



MEET THE NEEDS OF THE CONSUMER



To protect and enhance our brand leadership, and to realise growth opportunities in a post-Covid-19 operating context, we are implementing measures to meet and beat the current and anticipated needs of our consumers. We are delivering market-leading consumer relevant solutions to meet the needs of the value conscious consumer, to realise commercial opportunities in health, nutrition and snackification, and to respond to changes in in-store shopping dynamics and heightened consumer sensitivity to sustainability issues.

MEETING THE GROWING NEEDS OF THE VALUE-CONSCIOUS CONSUMER

We recognised that to effectively meet the needs of the value-seeking consumer, we needed to take a combination of deliberate steps to be successful and deliver explicit value in price points as well as the total value equation. Last year, the board approved a clear value-trend strategy for the business, with three key focus areas: driving our relevance in the value segment by building the clear benefits of our current brands through marketing and communication best practice; driving innovation and renovation to meet value-specific consumer needs; and identifying and delivering commercially viable opportunities to manufacture private label products to our benefit.

Although we have made some progress this year in each of these focus areas, this has not yet had a material impact on business performance, with many of the initiatives only landing in the last quarter. In addition to a recent value-led marketing campaign, we have driven value-for-money innovations in certain categories to meet more affordable price points, including new value packs in bread, chutneys, KOO (canned food), and in Personal Care categories. Given the continued growth in the sale of private label products in South Africa, including in some of our priority product categories, this year we have defined clear guidelines

PERFORMANCE SUMMARY 2021

- ✓ Driven value-for-money innovations in certain categories to meet more affordable price points
- ✓ Introduced new healthier product lines in the Snacks, Baby and Personal Care categories, and relaunch of a lower calorie drinks product, with further significant launches imminent in health and snackification
- ✓ 25% reduction year-on-year in consumer complaints
- ✓ In the interest of public health, implemented a product recall after identifying a defect in supplied cans
- ✓ R14 billion BBBEE supplier spend
- ✓ R6 billion on black-owned enterprises
- ✓ Strengthened investment in community food and nutrition during pandemic.

Meet the needs of the consumer **continued**

around engagement with customers in this regard, clarified the private label manufacturing decision-tree, and identified some specific private label manufacturing opportunities in key categories with relevant customers.

Next year we should see the positive outcomes of this year's projects, and we have plans for additional innovations and initiatives in the value space. Delivery of these initiatives will be aided by the accelerated rollout of revenue management aimed at optimising promotional activity, cost savings projects that help keep prices competitive, and our strategy for competing effectively in the deep discounter channel (see page 48).

REALISING THE COMMERCIAL OPPORTUNITIES IN HEALTH AND NUTRITION

As Africa's biggest food company our health and nutrition agenda is integral to our corporate purpose to nourish and nurture more lives every day.

We believe that there are valuable opportunities for business growth in leading the health and nutrition agenda in South Africa and across the continent. We are looking to realise these commercial opportunities through our health and nutrition strategy. The strategy has been in play for more than 18 months and remains particularly relevant given the state of nutrition in South Africa, as well as pending labelling and marketing regulations. We have recently revised the strategy to include a focus on commercialisation in a bid to drive stronger awareness and actions in favour of this portfolio of products.

The strategy includes four key focus areas:

- › **Renovating** our existing product range to make more of our products compliant with our "Eat Well Live Well" standards, while striving towards global best practice
- › **Innovating** within our existing brands and through new brands to develop more nutritious, affordable food products
- › **Educating** consumers, in partnership with government, academia and NGOs, in a manner that allows them to make better informed decisions about their wellbeing
- › **Commercialising** our portfolio to drive growth.

We made some progress this year in delivering on this strategy, particularly in the education area with the launch of the second *Eat Well Live Well State of Nutrition in South Africa* report. We launched new healthy product lines in the Snacks, Baby and Personal Care categories, relaunched a lower calorie drinks product and introduced clear and simple consumer relevant health claims in various brands. Looking to the year ahead, our innovation pipeline programme is focused on filling this territory; while several renovations are underway, we anticipate this to become a more active space as the front of pack labelling regulations become firmer.

RESPONDING TO THE SNACKIFICATION TREND

Earlier this year we commissioned comprehensive proprietary research on snacking trends in South Africa; this research supports global statistics that indicate that snacking is on the rise, particularly among younger consumers. Through qualitative and quantitative assessments, we have identified and sized five target platforms, and agreed an ambitious strategy to realise the growth opportunities in this trend. We are targeting this potential through our innovation pipeline, and through potential inorganic growth opportunities. Among other initiatives, we have launched the Black Cat brand (in countline bars and slabs) as our third power brand, joining Jungle Energy and TV Bar.

ENHANCING SUSTAINABILITY THROUGH IMPROVED ESG PERFORMANCE

Our sustainable future strategy supports delivery on our core purpose, communicates our forward-looking approach to sustainability, and orients the business towards improved ESG performance. The strategy addresses our most material ESG impacts, and articulates our societal value-proposition through our commitments to protecting and creating social, economic, and environmental value.





Meet the needs of the consumer **continued**

ENHANCING SUSTAINABILITY THROUGH IMPROVED ESG PERFORMANCE

Our commitments under these pillars drive the pursuit of commercial opportunities in health and nutrition, the systematic transformation of our supply chain, and the more efficient and ethical production of our products. These goal areas are underpinned by a set of critical anchors, relating to the following areas: ethical behaviour; purpose-led culture; food safety and quality; ethical supply chain practices; safety, health and environment; responsible marketing; and transparency, partnerships and stakeholder responsiveness.

The strategy comprises three clear focus areas: health and nutrition; enhanced livelihoods; and environmental stewardship.

 HEALTH AND NUTRITION	 ENHANCED LIVELIHOODS	 ENVIRONMENTAL STEWARDSHIP
OUR COMMITMENTS AND KEY ACTIONS		
We are committed to enabling consumers to improve their health and wellbeing by providing food products that are more nutritious and affordable, developing best-in-class nutritional standards, and leveraging our brand and marketing activities to promote consumer nutrition.	We are committed to improving the livelihoods of thousands of people by providing opportunities across our value chain for inclusive economic participation, including the provision of financial and non-financial support to black-owned and black women-owned enterprises and smallholder farmers, through our supplier and farmer development programmes, and preferential procurement policies. In addition, we contribute at least 1,5% of net profit after tax annually, towards socio-economic development activities that promote sustainable thriving communities.	We are committed to improving our environmental performance by implementing innovative solutions that optimise energy and water consumption in our operations, reduce the negative impacts of packaging, and minimise waste, effluent and greenhouse gas emissions. We are exploring opportunities in the circular economy, as well as leveraging our brand and marketing to inspire positive behaviour change in consumers.
OUR 2021 PERFORMANCE		
Innovation launches › Junior Purity Smoothies to support toddler nutrition › Brooke's Low-Cal Fruit Squash Concentrate. Proactively driving consumer health awareness › Heart health (Jungle products) › Fibre (Ace maize) › Immunity (Morvite) › Nutrition (Albany) › Fruit and vegetables (KOO). Enhancing nutrition through socio-economic development initiatives › 99 million cumulative breakfasts since 2011. 2021: 9,5 million breakfasts to 79 640 learners (2020: 9 million to 74 455 learners) supported by Tiger Brands Foundation.	Enterprise supplier development (ESD) › R85 million ESD fund (2020: R45 million) › R29 million spend on approved projects. Preferential procurement (PP) › R1,1 billion cumulative PP spend › R12 billion spend with BBBEE-verified suppliers (2020: R12,3 billion) › R5 billion spend with black-owned enterprises (2020: R5 billion) › R4 billion spend with black women-owned enterprises (2020: R4 billion). Broad-based black economic empowerment › BBBEE Level 3. SED › R23 million total SED spend (2020: R32 million).	Reducing our footprint: › All sites ISO 14001 certified › Resource Efficiency Cleaner Production (RECP) programme. Energy and emissions › 30% reduction in absolute direct greenhouse (GHG) emissions › 15% reduction in GHG emissions intensity › 3% reduction in energy intensity. Water › 13% reduction in absolute water use › 6% increase in water intensity. Packaging › SA Plastics Pact signatory › All beverage bottles are 85% recycled polyethylene terephthalate (rPET).



CRITICAL ANCHORS

SAFETY AND HEALTH

FOOD SAFETY AND QUALITY

PURPOSE-LED CULTURE

OUR COMMITMENTS AND KEY ACTIONS

We strive for zero injuries and have committed to ensuring strong behavioural safety, health and security performance, and visible, felt leadership. We have a holistic health and safety programme with clear roadmaps and deliverables, supported by a behavioural safety programme that drives leadership accountability and responsibility.

We are committed to ensuring superior product safety and quality, and are determined to continually raise the bar on our performance to develop capabilities that differentiate us from our competitors.

Our people strategy is designed to enable execution of our business strategy and growth agenda by igniting a culture of consumer obsession, agility and a growth mindset that accelerates innovation and a winning performance. Through the three pillars of talent, leadership, and great place to work, we build a diverse talent base, develop leadership capability and create a work environment that empowers our people to focus on the consumer, and deliver on our purpose.

OUR 2021 PERFORMANCE

Safety

- › Zero fatalities (2020: two employees and one contractor)
- › 0,31 lost-time injury frequency rate (LTIFR) (2020: 0,34)
- › 106 route-to-market incidents (2020: 99).

Food safety and quality

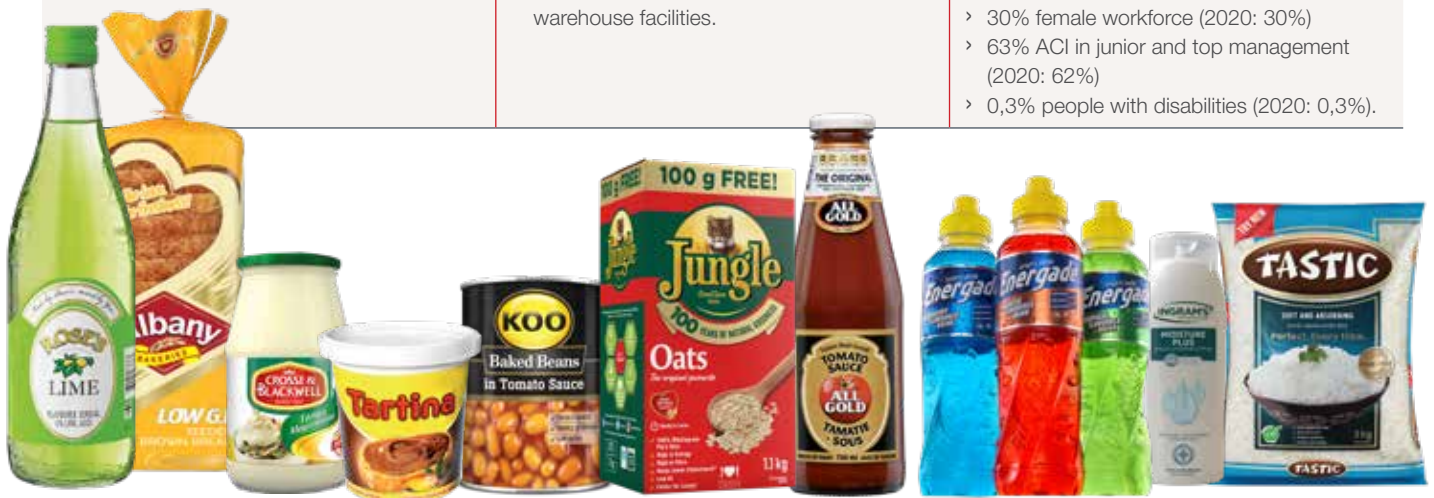
- › Proactively recalled canned vegetable products due to a small number of defective cans originating from a third-party packaging supplier
- › 25% reduction in consumer complaints (2020: 5%)
- › 40% reduction in marketplace incidents (2020: 25%)
- › All sites manufacturing sites certified against FSSC 22000 or HACCP
- › Completed external audits for all warehouse facilities.

Creating a great place to work

- › Recorded an employee participation rate of 73% in the first Voice of Tiger survey
- › Achieved an employee engagement score of 70 against a global benchmark of 74
- › Voted number one employer of choice in manufacturing by graduates
- › Voted number two employer of choice in FMCG by graduates
- › Certified as Top Employer for 2021.

Diverse talent

- › 30% female workforce (2020: 30%)
- › 63% ACI in junior and top management (2020: 62%)
- › 0,3% people with disabilities (2020: 0,3%).



For more detailed disclosure on our ESG performance, please see the Tiger Brands sustainability report 2021, available at www.tigerbrands.com/sustainability/reporting.