policy from 68% of suppliers, representing 43% of our procurement managed spend. We are following up with the suppliers who have not yet responded.

ETHICAL SOURCING DECLARATION TRACKER AS AT 30 SEPTEMBER 2019

	TOTAL
Number of notifications sent	**208**
Percentage spend covered by notifications	**73%**
Number of acknowledgements received	**141**
Percentage acknowledgements received	**68%**
Total spend covered by acknowledgements	**R5,2 billion**
Percentage spend covered by acknowledgements	**43%**

HUMAN RIGHTS

Tiger Brands believes business can only flourish in societies where human rights are protected and respected. Equally, we recognise that business is responsible for respecting human rights and has the ability to contribute to positive human rights impacts.

This is an area of growing importance to our employees, workers, shareholders, investors, customers, consumers and communities where we operate and civil society groups globally. As such, there is both a business and moral case for ensuring human rights are upheld across our operations and our value chain (supply chain and service providers).

Our human rights policy was developed and approved during 2018, and is in the process of being implemented across our operations and supply chain. The policy will also be reviewed and further improved during FY20.

At group level, the policy establishes the principles and responsibilities for implementing, monitoring, reviewing and reporting human rights abuses in Tiger Brands. It has been developed to protect the group, its employees, assets, information, operations and reputation in the environment in which we operate and to ensure respect for human rights. It applies to all employees, temporary employees, contractors, service providers and consultants of Tiger Brands.

Human rights cases can be reported through the ethics line **www.tip-offs.com**, directly to the company, or identified by other means such as whistle-blowing or the media. Training on human rights has been included in our induction programmes for new employees, and awareness raised among all our employees through internal communication programmes throughout the year. Through our ethical sourcing policy, our suppliers have been requested to declare their acknowledgement and support for our policy, or that they have their own policies in place covering the requirements as set out in our policy.

No cases related to potential human rights issues were reported through our ethics line, and no allegations were reported through the media.

The human rights policy and ethical sourcing policy are available on our website, **www.tigerbrands.com**.

OUR STRATEGIC ANCHORS CONTINUED

RESPONSIBLE MARKETING AND COMMUNICATION PRACTICES

Our Tiger Innovation Process (TIPS) governs our robust pipeline of health and nutrition, value driving and sustainability projects of the overall business. This ensures that they are brought to market in a manner that guarantees thorough checks from a nutrition, regulatory and legislation perspective, while also driving speed to market, agility and discipline in the execution of projects.

Marketing to Children Policy: Tiger Brands is a signatory to the Marketing to Children Pledge as part of the then Advertising Standards Authority (now Advertising Regulatory Board) Code of Advertising. This pledge was signed in 2008 and has various restrictions on marketing to children below 12 years of age. Signatories must comply with these restrictions as part of responsible marketing practices.

Nanomaterials: Should the declaration of the use of nanomaterials become a requirement, Tiger Brands will declare it accordingly, in a similar way we address the declaration of genetically modified and irradiated ingredients in foods. Nanomaterials are an increasingly important product of nanotechnologies. They contain nanoparticles, smaller than 100 nanometres in at least one dimension. Nanomaterials are coming into use in healthcare, electronics, cosmetics and other areas.

TRANSPARENCY, STAKEHOLDER RESPONSIVENESS AND PARTNERSHIPS

DRIVING TRANSPARENCY

Recognising the importance of transparency and partnerships we are committed to playing an active role in industry forums to help shape sustainable consumption standards, tools and best practices. We are a member of industry bodies such as the National Business Initiative (NBI), Manufacturing Circle, Business Leadership South Africa, Consumer Goods Council of South Africa (CGSA), South African Agricultural Processors Association (SAAPA), South African Fruit and Vegetable Export Council (SAFVEC), South African Fruit Juice Association (SAFJA), and the Coalition for Ethical Operations. We play an active role on various sustainability initiatives with these organisations, including for example on the UN SDGs, responsible labelling and marketing, and plastics packaging. We are working with South Africa's Council for Scientific and Industrial Research (CSIR) on assessments to enhance manufacturing industry competitiveness through resource efficiency and cleaner production, and we partner with various academic bodies and NGOs.

Each year, we voluntarily disclose our performance on carbon emissions and water management as part of the global CDP initiative. Further information about our CDP and water disclosure are available on our website, **www.tigerbrands.com**.

We are also signatories to the We Mean Business initiative, through which we have committed to adopting a science-based emissions reduction target, promoting responsible corporate engagement on climate policy, and reporting climate change information in mainstream reports as a fiduciary duty.

STAKEHOLDER ENGAGEMENT

This year has been an important milestone in our journey of promoting stakeholder inclusivity and ensuring effective management of material stakeholder interests as a means of promoting sustainable competitiveness.

Our journey began in 2017 where we undertook a dedicated engagement process to develop a baseline appreciation of how our stakeholders perceive our existing engagements, and to identify opportunities to foster increased inclusivity for sustainable competitiveness. We have been encouraged by the positive response from various stakeholders who have supported us in our activities. Since October 2018, we have been working with various stakeholder groups within our host communities to develop and implement site-specific stakeholder engagement plans. In 2019, we spent more time in host communities undertaking social mapping exercises, the results of which have allowed us to be responsive to specific community needs and enabled us to co-create impact programmes with communities to bring about the required change.

In the integrated annual report (pages 20 to 22), we briefly identify those stakeholder groups that have a substantive impact on our ability to create value, outlining their contribution to value creation, our means of engaging with them, and each stakeholder group's primary interests relating to our business activities. Although we appreciate that there is often substantial diversity of perspective and interest within each group, we believe that the interests listed in the integrated annual report are a sufficiently accurate reflection of each group's most material interests regarding Tiger Brands' activities and performance.

APPENDIX

PERFORMANCE DATA

NATURAL CAPITAL

Components	2018	2019
Energy use (kWh) (intensity/ton)	132,61	**125,94**
Water use (kℓ) (intensity/ton)	1,67	**1,58**
Increase or decrease in absolute electricity use	2,7%	**(8,5%)**
Increase or decrease in energy intensity	3,4%	**(5,0%)**
Absolute water use decrease	(19,3%)	**(7,2%)**
Water intensity decrease	(21,23%)	**(5,4%)**
Packaging (tons)	0,28	**0,30**
Waste (tons)	0,02	**0,021**
Carbon emissions CO_2-e/ton production	0,23	**0,215**

Water tariffs for industrial/commercial use increased by a range of 12% to 20% (There was a 38% to 45% increase in the Western Cape.)

HUMAN CAPITAL

Components	2018	2019
Total number of employees (SA)	11 348	**10 074**
Total number of contractors	1 590	**1 114**
Total number of employees and contractors	12 938	**11 188**
Percentage of employees who are deemed historically disadvantaged South Africans (HDSA)*	93,40%	**93,42%**
Percentage of management deemed HDSA*	12,75%	**13,8%**
Percentage of employees who are women	29,6%	**30,35%**
Percentage of employees who are "permanent" (SA only)	87,7%	**90,0%**
Percentage of employees who belong to a trade union (SA only)	59%	**61%**
Employee turnover*	11%	**8,78%**
Total number of person days lost due to industrial action (ie strike action)	0	**43**
Percentage of total person days lost due to industrial action – calculated or reported	0	**17,2%**

** Excluding international.*

Skills development

Total number of employees trained in South Africa, including internal and external training interventions – skills development	4 288	**3 946**
Rand value of employee training spend (Rm) (South Africa)	22,6	**127**
Percentage of total payroll part of training	1,8%	**4,2%**
Employees trained in only our value-added meat products division, in addition to all other training across the group	1 200	**104**

Safety and health

Fatality in a route-to-market incident	1	**1**
Group lost-time incident frequency rate (LTIFR) on target	0,27	**0,38**
Lost-time injuries (LTIs)	107	**139**

** The percentages are based on South African headcount only since HDSA only applies to South Africa.*

										Outside of South Africa		
	African	Indian	Coloured	White	Foreign nationals	Disabled	Permanent	Temporary	Total	Permanent	Temporary	Total
2019	**8 920**	**642**	**890**	**677**	**59**	**14**	**11 188**	**5 032**	**16 220**			**16 220**
2018	8 397	700	985	695		14	10 777	5 963	16 740	571	297	17 608
2017	8 485	701	1 083	780		37	11 049	5 246	16 295	1 426	364	18 085
2016	8 437	720	1 120	831		72	11 109	3 689	14 798	2 012	4 664	21 474
2015	7 648	698	1 189	844		53	10 379	4 222	14 601	3 841	2 149	20 591
2014	6 536	726	1 153	838		69	9 253	4 537	13 790	3 673	1 671	19 134
2013	6 178	739	1 192	881		68	8 990	1 500	10 490	3 770	788	15 048

APPENDIX CONTINUED

SOCIAL AND RELATIONSHIP CAPITAL

Components	2018	2019
Commitment to socio-economic development (SED), reaching over 88 000 beneficiaries (Rm) (FY17: R35 million)	32	**28,5**
Spend on bursaries for 164 students (Rm) (2018: R6,3 million and 188 respectively)	6,3	**7,0**
BBBEE ownership		
Tiger Brands Foundation	5,0%	**4,78%**
Tiger Brands Black Managers Trusts	2,2%	**1,88%**
General staff share trust	0,1%	**0,1%**
Thusani trusts (beneficiaries are children of black employees)	2,0%	**1,88%**
Tiger Brands has spent a total of R8,9 billion with BBBEE verified suppliers (Rbn)	12	**8,9**
Spend with suppliers classified as qualifying small enterprises and exempt micro-enterprises (QSE, EME) (Rbn)	1,5	**1,2**
Spend with suppliers that qualify as black owned (Rbn)	2,3	**2,4**
Spend with suppliers that qualify as black women-owned (Rbn)	1,5	**1,7**
Enterprise and supplier development		
Black farmers supported in the FY19 review period	58	**58**
Total investment of black farmers supported (Rm)	11	**10**
Jobs created	412	**45**
Additional investment made in Khayelitsha Cookies (Rm)	1,3	**0,73**
Our communities		
High-quality, nutrient dense and fortified food packages distributed	55 600	**89 000**
Direct and indirect beneficiaries reached monthly via the Tiger Brands food and nutrition support programme	30 000	**42 000**
Community members trained in food gardening and community education	204	**396**

Components	2018	2019
2018 investments (Rm)		
Food and nutrition support programme	20 612	**13 722**
Cause and brand-related CSI	2 648	**882**
Employee volunteerism	597	**1 530**
Community skills development	6 000	**9 542**
Community-based enterprise development	1 000	**1 821**
Ad hoc	1 760	**1 000**
Total	32 617	**28 497**
Tiger Brands Foundation		
Spend on the programme to date (approximate for 2011 to 2019) (Rm)	174	**206**
No-fee schools across all nine provinces benefit	94	**94**
Number of regional coordinators that oversee smooth running at provincial level	10	**10**
Kitchens constructed/upgraded	38	**43**
Learners that receive a nutritious breakfast every school morning	67 429	**73 056**
Warm nutritious breakfasts served since 2011	65,2m	**78,5m**
Jobs sustained for the community as food handlers, monitors and regional coordinators	390+	**410+**
Food handlers and community stakeholders received Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority accredited training in seven provinces.	347	**514**

COMPANY INFORMATION

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