

Sustainability governance

Governance at Tiger Brands is centred on our purpose, to nourish and nurture more lives every day. This societal purpose shapes our governance and management structures and approach.

The **board of directors** is the highest-level body with ultimate oversight of Tiger Brands' sustainability response and performance. The board provides leadership and strategic direction in the best interest of the company and its stakeholders, embracing the principles of ethical leadership and good corporate governance aligned to the King IV Report on Corporate Governance, the JSE Listings Requirements, the Companies Act and other relevant laws and regulations. The board is ultimately responsible for driving societal purpose through the business, establishing critical anchors for ethical and sustainable business practice, ensuring effective management of ESG risks and opportunities, and for advancing the business model and strategy towards product innovation as a solution to societal challenges.

Two board-level standing committees; the social, ethics and transformation committee (SETCO) and risk and sustainability committee (RSC) play a key role in sustainability governance at Tiger Brands. These committees are mandated by the board to execute certain sustainability-related responsibilities on its behalf.

- › The **social, ethics and transformation committee (SETCO)** is the primary vehicle for overseeing, monitoring, guiding and reflecting on the environmental, social and governance (ESG) aspects of concern to the long-term growth and sustainability of the business. This includes a focus on impacts, risks, relationships and opportunities, and how these may affect, be managed or actively harnessed by the business in execution of its growth strategy. The committee guides the CEO and the executive committee towards continual improvement within these performance areas and monitors and reports on performance to the board. Key matters of concern to SETCO include organisational ethics, responsible corporate citizenship, sustainable development, stakeholder relationships, broad-based

black economic empowerment, ensuring compliance, and driving best practice. SETCO receives and considers reports from the risk and sustainability committee (RSC) covering the environmental, health, safety and security risks that they monitor.

- › The **risk and sustainability committee (RSC)** provides strategic guidance and leadership on environmental issues and oversees the implementation and revision of Tiger Brands' environmental, health, safety and security policy. This committee plays the role of assisting, monitoring and influencing the aspects of sustainability considered in relation to minimising the environmental impacts of the company, and assessing and managing environmental risks and opportunities. The committee ensures that the group's environmental stewardship strategy positions the group as a sustainability leader in retail, and further ensures that the environment and sustainability initiatives and objectives of the group are effectively integrated into the business at an operational level. The RSC reports into SETCO, as well as reports quarterly to the board on these environmental issues.

Other standing committees that play a role in the governance of sustainability, include:

- › The **nomination and governance committee (NAGC)**, which independently monitors the performance of the board, ensures protocols for ethical governance and succession of leadership are achieved and maintained.
- › The **remuneration committee (REMCO)**, which engages on and approves remuneration policy and strategy, and is the body responsible for approving any remuneration incentives linked to sustainability performance targets.
- › The **audit committee (AC)**, which audits, approves and assures sustainability-related performance data.

Spotlight on the social, ethics and transformation committee (SETCO)

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 and sustainability activities:



Sustainability management

The **risk and sustainability committee (RSC)** ensures that the environment and sustainability initiatives and objectives of the group are effectively integrated into the business at an operational level. The RSC is made-up of four non-executive directors as members, and normally attended by three chief growth officers, chief supply chain officer, company secretary, chief corporate affairs, chief financial officer, chief legal officer, corporate finance executive and the chief executive officer.

Our **executive committee** facilitates the effective control of the group's operational activities in terms of its delegated authority emanating from the board. The executive committee is responsible for developing policies and strategy for recommendations to the board and for the implementation and execution in line with the board's mandate. Progress towards meeting sustainability-related targets and goals, are also monitored at an operational level by the executive committee, championed by the executive director, as an independent member. The executive committee meets at least monthly and meet more often when necessary.

In terms of direct roles and responsibilities, the following are the highest-level positions with responsibility for defining and executing sustainability initiatives and objectives, and report to the board more frequently than quarterly on sustainability-related issues:

- › The chairman of the board is appointed through the nomination and governance committee (NAGC) and is responsible for the group as a whole. The chairman sits in the Remco and Nomco to exercise oversight on all sustainability-related issues.
- › The chief executive officer (CEO), who reports to the chairman, is appointed by the board for full accountability on management of sustainability issues, where purpose-aligned actions need to be taken, as the chief business lead. The CEO ensures that the sustainability strategy is effectively integrated into the business. He is also a regular attendee of the RSC and a member of SETCO.
- › The chief corporate affairs and sustainability officer plays a critical accountability and execution role in corporate social investment (CSI) initiatives and projects managed through external stakeholders and sustainable socio-economic development (SSED) partnerships.

- › The chief human resources officer reports directly to the CEO and is accountable for driving effective talent management, leadership development and succession, as well as creating a great place to work through diversity and inclusion, rewards and recognition, constructive employee relationships and culture transformation to enable the employee experience.
- › The chief marketing officer also carries the responsibility for research and development (R&D). This year, R57 million was spent in R&D, including salaries. R&D plays a vital role in the development of nutritional products and addressing packaging objectives.
- › The chief supply chain officer, who reports directly to the CEO, takes operational accountability for safety, health, environmental and security performance. Also, under his control is quality and food safety.
- › The chief growth officers have full responsibility and accountability for the sustainability performance of their divisions; Consumer Brands – Food, Exports and International, and Milling and Baking.
- › The risk and sustainability director, who reports directly to the chief supply chain officer is responsible for the management and coordination of sustainability initiatives as well as safety, environmental management, security and employee health across all our operations.

Linking remuneration to sustainability targets

Tiger Brands has begun providing performance incentives for the management of sustainability-related issues through the short term incentive scheme (STI). Remuneration incentives are currently offered for performance against quality, safety and efficiency targets. The incentives are applicable across the group from senior executives to factory workers.

As part of our ongoing improvement, we continue to look at further sustainability-related performance indicators to be included in our STIs.