



ENHANCED LIVELIHOODS

WE ENHANCE THE LIVELIHOODS OF THOUSANDS OF PEOPLE

South Africa is one of the most unequal countries in the world, with extremely high levels of unemployment and poverty, and a persistently underperforming economy where households are under significant pressure. The economic impact of Covid-19 has exacerbated this situation, and amplified the need for inclusive economic empowerment, economic and social redress.

We depend on a strong economy and healthy consumer demand to drive sales of our premium branded products. By driving economic inclusion and empowerment through our supplier network and procurement practices, and through investing in community development, we can grow our business through driving social and economic transformation.

We are committed to improving the livelihoods of thousands of people by providing opportunities across our value chain for inclusive economic participation.

Our key initiatives to deliver on this commitment:

- › Support new black/black women-owned enterprises and create sustainable livelihood opportunities by 2030
- › By 2030, at least 50% of our total local procurement spend will be towards black/black-women owned suppliers (restricted by global multinational supplier exclusions)
- › 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.

We drive Enterprise and Supplier Development (ESD)

We focus significantly on economic transformation in South Africa through the transformation of our own supply chain. In 2021, we procured close to 1,3 million tonnes of grain, of which 57% was procured locally. We procured 310 000 tonnes of fruit and vegetables, of which 90% was procured locally. Currently, 10% of our locally-procured fruit and vegetables are from verified BBBEE suppliers, with grains remaining more of a challenge at less than 1% procured through BBBEE suppliers. We are working to improve our performance in this regard through our Enterprise and Supplier Development (ESD) and preferential procurement programmes.

Our ESD programme focuses on developing the operational and financial capacity of black/black-women owned enterprises to become part of our value chain. We have made good progress on implementing our five-year ESD strategy, which has enabled us to successfully develop the enterprises of black farmers, suppliers and distributors, and integrate them into the heart of our supply chain.

We partner with black/black women-owned farming enterprises through our smallholder farmer and agriculture aggregator programmes, and actively support their inclusion in our supply chain. We aggregate small farmers into collectives to help them reach scale, and provide incubation, financing, business development, and technical support to help them meet our supplier requirements.

Our Dipuno ESD Fund is the primary mechanism through which we finance and provide liquidity to black/black women-owned small enterprises, as well as post-investment, non-financial support to build knowledge, skills, capacity and quality. In 2021, we further capitalised the ESD fund with R20 million on top of the R65 million cumulatively invested since 2019. This brings the total capital investment to R85 million, and sets us on-course to achieve our milestone target of an ESD fund of R100 million by 2025. To date, the Dipuno Fund has approved ESD projects to the value of R28,6 million for agriculture initiatives, with a further R10 million set-aside for a stock credit guarantee that supports black-owned food distributors to buy stock from Tiger Brands.

Our key achievement was the successful onboarding of two black female-owned aggregators, which supply Tiger Brands with groundnuts and small white beans. The inclusion of these two new aggregators in our supply chain has expanded the farmer-support we provide through the aggregator programme to include 157 farmers, and expanded our job-creation impact to over 834 jobs in the small farmer sector.

2021 ESD AWARDS

We were pleased once again to receive a number of ESD related awards in 2021.

In the listed company category at the annual Gender Mainstreaming Awards held on 9 September 2021, Tiger Brands received the following honours:

- ✓ Southern Africa Gender Mainstreaming Champion: This award recognises the contribution we have made towards creating sustainable income-generating opportunities for women and rural communities
- ✓ Empowerment of Women in the Community Award: This award recognises the contribution we have made to women empowerment, through the requirement that 40% of participant enterprises in our smallholder and aggregator programmes have to be 100% black female-owned
- ✓ Economic Empowerment Award: This award recognises the contribution we have made to black economic empowerment through the business development support and capacity building we provide to black entrepreneurs through our agricultural aggregator programme.

In the fourth annual Absa Business Day Supplier Development Awards, in partnership with Arena Holdings, Fetola and Cold Press Media, Tiger Brands was announced the winner in the Collaboration Award sponsored by Fetola, and overall winner of the Supplier Development Award, sponsored by Absa.

WE PRACTICE PREFERENTIAL PROCUREMENT

Tiger Brands is committed to supporting black economic empowerment and prioritises procurement awards in South Africa to suitably qualified suppliers in line with the Broad-Based Black Economic Empowerment Act, No 53 of 2013 (BBBEE Act). Approved 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.

In 2021, we achieved our annual target to reach a cumulative preferential procurement spend of R1 billion. We reached an accumulated spend of R1,089 billion in 2021, an increase of R273 million from a total of R816 million in 2020. Since 2020, we have had import-replacement plans in place to drive

2021 procurement highlights:

TOTAL SPEND WITH BBBEE-VERIFIED SUPPLIERS

R13,5 billion

(2020: R12,3 billion)

SUPPLIERS THAT QUALIFY AS BLACK-OWNED

R5,6 billion

(2020: R3,7 billion)

SUPPLIERS THAT QUALIFY AS BLACK WOMEN-OWNED

R4,3 billion

(2020: R3,4 billion)

SUPPLIERS THAT QUALIFY AS SMALL ENTERPRISES OR EXEMPT MICRO-ENTERPRISES

R1,4 billion

(2020: R1,6 billion)



Enhanced livelihoods **continued**

implementation of our BBBEE procurement policy. In 2021, we slightly increased our local procurement from BBBEE-verified suppliers across groundnuts (900 tonnes), small white beans (1 000 tonnes), and wheat (2 466 tonnes), procuring a total of 4 366 tonnes compared to a total of 4 236 tonnes in 2020. A challenge we face is that transformation in the ingredients and agricultural categories is slow due to the high levels of capital, skills, inputs and land required to establish a sustainable supply. The volumes that Tiger Brands sources and our rigorous compliance requirements also make it difficult for individual smallholder farmers to compete. We are advancing our ESD programme and amplifying our investment commitments so that we can address these challenges and achieve our ambitions for black economic empowerment. We are actively engaging with external stakeholders and suppliers to facilitate and encourage transformation, and intentionally identify suitable BBBEE candidates for participation in our ESD programmes (see page 33).



BBBEE

Our BBBEE scorecard as at December 2020, as verified by EmpowerLogic, is in the table below. We disclose our 2020 scorecard, as the 2021 results will only be available after the publication of this report. Our BBBEE score at present is level 3, an improvement from level 4 in 2019, against the amended agriculture sector (agri-BBBEE) codes gazetted in December 2017. Our updated group transformation strategy has enabled this improvement, and will continue to drive further progress, as we maintain a focus on integrating and executing all elements of the BBBEE scorecard. The 2021 scorecard will be posted at www.tigerbrands.com when available.



Tiger Brands' BBBEE scorecard 2020

	Available points 2020	2020
Ownership	25	20,9
Management control	19	13,22
Skills development	25	9,6
Enterprise and supplier development	44	33,91
Socio-economic development	15	15
Total	128	92,63
Level	Level 3	

BBBEE ownership 2020

	% held by black people
Thusani Trusts (beneficiaries are children of black employees)	1,89%
Tiger Brands Black Managers Trust	0,58%
Tiger Brands Foundation Special Purpose Vehicle (SPV)	4,80%
Tiger Brands General Staff Share Trust	0,07%
Mandated investments	7,90%
Total	15,23%

WE INVEST IN SUSTAINABLE COMMUNITIES

The BBBEE codes for the agri-sector stipulate that companies spend 1,5% of net profit after tax (NPAT) on SED that facilitates sustainable economic inclusion, with a requirement for at least 75% of black beneficiaries. Tiger Brands fully aligns with these national requirements, spending 1,5% of NPAT through our SED activities. In 2021, we spent a total of R22,9 million on SED, compared to R22,4 million in 2020.

Our SED strategy resonates strongly with our purpose and aligns closely with our business and sustainable future strategies. We are fully committed to using our resources to promote food security. Many of the communities in which we operate face significant health and nutritional challenges, which have been exacerbated by Covid-19. Given our scale and the nature of our business, working to improve food security makes sense for our business.

Building on past experience and looking to be more responsive to the real and changing issues impacting communities in South Africa, our SED strategy focuses on longer-term socio-economic impact in the communities surrounding our sites. Our focus is on local economic development, community food and nutrition, and capacity building. The aim is to support long-term food resilience in the communities around our sites, through projects that have a stronger focus on empowerment and make a more meaningful contribution to our priority SDGs 2, 3, 8 and 10.

In response to the impacts of Covid-19, we expanded our SED strategy in 2021 to include a focus on supporting soup kitchens and feeding schemes, particularly in communities where we experience market access challenges. Through a partnership with SA Harvest, we make monthly food donations to feeding schemes, early childhood development (ECD) centres and vulnerable communities across the country.

To monitor the impact of our SED activities, we host annual workshops with all our non-profit organisation (NPO) partners to share and discuss challenges, insights, and ideas for improvement. In 2020, we commissioned a social return on investment (SROI) study, to track and measure the impact of some of our key SED activities across food and nutrition, community-based enterprise development and community skills development. The results of the 2020 analysis indicated that our programme delivers a SROI of 4,65:1. This means that for every R1,00 we invested, we created R4,65 of social value. The food hampers we distribute to university students through the Plates4Days programme yielded the highest return on investment.

Plates4Days targets the most vulnerable students. The food support we provide to these students directly translates to the completion of their studies, their entrance into the workforce, and their ability to generate an income. We plan to build on the insights of this SROI study, and continue to monitor and measure the impact of our SED activities going forward.



INSIGHT

AGGREGATING SUCCESS: ONBOARDING FEMALE-OWNED AGRICULTURAL ENTERPRISES

Some of the greatest challenges facing black smallholder farmers include access to funding, infrastructure, technology, and business networks. Tiger Brands is transforming its supply chain and supporting inclusive growth by developing and supporting nascent black and female-owned small, medium and micro-enterprises (SMMEs) within the agriculture sector, as part of its ESD programme.

Lusanda Moletsane is the owner of Khumo Ea Tsabo (KET), an agricultural company that was recently onboarded to Tiger Brands' agriculture aggregator programme. Through the programme, Lusanda has accessed R10,5 million in financial support, including funding for technical support and a low-interest loan, to further develop her enterprise to meet the scale and quality required of a Tiger Brands supplier.

With technical support from Nic Basson, an agronomist adviser and mentor working with the farmer support programme, Lusanda has been able to improve yields and quality, and build an agricultural business model that really works. Lusanda has aggregated ten smallholder farmers – four of whom are black women – on 10 000 hectares across two farming clusters in Nigel and Bronkhorstspuit. Through the collective working of two farm clusters in Nigel and Bronkhorstspuit, Lusanda's business will supply Tiger Brands with two tonnes per hectare of small white beans.

"My motivation is to help others build sustainable businesses and join the mainstream economy within the agricultural sector. I have seen the struggle to commercialise land that has been transferred to previously disadvantaged South Africans. I want to help these farmers run lucrative farms that generate enough money to cover their operating expenses and become profitable businesses that will grow in the future."

– Lusanda Moletsane.

When civil unrest and looting broke out across KwaZulu-Natal and parts of Gauteng in July 2021, many people and households were left unable to buy bread, rice, and other daily essentials, with vulnerable communities most heavily impacted. Working with NGO partners such as SA Harvest, Food Forward, and Gift of the Givers, the Foundation provided additional food relief to communities, including remote rural areas, to the value of R3 million. Our disaster relief efforts aim to respond rapidly in crisis situations where urgent intervention to secure food supply is needed.

To build, nourish and nurture sustainable, food secure and healthy communities



Providing nutritious food to thousands of beneficiaries across South Africa is a significant responsibility and requires strong relationships with external stakeholders. We have built strong partnerships with various local NPOs to address food security in our host communities.

THROUGH THESE PARTNERSHIPS, WE HAVE:

- ✓ Established the family food programme, which provides food to approximately 30 000 people every month and supports other South Africans in need on a weekly basis with food donations in partnership with organisations such as Food Forward, SA Harvest and Gift of the Givers.
- ✓ Established the Plates4days programme, which currently provides monthly food hampers to 5 200 university students at seven universities, across nine campuses. In 2021, we welcomed the University of Pretoria as a new participating institution.
- ✓ Adapted the above programmes to continue, and where possible extend, our community food support during the Covid-19-related national lockdown.
- ✓ Provided disaster food relief during the recent civil unrest in South Africa to the value of R3 million.

WE DEVELOP COMMUNITY SKILLS

Our SED strategy is guiding us away from traditional philanthropy towards a more sustainable approach to community-investment, which prioritises community empowerment through development partnerships. In accordance with our strategy, a key focus of our investment activities is to support capacity building at our partner organisations so that these organisations can become self-reliant over the longer term.

We have begun to introduce a range of interconnected programmes aimed at developing the capacity of our partners. This initiative is being driven through our NPO accelerator programme which supports NPOs with business development and management skills. We have commissioned Zevoli Growth Partners to assess the organisational development needs and opportunities for all our current food and nutrition partners, and to assist these organisations in developing growth plans. These growth plans will guide our investment activities in these organisations to ensure their continued community impact.

WE DEVELOP COMMUNITY ENTERPRISES

The core focus of our community enterprise development activities is the establishment of community food gardens and related micro-enterprises. We see community and home food gardens as vital assets in building food-resilient communities, and as an essential aide to our family food programme. We work with partner organisations to design and build sustainable food-growing initiatives and micro-enterprises. We complement these opportunities with training workshops on organic farming and gardening practices, and provide material support to modernise and enhance the productivity of existing community food gardens.

INSIGHT

THE EDUPLANT SCHOOL GARDENING AND NUTRITION PROGRAMME

Tiger Brands is the principal partner of the EduPlant School Gardening and Nutrition Programme implemented by Food & Trees for Africa (FTFA). EduPlant is one of South Africa's longest-running and most successful school greening and gardening programmes, and is endorsed by the Department of Basic Education, through their National School Nutrition Programme (NSNP). EduPlant's mission is to drive food security impact through gardening and nutrition education and practice. The programme achieves this by integrating gardening and nutrition learning into the national curriculum, and using student food gardens to supplement national school feeding schemes. The programme focuses on schools, learners, and their surrounding communities, and progressively builds school-linked food-security clusters in under-resourced communities and townships. An external evaluation of the programme found that 60% of learners and community members involved in EduPlant workshops, implement the practices learnt at home.



INSIGHT

PROMOTING NUTRITION THROUGH THE TIGER BRANDS FOUNDATION

The Tiger Brands Foundation was established to enhance our social impact. The social investment activities of the Foundation run in addition to Tiger Brands' SED activities, and is managed by an independent board of trustees. The Foundation provides an in-school breakfast programme to non-fee paying primary and secondary schools.



RESPONDING TO COVID-19

Like much of the global community, the Foundation and our beneficiaries have been impacted by the Covid-19 pandemic. Covid-19 has amplified the existing food security crisis that is deeply felt in poor communities across South Africa. Unfortunately, some of our programmes and projects have had to be suspended in compliance with national lockdown restrictions, but we have worked hard to adapt and extend our programmes where possible, to ensure that we continue advancing our community food support.

THE TIGER BRANDS BREAKFAST PROGRAMME

The Tiger Brands breakfast programme provides the essential breakfast meal to 79 640 learners each day at 105 schools across all provinces in South Africa. The programme has served a cumulative total of 99 million breakfasts since 2011 (2020: 87 million). In 2021, we served 12 million

breakfasts and added four new schools to the programme. The Foundation donates kitchens to schools to ensure that food is prepared in a hygienic environment, facilitating the construction of new kitchens and refurbishing kitchens that are rundown. In 2021, we donated one new kitchen in the Eastern Cape and two kitchen refurbishments at schools in Mpumalanga. Additionally, we facilitated the construction of one new kitchen and two kitchen refurbishments at schools in the Northern Cape, funded by one of our partner organisations. The total value of our donations was R1 million, with partner funding amounting to R900 000.



THE NATIONAL SCHOOL NUTRITION PROGRAMME (NSNP)

In response to Covid-19, we have expanded our contribution to the NSNP with the Department of Basic Education (DBE), to provide meals to learners in communities where these would previously have been facilitated through schools directly.

In 2021, we distributed 59 934 food hampers to families of vulnerable learners. The hampers included starch-rich foods (maize meal and rice), protein-sourced foods (soya, tins of baked beans, tins of fish and peanut butter), cooking oil, tea bags, sugar, salt and four non-food items (dishwashing liquid, all-purpose cleaner, sanitiser, and laundry washing soap). The one new kitchen donated to a school in the Eastern Cape as part of a public-private partnership between the Foundation and the DBE, won top honours at the DBE's National School Nutrition Programme (NSNP) Awards.

BACK TO SCHOOL CAMPAIGN

In 2021, the Foundation ran a back to school campaign to celebrate the ease of lockdown measures, while assisting the schools to keep learners safe from Covid-19 infection. We had found that many families struggled to procure good high-quality reusable and washable masks. We procured 90 000 branded and washable masks, in two sizes: medium (for children) and large (for adults). Large masks were distributed to learners in high schools, and adult staff members in both primary and high schools. Medium masks were distributed to learners in primary schools.

Looking ahead

Due to the new streams of distribution required to adapt to the implications of the pandemic, the Foundation has been able to establish a much stronger network of partners (local NGOs, SAPS, Departments of Social Development and Health, churches, etc.) within the various communities in which we work. And because new beneficiary registers were collated, and Covid-19 protocols had to be strictly followed, the Foundation has developed a new standard operating procedure (SOP) for food hamper distribution. These new relationships and the new SOP were formalised and will assist in strengthening the Foundation's work in these communities in future.

The Covid-19 pandemic has completely rewritten the economic and social context of our country, and indeed the world. We need to adapt our programmes, and understanding these contextual patterns of change will help us identify our strategic priorities going forward. Towards this, we have already started consultations with various strategic partners and stakeholders in the formulation of the Foundation's next strategic plan.

Priority SDGs



INSIGHT

The Tiger Brands Jam Unit in Paarl produces all the jams for the group, as well as various other condiments. Historically, waste generated was mostly sent to landfill sites due to improper segregation, particularly from primary and secondary packing. The recycling rate for the site was as low as 23% in FY19. The site had to improve this performance to align with the Tiger Brands' strategy in terms of circular economy waste initiatives, and the commitment to reduce food loss and waste by 50% by 2030 (SDG 12.3).

Firstly, proper identification of all waste streams from the operational areas was completed and appropriate infrastructure resources were allocated. This ensured the waste streams were collected separately which resulted in zero contamination of waste streams.

Secondly, the site collaborated with external stakeholders to find beneficial offsets for the identified waste streams. Waste management companies were crucial in this partnership as the site required beneficial offsets rather than landfilling as a convenient way to discard waste.

As a result of these actions, the site managed a recycling rate (waste for beneficial use) of 83% for FY21. This would not have been possible without partnering with external businesses in the community immediate to the site.

Financial benefits of recycling are becoming more significant and makes good business sense. This is improved further due to the cost reductions associated with diverting waste from landfills to other industries where they can be valuably utilised.

CGCSA on 29 September 2021 launched the South African Food Loss and Waste Voluntary Agreement. The agreement is led by the CGCSA, in partnership with the DFFE and the Department of Trade, Industry and Competition. It commits food manufacturers and retailers to reducing food waste to achieve UN SDG 12.3 goal to halve per capita global food waste by 2030 at the manufacturing and retail levels and reduce food losses along production and supply chains, including post-harvest losses. Tiger Brands is a founding signatory of the Food Loss and Waste voluntary agreement.