TIGER BRANDS INTEGRATED ANNUAL REPORT 2022

TIGER BRANDS

NOURISH AND NURTURE MORE LIVES EVERYDAY

INTEGRATED ANNUAL REPORT 2022

www.tigerbrands.com

WHO WE ARE

Tiger Brands is one of Africa's largest listed manufacturers of fast-moving consumer goods (FMCG). Our core business is the manufacture, marketing and distribution of everyday branded food and beverages.

Our products are relevant across every meal occasion and are well-positioned to grow. The portfolio also includes leading brands in the home and personal care segments and we have a growing presence in Africa.

OUR VISION

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

OUR PURPOSE

We nourish and nurture more lives every day.

OUR STRATEGY

Our strategy for sustainable profitable growth is supported by six strategic pillars, underpinned by our core values.

- Building a growth pipeline
- Meeting the needs of the consumer
- Optimising our supply chain
- Being obsessed about cost savings and efficiencies
- Igniting our people
- Investing in a sustainable future

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 BEHAVIOURS

- Consumer obsession
- Teamwork
- Empowered accountability
- Focused execution

CONTENTS

HOW TO NAVIGATE THE REPORT

- Reference to further online disclosure
- Further reading in the sustainability report
- Jump to page within document

United Nations Sustainable Development Goals (UN SDGs)

The 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 these goals. As part of our strategic commitment to a sustainable future page 51, we have developed 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: Our approach to responding to these goals is reviewed in more detail in our accompanying sustainability report 2022, which reviews Tiger Brands' material impacts on people, society and the environment.

ABOUT THIS REPORT

Report purpose and audience

Tiger Brands' integrated annual report (IR) is our primary annual report. Written primarily for investors and other providers of financial capital, the report is intended to be of value to any stakeholder who has an interest in our ability to create value over the short, medium and long term. The report reviews Tiger Brands' business model and strategy, the risks and opportunities in our operating environment, and our operational and governance performance for the financial year ended 30 September 2022.

By providing a frank review of our strategy, governance and performance, the report intends to help report-users to assess whether Tiger Brands is a good long-term investment. The IR should be read in conjunction with our supplementary sustainability report (SR) and our annual financial statements (AFS), all of which are available on our website:

www.tigerbrands.com

Reporting frameworks

Our reporting process has been guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS) (including the July 2022 Exposure Drafts released by the International Sustainability Standards Board), the International <IR> Framework, the King Code on Corporate Governance 2016 (King IV™*), the JSE Listings Requirements, the South African Companies Act, No 71 of 2008, and the GRI Sustainability Reporting Standards.

Combined assurance

Combined assurance refers to the incorporation of all assurance services and activities to optimise our risk and governance oversight function within our risk appetite. All assurance providers co-ordinate efforts and reporting, ensuring alignment of governance and risk activities with the company strategy and improved business performance. The board audit and risk, and sustainability committees are responsible for overseeing the effectiveness of combined assurance arrangements within the organisation, directing the effort of the three lines of assurance:

- First line of assurance: All levels of management – covering strategy development and implementation, performance measurement, risk management, and company control, and monitoring of assurance to laws and regulations
- Second line of assurance: Corporate functions and oversight forums (such as the company secretariat compliance function, combined assurance forums, operational audit and risk committees) – all risk and assurance management structures of the company such as risk management, compliance and legal services
- Third line of assurance: Internal audit, external audit and other assurance providers who are independent of the operational activities of the company and provide assurance to the board. This year, Ernst & Young Inc. audited our consolidated annual financial statements, from which extracts have been included in this report. The auditor's audit report does not necessarily report on all the information included in this integrated report. EmpowerLogic Proprietary Limited provided external verification of our B-BBEE activities. Marsh South Africa conducted risk control audits at our manufacturing sites and warehouses covering health, safety, security, fire protection and readiness.

Materiality

In line with the latest development in corporate disclosure, we have adopted double materiality across our reporting suite:

Financial materiality: Our IR provides disclosure on those issues – including relevant environmental, social and governance (ESG) risks and opportunities – that are likely to influence report users' assessment of the value, timing and certainty of Tiger Brands' future cash flows over the short term (less than 12 months), medium term (one to three years) and long term (beyond three years). Our AFS reflect the effects on company value and cash flow that have already taken place at the time of the financial year end, or that are included in future cash flow projections.

Impact materiality: Our SR provides disclosure on our most significant impacts on people, society and the environment. Provision is also made in the SR for financially material ESG risks and opportunities impacting the business.

Our materiality process

To identify the issues for inclusion in our IR and SR we ran an independently facilitated materiality workshop in which senior management representatives from across the company critically considered the following issues:

Our business model – reviewing Tiger Brands' significant revenue and cost streams and areas for differentiation, and identifying our most important resources and relationships across our value chain, including specific resources and relationships we depend on for capital value retention and growth.

Our impacts and influence on the capitals – reflecting on the most significant impacts of our activities (positive and negative, direct and indirect) on each of the capital stocks, and reviewing where we have the greatest potential to use our business activities to positively influence capital value retention and growth.

Our operating environment – identifying the most important trends in our operating environment (including relevant sustainability-related risks and opportunities) that we anticipate will impact our performance over time, and reflecting on the outcomes of our latest internal risk assessment process.

Our stakeholders' interests – reviewing the interests of greatest concern to our stakeholders, including the assessments of relevant ESG rating agencies, and assessing how Tiger Brands is balancing these various interests and external assessments.

Our strategy – reflecting on the robustness of our current strategy to ensure Tiger Brands' long-term resilience is informed by the above analysis.

The outcomes of this internal materiality process informed the content and structure of our IR and SR. We prioritised the matters for inclusion in these reports based on their relative importance, applying the principle of double materiality.

Our aim is that all the information in the IR should be reasonably capable of influencing the decision of any report-user wishing to make an informed assessment of Tiger Brands' ability to create value over time. Our IR is structured in a manner to enable such an assessment, by providing information on:

Our business – outlining our group profile, leadership team, and business model

Our operating context – reflecting on our operating environment, key relationships, and material risks and opportunities

Our strategy – outlining the current and planned activities for each of our six strategic objectives

Our performance – reviewing the financial performance at a group and divisional level

Our governance – summarising the role of our governance and remuneration practices in creating value.

In assessing those issues that materially impact value creation we have looked beyond the conventional financial reporting boundary to provide for the relevant interests of key stakeholders. We have also considered the most significant risks, opportunities and impacts associated with our activities over the short, medium and long term.

Board approval

The Tiger Brands' board has applied its 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, governance practices and operating context for the financial year ended 30 September 2022, 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 1 December 2022.

G J Fraser-Moleketi

Geraldine J Fraser-Moleketi
Chairman

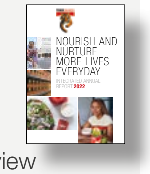
Noel Doyle

Noel Doyle
Chief executive officer

Cora Fernandez
Chairman of audit committee

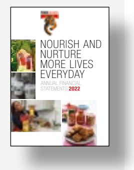
TIGER BRANDS' 2022 INTEGRATED REPORTING SUITE

Our 2022 integrated reporting process comprises the following reports:



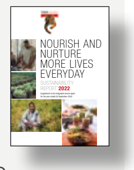
Integrated annual report 2022

Provides a succinct review of our strategy and business model, operating context, operational performance and governance. Aimed primarily at investors, it is written for all stakeholders who have an interest in Tiger Brands' long-term performance.



Consolidated annual financial statements 2022

Comprehensive review of our financial results, with audited financial statements, prepared in accordance with IFRS.



Sustainability report 2022

Reviews our performance in managing our significant impacts on people, society and the environment, and assessing our contribution to sustainable development. These are all available at:

www.tigerbrands.com

OUR VALUE CONTRIBUTION IN 2022

The value created, preserved or eroded for our stakeholders in 2022.

FINANCIAL PERFORMANCE
(from continuing operations)

Revenue 10%
R34,0bn
2021: R31,0 billion

Group operating income* 53%
R3,4bn
2021: R2,2 billion

EPS 65%
1 762cps
2021: 1 070cps

HEPS 51%
1 702cps
2021: 1 127cps

Final dividend 29%
653cps
2021: 506cps

Total dividend 18%
973cps
2021: 826cps

* *Before impairments, fair value losses and non-operational items.*

DELIVERY OF VALUE BY STAKEHOLDER GROUP

Providers of financial capital

R1,4 billion paid in dividends (2021: R1,7 billion)

R1,5 billion returned to shareholders in share buy-back programme

Return on equity **17,4%** (2021: 12,7%)

Return on net assets **26,0%** (2021: 19,3%)

Return on invested capital* **16,4%** (2021: 11,7%)

Cash generated from operations **R2,6 billion** (2021: R4,0 billion)

* *As defined in the annual financial statements.*

Consumers

21 innovation projects launched this year

28,2% value share (2021: 28,6%)

Precautionary **recall** of certain baby powder products

Suppliers

R14 billion spent with B-BBEE-verified suppliers (2021: R14 billion)

R7 billion spend with black-owned enterprises (2021: R6 billion)

R5 billion spend with black women-owned enterprises (2021: R4 billion)

Customers (retailers, wholesalers, and general trade)

97% on-shelf availability (2021: 97%)

88% order-fill (2021: 90%)

Communities and environment

R26 million total socio-economic development spend (2021: R23 million)

109 million cumulative breakfasts supported by Tiger Brands Foundation since 2011

Employees

R4,3 billion paid in salaries and benefits to 9 670 permanent employees (2021: R4,0 billion to 10 158 employees)

R97 million invested in employee training and development (2021: R94 million)

3 work-related employee fatalities (2021: 0)

Own and operate
41
sites in South Africa and Cameroon

and export to
33
markets in Africa,

with almost
80%
of total export sales from

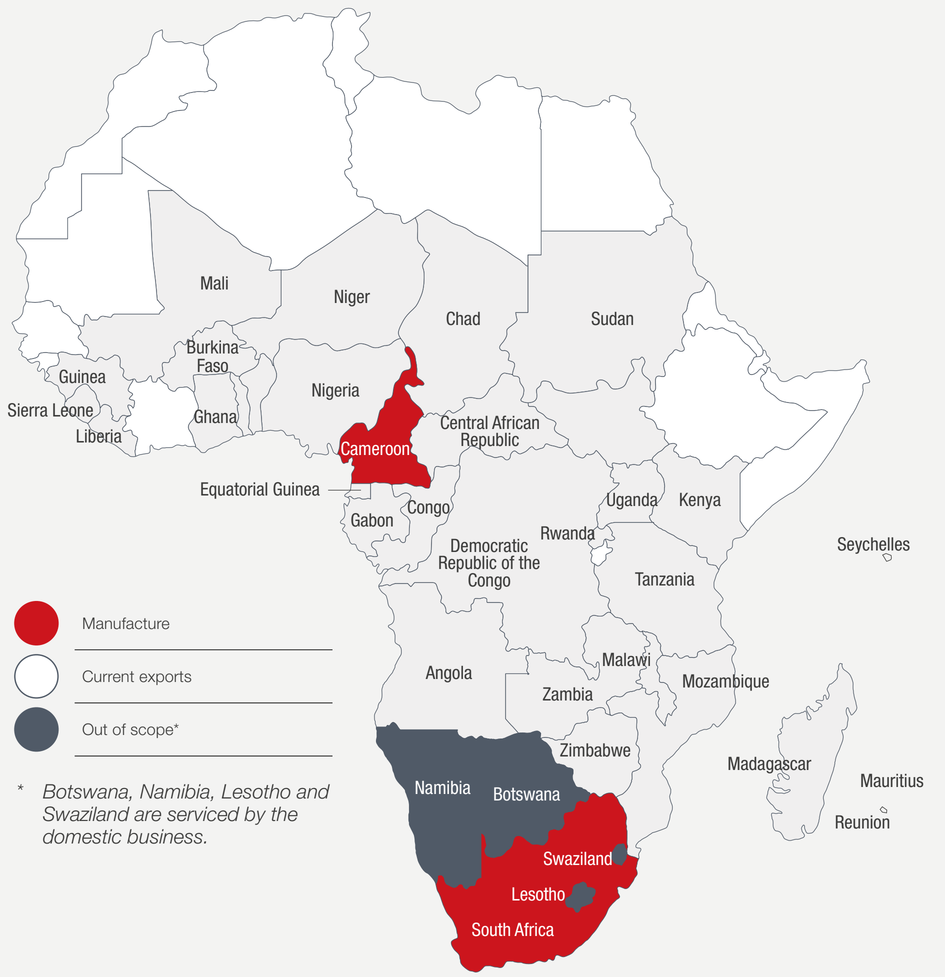
5 **Priority markets:**
Mozambique, Zimbabwe, Zambia, Nigeria and Cameroon.

Tiger Brands is dedicated to growing its footprint by continuing to explore new opportunities to bring quality brands to consumers across Africa.

154
quality brands and products within

21
categories

WE CURRENTLY EXPORT OUR PRODUCTS TO **33 MARKETS IN AFRICA**



* *Botswana, Namibia, Lesotho and Swaziland are serviced by the domestic business.*

OUR INVESTMENT CASE

STRONG BRANDS

- With almost 30%* of the grocery basket, and 10 Billion Rand Brands, Tiger Brands has leading positions in most categories, and our iconic brands are well-entrenched with consumers in South Africa
- Our products provide a solution for every meal occasion and meet consumer needs through a range of daily touchpoints

EQUITY RANK

#1	#1	#3	#2	#2	#1	#1	#1	#1	#1

VOLUME RANK

#2	#1	#2	#2	#1	#1	#1	#2	#1	#1

VALUE RANK

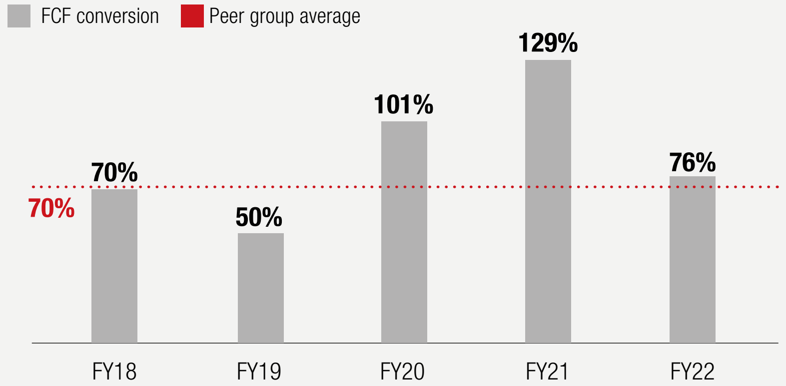
#1	#1	#2	#2	#1	#1	#1	#2	#1	#2

* Refers to value share

ABILITY TO GENERATE CASH AND RETURN CASH TO SHAREHOLDERS

- Our free cash flow conversion has averaged ~85% over the last five years; above the peer group average of ~70%
- Our ability to generate cash allows us to re-invest into our business, both in terms of capex and innovation, making us more competitive, efficient and effective in the long term
- The execution of a share buy-back programme demonstrates commitment to disciplined capital allocation while enhancing shareholder returns

FREE CASH FLOW CONVERSION

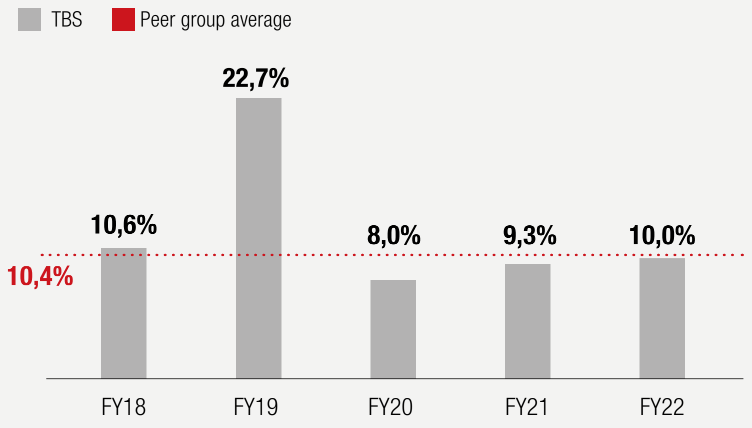


Source: Company reports.

FOCUS SHIFTING TO IMPROVED RETURNS

- ROIC trending upwards towards peer group average.

ROIC VS PEERS



Source: Bloomberg; iQCapital.
Company definition of ROIC is set out in the annual financial statements.

COMMITTED TO A POSITIVE ESG PERFORMANCE

- We have made significant progress in delivering on our sustainable future strategy and on our commitments in each of our three strategic focus areas: health and nutrition, enhanced livelihoods, and environmental stewardship
- Our key initiatives focus on reducing waste-to-landfill, recycling packaging material, reducing food waste and loss, and diverting waste towards new value-creation opportunities
- We recognise that we have a significant responsibility to continue addressing our material ESG impacts and continue to fully integrate this responsibility across the business

GROWTH AREAS

Informal market

The informal market in South Africa is valued at approximately R150 billion a year. We are pursuing various initiatives to expand our reach in this market and have already improved the availability of our targeted SKUs.

Innovation and marketing investment

We have been driving innovation and renovation in our product offerings including price-pack architecture, as well as investing in more effective advertising and marketing to highlight the value benefits of our current brands.

Technology

We have completed the development and approval of a comprehensive digital strategy, including cyber security, that defines the key areas of focus for the business and serves as a comprehensive framework and roadmap for our business initiatives over the coming years.

Venture Capital Fund

The newly established Venture Capital Fund made its inaugural investment this year and has a strong pipeline of opportunities, particularly within health and nutrition and snackification.

Africa

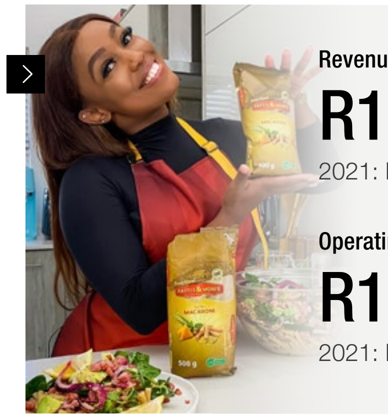
We aspire to be a pan-African business with a South African head office. The past year has been one of consolidation, in which we have fixed the basics and positioned the business for growth.

GROUP PROFILE

Our core business is providing everyday branded food products to large and growing markets. We target best-in-class profitability, underpinned by a cost-conscious culture, and ESG principles to create and share value.

We have leading positions in most categories and our iconic brands are well-entrenched with consumers in South Africa, as illustrated by the percentage share of market.

GRAINS



Revenue
R15,5bn Up 6%
2021: R14,6 billion

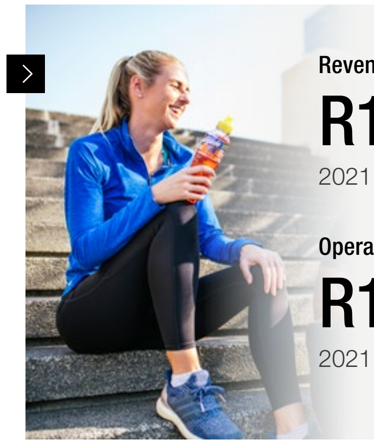
Operating income
R1,3bn Down 7%
2021: R1,4 billion

Milling and Baking
- Baking

Milling
- Flour
- Maize
- Sorghum

Other grains
- Pasta
- Oat-based breakfast (Jungle)
- Rice

CONSUMER BRANDS



Revenue
R12,4bn Up 12%
2021: R11,1 billion

Operating income
R1,4bn Up 25%
2021: R1,1 billion

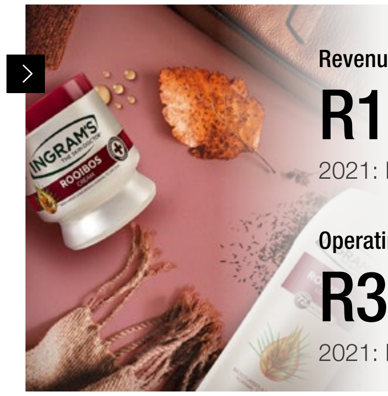
Groceries
- Condiments and ingredients
- Spreads
- Canned fruit and vegetables

Snacks & Treats
- Sugar
- Chocolate

Beverages
- Concentrates
- Sports drinks
- Ready-to-drink

Baby
- Nutrition and wellbeing

HOME AND PERSONAL CARE



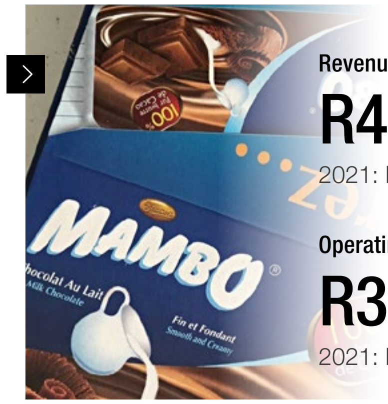
Revenue
R1,9bn Down 5%
2021: R2,0 billion

Operating income
R308m Down 29%
2021: R433 million

Home Care
- Sanitary cleaners
- Pesticides

Personal Care
- Body care (includes Camphor cream) Depilatories
- Hair care
- Deodorant
- Hair styling

EXPORTS AND INTERNATIONAL



Revenue
R4,3bn Up 19%
2021: R3,6 billion

Operating income
R350m Up 265%
2021: R96 million

International operations
Central Africa (Chococam)

Deciduous fruit
- Langeberg & Ashton Food (LAF)

TOP BRANDS

MARKET SHARE (%)

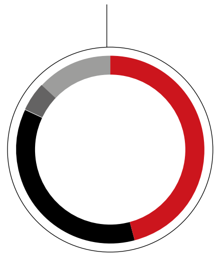
Grains	27
Mazie	9
Flour	23
Cereals	20
Rice	48
Dry pasta	38
Bread	35

Groceries	46
Spreads	32
Condiments	42
Canned fruit & vegetables	56
Snacks & Treats	20
Chocolate	11
Candy	42
Beverages	49
Dilutables	54
Sports drinks	48
Ready-to-drink	23
Baby nutrition	65

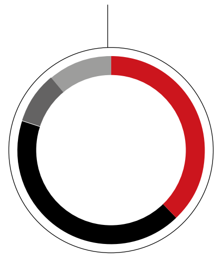
Home Care (Pesticides)	61
Personal Care	7

Source: IRI 12 month moving to end September 2022.

Revenue



Operating income



Revenue		Operating income
46%	Grains	38%
36%	Consumer Brands	42%
5%	Home and Personal Care	9%
13%	Export and International	11%

OUR BOARD

The board embraces the spirit of corporate governance principles and best practice approach to facilitate successful execution of the company's strategy and attain sustainable growth to enhance shareholder value.

Our governance framework is designed to support our core purpose in line with the Companies Act, JSE Listings Requirements, King IV™ and other relevant laws and regulations and ensures that Tiger Brands remains a good corporate citizen.

- NGC Nomination and governance committee
- RSC Risk and sustainability committee
- RC Remuneration committee
- IC Investment committee
- SETC Social, ethics and transformation committee
- AC Audit committee
- Chairman

THE BOARD REPRESENTS A RANGE OF CORPORATE AND STRATEGIC BUSINESS LEADERSHIP SKILLS, DIVERSITY AND INDEPENDENCE TO APPROPRIATELY EXERCISE SOUND JUDGEMENT AND LEADERSHIP IN DIRECTING TIGER BRANDS TO CREATE VALUE IN THE INTERESTS OF ALL STAKEHOLDERS

EXECUTIVE DIRECTORS

NOEL DOYLE 56
Chief executive officer

Re-joined the group in 2012 and appointed CEO February 2020

Area of expertise and contribution
- Leadership and strategy execution
- Extensive FMCG experience
- Corporate finance and governance
- Legal and commercial

Board meeting attendance
- 9/9

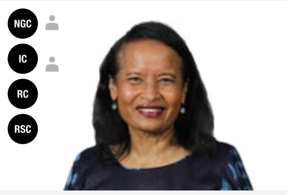
DEEPA SITA 45
Chief financial officer

Appointed October 2020

Area of expertise and contribution
- Leadership and strategy
- Extensive finance and governance
- Risk management
- Innovation and IT
- Procurement practices
- FMCG

Board meeting attendance
- 9/9

NON-EXECUTIVE DIRECTORS



GERALDINE FRASER-MOLEKETI 62
Chairman

Appointed September 2020 and appointed chairman January 2021

Area of expertise and contribution
- Leadership and strategy
- Extensive governance and public administration
- Stakeholder relations and sustainability/ESG leadership

Board meeting attendance
- 9/9

EMMA MASHILWANE 47
Appointed December 2016

Area of expertise and contribution
- Extensive auditing and finance
- Governance and leadership
- Corporate finance and banking
- FMCG

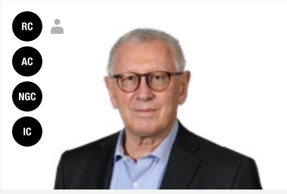
Board meeting attendance
- 9/9

GAIL KLINTWORTH 59
Appointed August 2018

Area of expertise and contribution
- FMCG
- General management and governance
- Stakeholder relations
- Brand and reputational management
- Innovation and marketing
- Extensive sustainability/ESG leadership and strategy

Board meeting attendance
- 9/9

NON-EXECUTIVE DIRECTORS



DONALD WILSON 65
Appointed June 2019

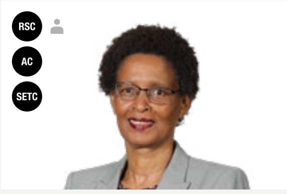
Area of expertise and contribution
- Mergers and acquisitions and stakeholder engagement
- Extensive finance and general management
- Governance and remuneration
- Leadership and strategy

Board meeting attendance
- 9/9

LUCIA SWARTZ 64
Appointed June 2022

Area of expertise and contribution
- General management and strategy
- Extensive human resources
- Remuneration policies
- Governance and FMCG

Board meeting attendance
- 4/4



MAHLAPE SELLO 60
Appointed October 2019

Area of expertise and contribution
- Extensive legal and commercial
- General management and leadership
- Governance and strategy
- Stakeholder relations

Board meeting attendance
- 9/9

CORA FERNANDEZ 49
Appointed March 2019

Area of expertise and contribution
- Extensive finance and investment
- Auditing and accounting
- Governance and general management
- Leadership and strategy

Board meeting attendance
- 9/9

OLIVIER WEBER 59
Appointed August 2020

Area of expertise and contribution
- General management and strategy
- Mergers and acquisitions
- Governance
- Business turnaround and culture transformation
- Risks management and marketing and brands
- ESG experience

Board meeting attendance
- 9/9

FRANK BRAEKEN 62
Appointed April 2022

Area of expertise and contribution
- General management and strategy
- Mergers and acquisitions
- Governance and risk management
- FMCG and emerging market
- Sustainability/ESG

Board meeting attendance
- 7/7

MICHAEL AJUKWU 66
Appointed March 2015

Area of expertise and contribution
- Stakeholder relations
- Risks and general management
- Corporate finance
- West Africa
- Banking and finance
- FMCG

Board meeting attendance
- 9/9

OUR EXCO

Our executive committee facilitates the effective control and monitoring of the business activities in terms of the delegation of authority framework approved by the board.

It is responsible for implementing policies and executing strategies in line with the board's mandate and ensuring that appropriate internal controls are in place to maintain compliance with relevant laws and best practice.

OUR EXECUTIVE COMMITTEE REPRESENTS DIVERSITY OF KNOWLEDGE, SKILLS, BACKGROUNDS AND NEW PERSPECTIVES WHICH FOSTER BETTER DEBATE AND DECISION MAKING UNDERPINNED BY OUR VALUES.

NOEL DOYLE 56
Chief executive officer
Re-joined the group in 2012 and appointed CEO February 2020

DEEPA SITA 45
Chief financial officer
Appointed October 2020

THUSHEN GOVENDER 46
Chief growth officer: Consumer Brands
Appointed May 2021

S'NE MAGAGULA 49
Chief human resources officer
Appointed May 2018

MARY-JANE MORIFI 60
Chief corporate affairs and sustainability officer
Appointed December 2016

LUIGI FERRINI 55
Chief customer officer
Re-joined the group October 2009
Exco member since May 2019

JOE RALEBEPA 51
Chief legal officer
Appointed January 2020

SARVESH SEETARAM* 43
Acting chief strategy and marketing officer
Since June 2022

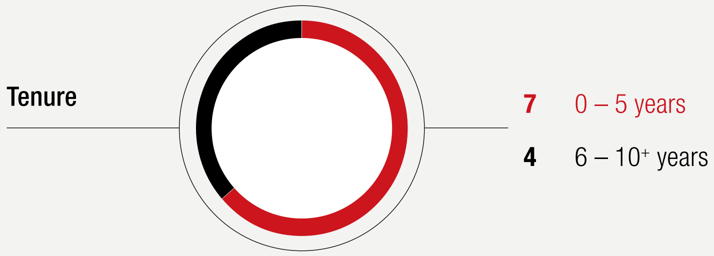
Becky Opdyke resigned May 2022.

YOKESH MAHARAJ 50
Chief growth officer: Grains
Re-joined the group November 2021

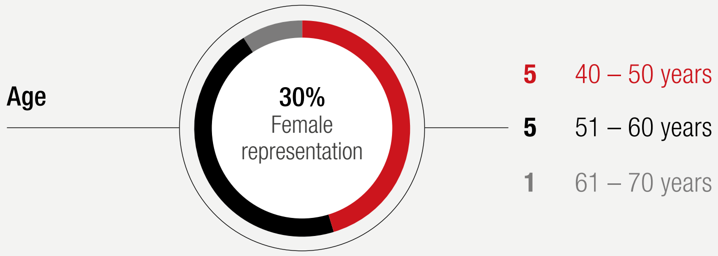
DEREK MCKERNAN 55
Chief manufacturing officer
Appointed July 2020
Exco member since January 2022

CLIVE VAUX 71
Corporate finance executive
Appointed February 2000
Retired September 2022

EXCO TENURE



EXCO DEMOGRAPHICS



CHAIRMAN'S REVIEW

GERALDINE FRASER-MOLEKETI CHAIRMAN

As Africa's largest food producer, with a legacy of establishing and maintaining some of South Africa's best-loved brands over its one-hundred-year history, Tiger Brands has a particularly important responsibility in delivering and sharing value for its many stakeholders. It is fair to say that the company has been underperforming over the past five to 10 years; much of this has been due to various management missteps, and the market has punished us accordingly.

I BELIEVE THAT TIGER BRANDS' IMPROVED PERFORMANCE THIS YEAR, IN THE CONTEXT OF SOME CHALLENGING EXTERNAL HEADWINDS, REFLECTS AN IMPORTANT SHIFT IN TRAJECTORY.

It gives me confidence that the company has passed an inflexion point and is now heading in the right direction. The management team has made significant progress in stabilising the business and getting the basics right, positioning the company to be more creative, more agile and more aggressive in hunting down and delivering on some of the untapped opportunities for growth.

Encouraging performance in a challenging environment

This year, group operating income and HEPS from continuing operations were up 53% and 51% respectively, year-on-year. At financial year end, we declared an ordinary final dividend of 653 cents per share, in line with the dividend policy of 1,75x cover. In addition, we initiated a share buy-back programme. A total of 9,49 million shares were purchased returning R1,5 billion to shareholders, demonstrating our commitment to better returns. These improvements in financial performance were delivered in the face of a very challenging socio-economic environment, characterised by low economic growth, higher than expected cost inflation and reduced consumer spend, compounded by an uncertain macro-economic and political environment in South Africa and globally. Following the profound disruption of the pandemic, we have seen further impacts on global supply chains and input costs associated with the conflict in Ukraine, while locally we are impacted by continuing electricity supply constraints and broader infrastructure challenges, high unemployment, political and socio-economic challenges exacerbated by growing levels of inequality.

In addition to these significant external headwinds, the company has faced various internal challenges, including prolonged strike action at the Snacks & Treats operation, some recent vacancies at a senior management level, and the impact of a general skills shortage in some technical areas critical to our business. Given these challenges, it has been pleasing to see some important improvements in the company's performance, as well as the progress it has been making in some core areas, laying an important foundation for growth.

In response to the constrained consumer environment, there has been a heightened focus on value-led innovation and renovation in Tiger Brands' product offerings and price-pack architecture, as well as various initiatives with customers aimed at strengthening our position at the point of purchase. Increased effort is now being put into harnessing digital technologies and information solutions to drive operational efficiencies, increase automation, and improve customer and consumer data and analytics. The company is also further developing its centralised procurement capability and repositioning its logistics activities, both of which offer the potential to unlock significant value.

While I believe that Tiger Brands has turned the corner and is beginning to produce the desired step change in performance, there is still work to be done if the company is to fully deliver on its potential in a sufficiently timely manner. Given our scale and the strength of our legacy brands, this year's performance in Bakeries has been a particular disappointment. Looking ahead, the management team has a good understanding of the underlying challenges, and the board has recently approved a compelling five-year strategic roadmap for Bakeries aimed at driving volume growth, strengthening our position through innovation, accelerating cost savings, and embedding the right performance-based culture. This has been a year of consolidation in our Rest of Africa operations, with sales volumes restored in key markets and investment in some of our operations creating a solid foundation for growth. Despite a slow start to the year, the underlying fundamentals suggest that we have the right strategy and that there are exciting growth prospects in our portfolio.

Focusing on product safety

One of our key responsibilities as Africa's largest food producer, is to contribute to regional food security, improve nutrition and maintain the highest levels of food safety and quality. Following the tragic listeriosis incident in February 2018, Tiger Brands' board has strengthened its oversight of the company's product safety and quality management practices, both across its own operations and among suppliers, and third-party manufacturing partners. Although we have seen further significant improvements this year in some key quality metrics – with a 14% reduction in consumer complaints, on top of the step change in improvement in the prior year – this has been overshadowed by the precautionary recall in September 2022 of certain baby powder products. Coming off the back of last year's precautionary recall of just over 20 million cans of vegetable product, this has understandably caused some concern in the market about the robustness of the company's management of product quality and safety. Although the recall has not had a material impact on Tiger Brands' direct financial performance, it has undermined our reputation.

While this recall is disappointing, I remain confident that the management team is fully committed to instilling a culture of product safety and quality across the company, building on the robust internal management and review systems, critical control measures and new technologies that were introduced across its manufacturing facilities and externally managed warehouses. In response to this product recall, we have undertaken a root cause analysis and are implementing various corrective measures. As a board, we will ensure an appropriate level of accountability for any mistakes that were made, and that the necessary measures are taken to uphold our commitment to product safety and quality.

Upholding strong ESG performance

In delivering on the company's purpose – to nourish and nurture more lives every day – and as part of our sustainable future strategy, the company has recently revised environmental, social and governance (ESG) targets for 2030 relating to health and nutrition, enhanced livelihoods, and environmental stewardship, with some of these introduced into remuneration incentives. Pleasing progress has been made this year in each of the three focus areas, aimed at leveraging our business model to drive positive social change. To address some of the more immediate food security challenges, and the recent troubling rise in hunger-related deaths among children in South Africa, in September this year the company launched Isondlo, a R42 million nutrition programme that supports 10 000 food-insecure children, aged five and younger, and their families, with a monthly food hamper for nine months. This initiative is in addition to the 9 000 food hampers that are already distributed monthly as part of Tiger's existing food nutrition programmes, as well as our longer-term core business initiatives to improve health and wellbeing by providing more nutritious and affordable food products, developing best-in-class nutritional standards, and leveraging our brand to promote better consumer nutrition.

Given the tough macro-economic environment, we recognise that as a larger company we have a particular responsibility in fostering inclusive development, stimulating job creation and improving livelihoods across our value chain. The challenge of protecting jobs and maintaining business viability has been highlighted recently as the company strives to find a solution for our deciduous fruit business, Langeberg and Ashton Foods (LAF), that no longer aligns with our portfolio. Following an exhaustive process over the past two years, in which prospective buyers have been unable to secure the funding needed to meet working capital requirements, the company recommenced operations for another season while continuing to engage with organised labour, employees, and members of the Canning Fruit Producers Association, as well as provincial and national government and prospective buyers, to identify a sustainable commercial solution that will protect the 250 permanent and 4 300 seasonal jobs, sustaining the broader local economy. It has also been pleasing to see the progress made this year in minimising our environmental footprint, the various projects aimed at increasing the use of renewable energy at our facilities, improving energy and water efficiency, and minimising packaging and food waste. We recognise that we have a significant responsibility to continue addressing our material ESG impacts and commit to fully integrate this responsibility across the business.

Governance

As chairman, I am incredibly fortunate to have a strong and highly engaged board, with significant FMCG skills and a strong international presence, well-suited to ensuring robust accountability of the management team.

There have been several changes to the board this year. Ms Maya Makanjee stepped down as independent non-executive director with effect from 31 December 2021, and Mr Mark Bowman retired from the board immediately after the close of the AGM in February 2022, both after more than 10 years of service. The board extends its gratitude to each of these departing members for their valuable contribution and wishes them well in their future endeavours. Mr Frank Braeken and Ms Lucia Swartz were appointed as independent non-executive directors with effect from 1 April 2022 and 1 June 2022, respectively. Frank has deep FMCG and emerging markets experience, having held various senior and executive roles at Unilever in Eastern Europe, Latin America, Africa and Asia, while Lucia has wide-ranging experience in human resources leadership having worked for BP Southern Africa, the Seagram Group of companies, and Sappi, before serving as Vice President, People at AB InBev Africa.

Appreciation

This has been another challenging year, but one in which I believe the company has turned a corner. If we maintain a relentless focus on execution, underpinned by a strong culture, the right capabilities and clear end goal, then I have no doubt that Tiger Brands will fulfil its potential and further strengthen its position as a market leader. On behalf of the board, I would like to thank the Tiger Brands management team and all the employees for their effort in responding to some significant challenges and moving the company on a path to growth.

Geraldine J. Fraser-Moleketi
Chairman

1 December 2022

CHIEF EXECUTIVE OFFICER'S REVIEW

NOEL DOYLE CHIEF EXECUTIVE OFFICER

Tiger Brands' pleasing results this year, delivered in the context of an extremely tough operating environment, should give confidence to investors and other stakeholders that the company has turned a corner after several years of disappointing performance. I believe that this year's results, underpinned by a strong second-half recovery, should give confidence that we have stabilised the core and are now well-positioned to deliver long-term value and growth.

OUR RECENT INVESTMENTS IN TECHNOLOGY AND DIGITAL CAPABILITIES, OUR PROGRESS IN REPOSITIONING OUR INNOVATION, PROCUREMENT AND LOGISTICS ACTIVITIES, AND OUR CONTINUED INVESTMENT IN OUR PEOPLE AND MANUFACTURING OPERATIONS, ARE ENABLING US TO REALISE UNTAPPED OPPORTUNITIES.

This year we met almost all our short-term financial targets for the group, despite the pressure of a very flat consumer market, anaemic GDP growth, extraordinary input cost inflation, and the impact of industrial action in the first half. Although we have made progress in those areas where the measures are more tangible and the solutions more obvious and formulaic, I believe that we are now well-positioned to deliver results where solutions require better data interrogation and analysis, as well as rapid and agile trial and error.

Total revenue from continuing operations increased by 10% to R34,0 billion, driven by price inflation of 11%, and marginal overall volume declines of 1%. Further improvements in supply chain efficiencies and revenue management initiatives resulted in the overall gross margin (excluding the impact of the product recall and civil unrest) being maintained at 30,3%. Group operating income before impairments and non-operational items was up 53% to R3,4 billion. Earnings per share was up 65% to 1 762 cents per share, while headline earnings per share increased by 51% to 1 702 cents per share. During the year we completed a value-enhancing share buy-back programme that was well-received by the market over and above paying a total dividend of 973 cents per share.

Delivering on our strategic objectives

Our improved performance this year reflects effective execution across our strategic priorities that were developed to improve the performance of our current portfolio, deliver an effective turnaround over the short term, and set us up for longer-term growth.

We made pleasing progress this year in building a growth pipeline, stepping up our innovation activities across the group, optimising our product portfolio, and pursuing various customer and channel initiatives to win at the point of purchase. We have improved our channel segmentation and deepened our understanding of shopper profiles to inform our store execution plans and ensure more effective campaigns, pricing and promotions. We are continuing to expand into the informal market, targeting 60 000 active spaza stores by 2024, supported by a team of sales representatives and tailored distribution models. Anticipating significant further growth in e-commerce, we have been raising our online presence with a view of

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

becoming the preferred supplier to prioritise e-commerce partners. We are embedding revenue management principles across the organisation and have developed a comprehensive decision-making tool to enable detailed analysis at an SKU and customer level to identify priority revenue growth opportunities. After a slow start for the Rest of Africa segment, we have restored sales volumes in key markets and improved factory performance, creating a solid foundation for growth.

We are driving various strategic initiatives to meet the needs of consumers. Given the constrained consumer environment, our priority focus has been on delivering market-leading solutions for the value-conscious consumer – with innovations in certain categories to meet more affordable price points, including new value packs in beverages, canned food and personal care categories – while also continuing to capture opportunities in health and nutrition, snackification and at-home consumption.

Optimising our supply chain remains a critical enabler and key priority within our growth plan. In addition to investing in upgrading and expanding some of our manufacturing operations, we have made progress in embedding a strong quality culture, supported by qualified people and robust integrated management systems. Although we saw pleasing improvements in our quality KPIs, this progress was overshadowed by a precautionary product recall of certain baby powder products. We have undertaken a root cause analysis and are implementing various corrective actions, including a thorough review of our raw material and finished product risk assessments, specifications and product release protocols across all our product categories. Despite our various occupational safety training, assessment and auditing initiatives, it was a disappointing year in terms of our safety performance, with the tragic fatality of one Albany driver and two contractors, reflecting a broader increase in work-related injuries, particularly among contractors. Addressing this issue is a top priority for next year.

Our cost savings and efficiencies drive across the group delivered R387 million in savings this year. Although this was slightly short of our target, due mainly to external inflationary pressure in procurement, the improved efficiencies reflect our work in further embedding the well-established cost-savings culture across the group, supported by improved accountabilities, strengthened revenue management capabilities, and further portfolio optimisation and SKU rationalisation, primarily in Groceries, Snacks & Treats, and Beverages. Although this was a challenging year for procurement, with global supply chain constraints and inflationary pressures resulting in a focus on securing supply rather than unlocking new value, we have a detailed roadmap in place to strengthen our core procurement capabilities, complete the transition to a centralised operating model, and ensure priority investment in the digital tools and technology.

One of the most important and often most challenging areas of competitive differentiation for a business, lies in the quality and leadership of its people. While much of the necessary foundational work is in place in delivering on our strategic commitment to igniting our people, we recognise that more still needs to be done to fully embed an agile performance-based culture that will allow us to join the ranks of truly high-performing businesses. The high level of attrition in key technical roles and senior leadership levels in recent years has highlighted some significant gaps in talent in specific areas and underlined the importance of improving our performance and processes in external recruitment to deepen our bench strength. Given the momentum gained in strategy execution, we have reviewed measures to manage the retention of Exco members, which is imperative to the stability of our strategic and operational support team. As a means of providing a compelling value proposition, the remuneration committee has thus approved retention payments for Exco members (excluding the CEO). This was a once-off payment intended to retain executives rather than reward performance, and it is deemed to be in the company's long-term interest.

We have made some important strides this year in delivering on our sustainable future strategy, leveraging our influence, and increasing our effort and investment, to progress our commitments to improve consumer health and nutrition, enhance livelihoods, and ensure responsible environmental stewardship. Through our launches of new healthy products, nutrition labelling activities, and our Eat Well Live Well programme, as well as our recent investment in a plant-based and vegan start-up, we are enabling consumers to improve their health and wellbeing. We have continued to provide valuable support to black and black women-owned farming and agri-processing enterprises, through our enterprise and supplier development activities, preferential procurement, agriculture aggregator model, and investments in socio-economic development. In terms of environmental stewardship, an important development this year was the conclusion of a power purchase agreement to introduce solar power at four of our sites, an important step towards our goal of sourcing 65% of our manufacturing electricity requirements from renewable energy by 2030. Although there is still significant room for improvement, our engagement with government, regulatory bodies and host communities has gained positive momentum.

Following the tragic listeriosis outbreak in 2018 and the subsequent Class Action, pre-trial preparations to get the matter ready for trial are currently ongoing. The process of discovery, which is a key part of the pre-trial preparation, is at an advanced stage. I reiterate our collective commitment to ensure that a resolution of the matter is reached in the shortest possible time, in the interest of all parties, particularly the victims of listeriosis and their families.

Outlook

The immediate and medium-term outlook looks challenging. Local inflation is at a 20-year high and rising, GDP growth expectations are anaemic, rising youth unemployment levels are a lead indicator of potential social unrest, and we are operating in a political environment that can best be described as a 'holding pattern' ahead of the significant election in South Africa in 2024. Given this challenging outlook, and the level of economic stratification within the country, it is essential that we prioritise the growing number of value-conscious consumers by focusing relentlessly on cost reduction, value engineering, brand and product tiering, and efficient end-to-end supply chain management.

Despite these challenges, I believe that the company made significant progress in repositioning itself for the future, and that our strategic approach and recently revised operating model present the right foundation to ensure our resilience, enabling us to harness the strength of our iconic brands, the diversity of our product portfolio, the quality of our customer relationships, and the health of our balance sheet to absorb these future headwinds. The time is now right for Tiger Brands to take some calculated risks, act on our size, back ourselves, and put forward more ambitious investment plans, thinking bigger and bolder to attract and retain the talent and expertise we require, supported by an unwavering focus on execution.

Appreciation

This has been a rewarding if challenging year, thanks to the dedication and support provided by Tiger's employees and my colleagues on the executive team. I wish to extend my thanks also to the Tiger Brands' board for their oversight and advice. I am confident that together the company's employees and leadership teams will ensure that Tiger Brands successfully executes our strategy for long-term growth.

Noel Doyle
Chief executive officer

1 December 2022

OUR BUSINESS MODEL

OUR PURPOSE

- Nourish and nurture more lives everyday

Read more on IFC

VALUE IN

KEY RESOURCES

- HC Experienced, diverse **leadership team and skilled employees** underpinned by strong governance structures
- NC Reliable and sustainable **access to primary agricultural products** (including wheat, rice, maize, oats, sugar and sorghum), other ingredients, packaging, energy, fuel and water
- MC **Well capitalised manufacturing plants,** supported by efficient and effective distribution and logistics networks
- SRC **Strong and trusted corporate brand**; positive supplier and customer relations and constructive relationship with government, regulators and host communities
- IC Continuous **investment in our brands** through research and development, marketing investment, and innovation informed by strong consumer insights
- FC **Access to financial capital,** through strong cash generation and enhanced by superior investor returns and sustained market confidence

Read more on pages 10 to 12; 27; 38 to 48 and 54

KEY RELATIONSHIPS

- Employees and trade unions
- Customers
- Consumers
- Government
- Investors
- Suppliers
- Communities
- Media

Read more on pages 27 to 30

GOVERNING THE VALUE CREATION PROCESS

The board represents a range of corporate and strategic business leadership skills, diversity and independence to appropriately exercise sound judgement and leadership in directing Tiger Brands to create value for all stakeholders.

Our operating environment

Trends impacting value:

- A challenging macro-economic environment
- Shifting customer and consumer dynamics in an increasingly competitive environment
- Heightened stakeholder expectations on ESG performance

Read more on pages 24 to 26

Material risks

- R1 Albany route-to-market
- R2.1 Market responsiveness
- R2.2 Cost competitiveness
- R3.1 Food safety
- R3.2 Cyber security
- R3.3 Occupational Health and Safety (OHS)
- R3.4 Industrial action
- R4 Third party supplier risk

Read more on pages 31 to 36

Sensitivity analysis

Tiger Brands' cost base is highly sensitive to exchange rate volatility with ~70% of our costs directly or indirectly exposed to exchange rates. Price/volume management is therefore a key strategic lever. In an inflationary environment, for every 1% price increase not implemented, the group requires 4% volume growth to offset the impact of higher input costs.

OUR VALUE CHAIN ACTIVITIES

Procurement

Manufacturing

Research and development

Packaging and logistics

Marketing, branding & distribution

Our revenue streams

Our revenue streams comprise product sales from:

- Grains: 46%
- Consumer Brands: 36%
- Home and Personal Care: 5%
- Exports and International: 11%

Material revenue differentiators

- The group's long-standing market-leading position in branded food and beverages
- Our "Billion-Rand Brands", many of which are rated first or second in their categories and have received many external awards as South Africa's most loved brands
- A robust marketing strategy to ensure our brands remain relevant and top-of-mind, supported by increased and targeted investment
- Far-reaching distribution capabilities
- The strength and quality of our relationships with our customers
- Strong consumer insights informing our category strategies

Our cost streams

Our most significant cost streams are:

- Raw material procurement
- Sales and distribution expenses
- Marketing expenses
- Maintenance and upgrading of plant and equipment
- Food quality and safety
- Employee wages and benefits
- Electricity and fuel
- Regulatory compliance costs
- Other administrative costs

Material cost differentiators

- Our vertical supply chain
- Standardisation and simplification of group processes, systems and practices
- Centralised procurement function leveraging scale both internally and externally

VALUE OUT

OUR PRODUCTS (OUTPUTS)

- **Grains**
- **Groceries**
- **Baby Nutrition and wellbeing**
- **Beverages, Snacks & Treats**
- **Home and Personal Care**

OUR IMPACTS (OUTCOMES)

Significant impacts (positive and negative) include:

- Consumer nutrition and health
- Natural resource use
- Food and packaging waste
- Employment (direct and indirect)
- Development of small business
- Government tax revenue
- Shareholder returns
- Investment in infrastructure, plant and equipment.

Read more on pages 22 and 23

HOW WE SUSTAIN VALUE

Social and relationship capital (SRC)

MATERIAL INPUTS

- Engaged workforce
- Constructive relationship with government
- Investor confidence
- Trusted brands and strong consumer reputation
- Positive supplier and customer relations
- Robust operating context and strong levels of institutional trust

OUR ACTIONS TO SUSTAIN VALUE

- Investment in employee value proposition
- Structured engagement with regulators; focus on compliance and societal contributions
- Regular investor communication
- Investment in product safety and quality
- Product and process innovation
- Active engagement with suppliers and customers
- Trading terms that are fair, equal and available to all customers

OUTCOMES OF OUR ACTIVITIES

Generally positive relations across stakeholder groups

- ✓ 14% reduction in consumer complaints
- ✓ R14 billion B-BBEE supplier spend
- ✓ R1,3 billion spent to support black farmers and small businesses

Continuing concerns in certain areas

- × Product recall of certain baby powder products
- × Pending listeria Class Action lawsuit

Our people (HC)

MATERIAL INPUTS

- Strong and diverse board
- Experienced executive team
- 9 670 permanent employees
- Enabling workplace environment with performance- and purpose-led culture

OUR ACTIONS TO SUSTAIN VALUE

- Implementing people strategy to build a diverse talent base, develop leadership capacity and create a great place to work
- Invested in employee reward and personal development opportunities
  - R4,3 billion on wages and benefits
  - R97 million invested in employee training and development (2021: R94 million)
- Focus on diversity and employment equity
- Embedded enhanced employee wellbeing programme (THRIVE)

OUTCOMES OF OUR ACTIVITIES

Investment in talent and personal development

- ✓ Accelerated core capability in manufacturing, customer, marketing and R&D
- ✓ Launched accelerated leadership development programme

Progress in promoting employee diversity

- ✓ 94% ACI and 31% female
- ✓ Eliminated historical wage and salary income differentials ahead of target

Board diversity

- ✓ 67% black and 60% female on our board
- ✓ Directors with extensive FMCG knowledge, global experience and skills in digitalisation and innovation

Focus on improved employee health and safety going forward

- × Three work-related fatalities (2021: 0)
- × 0,45 lost-time injury frequency rate (2021: 0,31) driven by improved reporting to consistently include contractor injuries

Our brand, reputation and company culture (IC)

MATERIAL INPUTS

- Historically strong brand and reputation
- Unique product formulations and trusted recipes
- Research and development capacity
- Internal governance and business systems
- Company culture

OUR ACTIONS TO SUSTAIN VALUE

- Focus on innovation and renovation to meet consumer needs including on value, health and nutrition, convenience, e-commerce and sustainability
- Deploy marketing best practice toolkit across the business
- Drive relevance in value segment by building clear benefits of current brands

OUTCOMES OF OUR ACTIVITIES

Sustained a strong brand presence

- ✓ Completed purpose journeys on majority of our major brands with evident impact
- ✓ Won Kantar award for Best Liked Ad in 2021 (Tastic Rice)

Innovation launches

- ✓ Completing 21 innovation projects across our consumer growth areas, achieving a R1,1 billion (4,2%) innovation rate
- ✓ First Venture Capital Fund investment – in plant-based vegan start-up

See pages 45 – 47 and sustainability report 2022

Manufactured capital (MC)

MATERIAL INPUTS

- 41 manufacturing facilities
- Efficient logistics and distribution activities

OUR ACTIONS TO SUSTAIN VALUE

- R961 million capital expenditure in manufacturing and distribution capability and technology
- Completed the development and approval of a comprehensive digital strategy
- 9% improvement in overall equipment effectiveness (OEE) across our focus sites over past three years
- Achieved R354 million in savings through improved material usage variance (MUV) over past three years

OUTCOMES OF OUR ACTIVITIES

Continued investment in plant and equipment

- ✓ Expand capacity, optimise efficiency, upgrade infrastructure and realise innovation opportunities

Some challenges remain

- × Capex disbursement below guidance

See page 40

Financial capital (FC)

MATERIAL INPUTS

- Equity
- Borrowings
- Cash generated from operations

OUR ACTIONS TO SUSTAIN VALUE

- Implementation of fit-for-future operating model with clear lines of accountability
- Continued operational efficiency drive
- Strong corporate governance structures
- Acceleration of portfolio optimisation
- Clear guiding principles in response to the growth of private label

OUTCOMES OF OUR ACTIVITIES

- ✓ 27,7% return on net assets (RONA) (2021: 19,3%)
- ✓ R75 million paid in net interest (2021: R54 million)
- ✓ R2,6 billion cash generated from operations (2021: R4,0 billion)
- ✓ Savings of R387 million (2021: R498 million)
- ✓ Total dividend per share declared: 973 cents (2021: 826 cents)
- ✓ 18,4% return on equity (2021: 12,7%)
- ✓ ROIC of 16,4% exceeds the average weighted cost of capital of 13,6% (2021: 11,7%<12,2%)

See page 48

Natural resources (NC)

MATERIAL INPUTS

- Local and imported raw material ingredients
- Water (municipal and own borehole) for production
- Fuel (diesel and petrol) for distribution and manufacturing
- Energy for manufacturing (primarily Eskom electricity)
- Fertile soil and conducive agricultural conditions

OUR ACTIONS TO SUSTAIN VALUE

- Energy and water efficiency measures
- Investment in renewable energy to strengthen energy security and reduce carbon footprint
- Innovations and partnerships to reduce packaging and food waste

OUTCOMES OF OUR ACTIVITIES

Some progress in mitigating impacts

- ✓ 13% reduction in direct GHG emissions
- ✓ 13% reduction in GHG emissions intensity
- ✓ 7% reduction in absolute energy use
- ✓ 8% reduction in electrical energy intensity
- ✓ 8% reduction in absolute water use
- ✓ 7% reduction in water-use intensity
- ✓ 32% reduction in waste to landfill intensity

Challenges remain in certain areas

- × The global food system is recognised as having a significant impact on biodiversity and habitat loss, climate change and packaging pollution, placing direct pressure on the resources we depend on and, increasing consumer and regulatory practices

See sustainability report 2022

OUR OPERATING ENVIRONMENT

Our business landscape remains highly dynamic and uncertain, with important implications for our business model and strategy.

Our ability to create value, and to deliver on our purpose, is significantly influenced by various changing dynamics in our external operating environment. We have identified three priority and interconnected trends that impact on our business model and that have informed our strategy. Our six strategic priorities have positioned the company to respond effectively to the risks and opportunities emerging in association with each of these trends.

A CHALLENGING MACRO-ECONOMIC ENVIRONMENT

The global economy has slowed down, interest rates have gone up, inflation has returned to a level not seen for decades and there are profound uncertainties associated with the ongoing conflict in Ukraine.

Low economic growth, combined with high unemployment, comparatively low wage growth and surging food price inflation, continues to suppress consumer spending in South Africa, compounded by challenging market conditions globally. Recent increases in food commodity prices, as well as higher packaging, transport and logistics expenses, have placed significant pressure on input costs, which remain difficult to recover in the subdued consumer environment, placing sustained pressure on margins.

Food inflation soared this year with record highs reported in South Africa. In July 2022, the country's annual producer inflation reached a new high of 18%, above market forecasts of 17,6%. Bread and cereals inflation has continued to quicken, with the annual rate rising to 13,7%[1]. A recent SA retail report[2], shows significant declines in sales volumes of items such as frozen meat, cooking oil and fresh milk, reflecting the impact of consumer inflation's acceleration to a 13-year high.

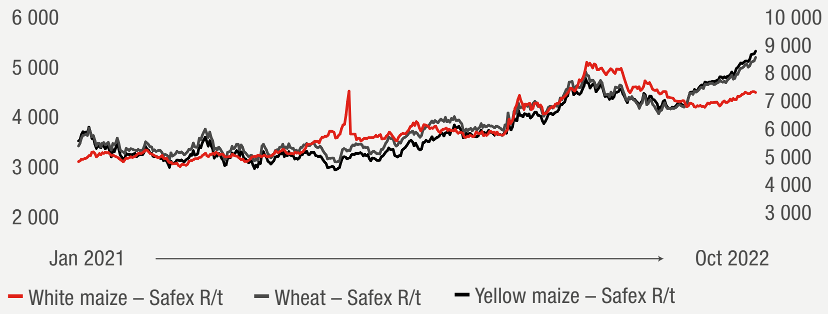
[1] *Stats SA.*
[2] *NielsenIQ State of the Retail Nation, June 2022.*

This tough macro-economic environment and sustained pressure on household incomes has contributed to reduced demand for discretionary and premium products, increased consumer uptake of value offerings, and heightened price competition. Volumes and margins are threatened, and cost recovery ahead of inflation remains a challenge. The outlook is not encouraging, with a tougher trading environment anticipated due to the flat economy, downward pressure on our currency, continuing high rates of unemployment and indebtedness, and ongoing electricity supply constraints, on top of local political uncertainty and the potential for social unrest.

Our strategic response

- Given the subdued economic outlook and our exposure as a premium priced brand in staple products, securing growth will require an intense focus on driving efficiencies, as well as a step-change in our innovation practices and in our customer and consumer engagement initiatives.
- Two years ago, we introduced a more systemic approach to delivering cost saving and efficiencies across the business, changing the governance structures, improving accountabilities, strengthening our central revenue management capability within each of our business units and improving our SKU rationalisation. This year we maintained our focus on this efficiency drive, delivering R387 million in savings over the year.
- To improve productivity and secure long-term cost savings across our supply chain, we have made further investments in improving our manufacturing operations. We are strengthening our centralised procurement function, and we have made initial progress in implementing an ambitious logistics transformation programme.
- We have completed the development and approval of a comprehensive digital strategy that defines the key areas of focus for the business and serves as a comprehensive framework and roadmap for our business initiatives over the coming years.
- To meet the needs of the value conscious consumer, we have been driving innovation and renovation in our product offerings including price-pack architecture, as well as investing in more effective advertising and marketing to highlight the value benefits of our brands. We are continuing to rationalise our brand and product portfolio, seeking to preserve margins by focusing resources on our best performing lines and we have been identifying and delivering commercially viable opportunities to manufacture private label products, albeit small.
- In striving to play our part in addressing some of the underlying socio-economic challenges facing the country, we are continuing in our efforts to boost economic opportunities and improve the livelihoods of thousands of people across our value chain through a deliberate focus on supporting black/black women farmers and owned enterprises as part of our enterprise and supplier development activities, and our preferential procurement practices.
- To mitigate the immediate impacts of declining food security and growing nutritional challenges among children in South Africa, we have recently launched a multimillion-rand child nutrition programme, Isondlo, that supports 10 000 food-insecure children and their families with a monthly food hamper for a nine-month period.

Key commodities



Source: Reuters.

South African inflation

Source: Stats SA.

SHIFTING CUSTOMER AND CONSUMER DYNAMICS IN AN INCREASINGLY COMPETITIVE MARKET

Changes in consumer behaviour and an increasingly competitive retail environment are impacting the way in which our customers are servicing shoppers, and in turn, informing how we engage with our customers and with consumers.

In the context of reduced disposable incomes, increasing digital connectivity, a rise in urbanisation, and shifting consumer aspirations relating to health, nutrition and sustainability, shoppers are changing their purchasing patterns, demanding more in terms of affordability, convenience and product quality. Consumers are typically shopping less frequently, across fewer categories, and at fewer retailers, for bigger baskets, with growth biased towards essential categories. E-commerce channels have become markedly more important for middle- and higher-income groups, while the practice of home cooking and stocking pantries has increased broadly, along with momentum towards more health-conscious purchasing. Many middle- and high-income consumers are now looking behind the brand to assess whether the operating practices and impacts of food producers and retailers are aligned with their values and priorities.

Responding to these changing consumer dynamics in the context of intensifying competition within the sector, food retailers and wholesalers are looking to defend and grow market share by being more precise and deliberate in their consumer engagement strategies. Retailers are strengthening their analysis of shopper behaviour, leveraging basket data to segment their stores to satisfy specific shoppers through targeted ranging, pricing and promotions. At the same time, we are seeing some fundamental shifts in our route-to-market, with supermarkets facing strong competition from mixed and wholesale retailers, independents, and emerging informal players, as well as from convenience retail solutions such as forecourts and e-commerce. Retailers and independents are increasingly entering the general trade market, with Shoprite and Pick n Pay both venturing into the wholesale arena. These developments are requiring us to revise our channel strategies and further strengthen customer engagement and service levels. As competition intensifies, with retailers driving "always-on" price promotions, this has reinforced the importance of strong revenue management practices and robust pricing data and analytics to ensure that our product prices, placement and availability are properly aligned within each customer segment.

In addition to competitive pressure among customers, we are seeing heightened competition in the food producer environment, with some recent market entrants challenging traditional market leaders and placing significant pressure on industry margins. We are continuing to see aggressive competitor pricing, as well as increasing sophistication in private label penetration, both of which are placing pressure on branded product volumes and margins. As convenience and value have become key drivers of consumer choice, and informal players capture consumers closer to home, a shift to smaller pack sizes has enabled market expansion and affordable price points. Heightened promotional activity has undercut margins, runs the risk of damage to price perception, and inspired competition and differentiation towards richer value propositions that threaten brand dominance.

Our strategic response

- We have been working to embed shopper-centricity into our segmentation of stores, deepening our understanding of broad shopper profiles to ensure greater customer alignment, more impactful trade execution, and increased shopper conversion through targeted pricing and promotions and appropriate price pack architecture.
- We have strengthened our customer marketing teams, established key account forums and joint business plans with major customers, and refined our pay-for-performance trading terms with clearer performance metrics to incentivise customer performance aligned with our strategic growth drivers.
- We are pursuing various initiatives to expand our reach in general trade and forecourts, grow our e-commerce presence, and strengthen our position in neighbouring countries.
- We have stepped up our innovation efforts across the group, focusing on fewer, larger innovation projects – on value, nutrition, and convenience/snackification. Our recently established Venture Capital Fund made its first investment this year in a local startup established with the goal of making healthy, plant-based foods accessible and affordable in South Africa.

HEIGHTENED STAKEHOLDER EXPECTATIONS ON ESG PERFORMANCE

There has been a marked increase in investor and stakeholder engagement on companies' environmental, social and governance (ESG) performance and disclosure, with a growing expectation on companies to show sustainability leadership.

The recent uptake in investor interest on ESG themes – evidenced for example by the growth in assets under management of ESG-aligned funds – reflects the impacts of some broader trends, including growing recognition and concern around the extent of environmental and social challenges, heightened stakeholder expectations on business to lead in addressing these challenges, and an increase in regulatory and voluntary initiatives on companies' sustainability performance. With the food system identified globally as "the single strongest lever to optimise human health and environmental sustainability", and with South Africa having some profound food-related health challenges – such as high levels of lifestyle-induced non-communicable diseases, and persistent hunger and malnutrition – we are seeing greater stakeholder scrutiny specifically on the role and responsibility of the food sector in addressing the nutritional, health, and environmental outcomes of the food system.

Higher-income consumers are more willing to trade-off on price for health and sustainability, with growing demand for brands-with-purpose, sustainable and local products, plant-based proteins, ethical marketing and front-of-pack nutrition labels. These shifts challenge some traditional business approaches and encourage the adoption of purpose-led innovation. Some large global companies are applying increasing pressure on their suppliers to proactively address environmental impacts, accelerate social transformation and prioritise value creation that aligns with public health interests.

Our strategic response

- Our sustainable future strategy supports delivery of our core purpose, communicates our forward-looking approach to sustainability, and orients the business towards improving our ESG performance. The strategy comprises three clear focus areas: health and nutrition; enhanced livelihoods; and environmental stewardship.
- We have made further progress this year on our commitment to enabling consumers to improve their health and wellbeing, 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 have continued to invest in strengthening product quality and food safety across the company to ensure that we have robust systems, qualified people, and a strong quality and safety culture, achieving external certification for all our manufacturing facilities against globally recognised food safety standards.
- We are continuing in our efforts to improve the livelihoods of thousands of people across our value chain, using our procurement practices and our investment in supplier and enterprise development, to stimulate economic opportunities, including through a specific focus on supporting black/black women farmers and owned enterprises.
- We are striving to reduce our environmental impact by implementing innovative solutions that optimise energy and water consumption in our operations, reduce the negative impacts of packaging, and minimise waste, effluent and emissions. We are exploring opportunities for circular economy initiatives that stimulate sustainable economic opportunities, using our marketing activities to inspire positive behaviour change in consumers.

OUR KEY RELATIONSHIPS

We have a structured stakeholder relations strategy in place to ensure a consistent and proactive approach to engagement across the group.

In the table below we identify those stakeholder groups that have a substantive impact on our ability to create value, briefly 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 below are a sufficiently accurate reflection of each group's most material interests regarding Tiger Brands' activities and performance.

EMPLOYEES

Provide the capability, experience and innovation required to deliver on our business strategy

Link to strategy

How we engage employees

- CEO engagements
- Virtual and in-person executive leadership engagements
- Internal website
- ROAR App designed for employee engagement
- Digital communications
- Employee hotline
- Site engagements
- Focus groups
- Extended leadership engagement session

What is important to employees

- Talent and career development
- Remuneration and rewards
- Strong internal engagement
- Cross-functional teamwork and collaboration
- Diversity, inclusion and equity
- Recognition and feedback
- Work-life balance, safety and security, and wellbeing
- Opportunities to innovate and challenge the status quo
- Speed and visibility of decisions

Responding to employee interests

- Our people strategy and operating model seeks to address each one of our employee issues directly
- Employee feedback is solicited through our Voice of Tiger engagement and employee experience survey and pulse which is conducted across all our sites in six languages
- Specific actions to address key feedback areas
- Fit-for-purpose people processes focusing on talent, capability development, leadership, rewards, wellbeing, engagement and culture
- Our THRIVE employee wellbeing programme directly supports employees and their families by proactively managing their physical, emotional and mental wellbeing
- TIGER TROLLEY, a digital staff shop, is a direct response to employee needs in a socio-economically challenged environment

See sustainability report

OUR KEY RELATIONSHIPS CONTINUED

CUSTOMERS

Our retail and wholesale customers provide shoppers with ready access to our brands and through them, access to our targeted consumers, and the opportunity to purposefully influence their buying behaviours and purchasing decisions.

Link to strategy

How we engage customers

- Senior leadership engagement (top-to-top) to align on business priorities, joint corporate initiatives, and optimised trading practices
- Annual trading term negotiations to agree on shared growth ambitions and associated strategic business levers and investments to achieve the performance objectives sets
- Joint category development planning to collaboratively identify shared growth opportunities and agree on joint action plans and investments
- Regular action planning meetings to execute business plans, respond to tactical dynamics, and resolve operational issues to achieve our joint performance targets
- Routine business review sessions to identify and address performance shortfalls as well as take advantage of new opportunities

What is important to customers

- Trading terms and promotional pricing that are fair and equal, and which promote mutual profitable growth
- Innovation, commercially attractive brand propositions, and marketing campaigns that appeal to their shoppers and drive profitable basket conversion
- Operational systems and ways of working that enhance logistics and administrative efficiencies facilitating cost-effective speed to market and continuous supply
- Stock availability
- Competitive pricing
- Promotional support

Responding to customer interests

- Alignment on business priorities and commitment to shared growth ambitions and action plans
- Collaborative cross-functional projects/initiatives to address prioritised business imperatives
- Tailored solutions and campaigns in support of customer-specific growth opportunities and initiatives
- Sharing of market/shopper research and knowledge to better inform business and category growth strategies
- Proactive performance reviews that identify competitive growth opportunities and risks coupled with ideas and proposals
- Utilising the Tiger basket to drive value-adding promotions through combos

CONSUMERS

By purchasing our products, and believing in our brand, they provide the basis for revenue growth

Link to strategy

How we engage consumers

- Tiger Brands' website
- Promotional activities and competitions
- Information on our packaging
- Research, including continuous engagement via consumer communities, on- and offline qualitative studies, immersions, visual diaries and preparation
- Neuroscience to identify implicit behaviour in-store and communication engagement
- Consumer care line
- Multi-channel approach as well as integration of online and offline channels to provide a seamless user engagement experience
- Cooking shows and blogs
- CSI activities, community programmes and feeding schemes

What is important to consumers

- Food safety, product quality and authenticity
- Product affordability and value
- Health and nutrition
- Business leadership on social, economic and environmental issues
- Convenience
- Experiences
- Community support
- Inspiration
- Innovation routed in addressing consumer needs
- Continuous sensory evaluation to meet quality and consumer expectations

Responding to consumer interests

- Further activities to align our food safety and product quality systems with best practice and ensure compliance
- Consumer awareness campaigns on food safety and brand authenticity
- Strive to mitigate inflationary pressures through cost-saving initiatives, operational efficiencies, and SKU rationalisation
- Leveraging price pack architecture to provide consumers "more for less" and more affordable packaging formats
- Awareness initiatives on consumer health and nutrition
- Value creation through meaningful value and nutrition innovation
- Eat Well Live Well (EWLW) endorsement
- Sensory experiences
- Within food, consumers seek to be inspired on new ways to use our products. This has driven an increased use in recipe branded content across traditional (television, radio and print) and online channels (Foodies of SA, Facebook, Instagram and TikTok)
- Partnership with content creators (influencers) within the foodie space to inspire use of products

See pages 41 and 42

GOVERNMENT

Provide the regulatory framework and informs the socio-economic context essential for our activities

Link to strategy

How we engage government

- One-on-one engagements
- Engagements on draft regulations
- Public forums
- Industry consultative bodies
- Parliamentary processes

What is important to government

- Job creation and preservation
- Economic development and growth of the township economy
- Food safety and quality
- Consumer nutrition and health
- Delivering on broad-based black economic empowerment (B-BBEE) and boosting employment opportunities
- Fostering growth and development of local agricultural sector

Responding to government interests

- Robust safety systems in place supported by academic partnerships and consumer campaigns
- Public Private Partnership to revitalise the economy (eg, Agri Processing Master Plan)
- In-school breakfast programme in partnership with Tiger Brands Foundation
- Investment in B-BBEE verified suppliers and promotion of socio-economic development
- Internal drive to ensure representation at executive and management level
- Investment in skills development
- Active partnerships to promote agri-sector development and smallholder farmers
- Engage on draft policy and legislation

INVESTORS

Provide the financial capital needed for long-term growth

Link to strategy

How we engage investors

- Annual and interim reports
- One-on-one meetings, non-deal roadshows, investor conferences
- SENS announcements
- Dedicated investor relations function and mailbox
- Website

What is important to investors

- Impact of significant inflation across input costs and the consequential impact on volumes in a constrained consumer environment
- Ability to sustain momentum of turnaround strategies given the operating environment
- Lack of visibility of growth drivers
- Capital allocation decisions particularly in the context of low capex disbursement relative to guidance and returning cash to shareholders in the context of a strong balance sheet
- Impact of global skills constraints and the ability to attract and retain talent
- Reputational risk of recurring product quality issues
- Reliable electricity supply and the impact of prolonged periods of loadshedding on our operations

Responding to investor interests

- Successfully implemented price increases while managing volumes accordingly
- Clear differentiation of defending volume categories and defending value categories
- Clear strategies focused on value engineering initiatives to enhance competitiveness on shelf
- Kept the market abreast of progress in terms of execution of innovation and renovation plans to meet the needs of consumers seeking value
- Demonstrated the implementation of efficiency programmes, which include a pilot solar project and other strategies to limit the impact of power supply disruptions, to maximise product availability and deliver customer service excellence
- Executed a share buy-back programme to the value of R1,5 billion over and above ordinary dividends
- Demonstrated our ability to attract and retain talent through key appointments during the period, as well as our ability to nurture and grow talent internally. Retention awards made to executive committee, excluding the CEO, to sustain the momentum in achieving the turnaround strategy
- Enhanced internal and supplier management protocols to ensure superior quality control procedures including zero tolerance to public health risks

OUR KEY RELATIONSHIPS CONTINUED

SUPPLIERS

Provide the services and products that form the basis of our products and activities

Link to strategy

How we engage suppliers	What is important to suppliers	Responding to supplier interests
Supplier forums	Timely payment and fair terms	Negotiate with strategic suppliers to secure requirements
Site visits	B-BBEE commitments	Collaborating with Tiger Brands' Enterprise and Supplier Development programme to diversify the supply base with a focus on black-owned and black women-owned suppliers
Supplier assessments	Enterprise and supplier development	Engage key suppliers to drive procurement efficiencies, improve B-BBEE commitments and innovation
	Health and safety standards	Reviewed supplier quality programme being rolled out in line with enhanced internal quality protocols

See sustainability report

COMMUNITIES

Provide the social capital and licence to operate for the business to succeed

Link to strategy

How we engage communities	What is important to communities	Responding to community interests
Guided by stakeholder engagement policy	Food security and related nutrition issues	Partner with government and developmental agencies to promote nutrition, health and education, and contribute to community development and poverty eradication
Community NGO implementation partners	Stimulate economic activity to support and sustain community enterprise development and job creation	Initiatives in place on enterprise and supplier development and community investment
Community social mapping to identify opportunities to share value	Impact of our operations on host communities	
Community mobilisation and interaction on SED projects		

See sustainability report

MEDIA

Contribute to brand reputation and enhance stakeholder awareness of our products and performance

Link to strategy

How we engage media	What is important to media	Responding to media interests
Executive committee engagement as appropriate	Increased and timely access to management and information	All media queries addressed within specified timeframes
Dedicated team oversees proactive and structured media engagement	Fair treatment of stakeholders	Strengthened media governance and protocols
Media section on our website	Overall operational and sustainability/ ESG performance	Enhanced media monitoring and analysis
Media releases and interviews		Being accessible
Social media presence		

MATERIAL RISKS AND OPPORTUNITIES

RISK GOVERNANCE

The board governs risk in a manner that supports Tiger Brands in setting and achieving its strategic objectives. While the board delegates oversight responsibilities to the audit committee and to the risk and sustainability committee, it remains accountable for the governance of risk and for ensuring that Tiger Brands' combined assurance model enables an effective control environment. This is done in a manner consistent with generally accepted frameworks and good practice, including King IV™ and ISO 31000:2018.

Implementation responsibility and culture

Whereas the board and its committees execute oversight duties, the executive committee is tasked with the design, implementation, and operation of risk and combined assurance arrangements. This includes the development and maintenance of an appropriate risk awareness culture to establish an enabling environment within which these arrangements can be deployed. It is within this context that Tiger Brands gives life to the philosophy of continuous improvement, tempered by the need to remain fit-for-purpose.

Risk profiling

Tiger Brands adopts a bi-directional comprehensive approach to identifying risks, which includes a top-down as well as bottom-up analysis. The top-down approach starts with a group view of Tiger Brands allowing for the big picture to develop. Consideration is given to the operating environment, the business model, and the associated objectives and strategies defined by the group. Similarly, business units are required to analyse, among others, their operating environments, business models, products, and strategies to identify risks specific to them, which are reported to the group level for oversight. Common business unit risks may then be identified and may potentially be managed at the group level.

Furthermore, Tiger Brands recognises that effective risk management may generate additional benefit beyond the protection that simple risk remediation affords, eg, enhancing a competitive advantage, or perhaps increasing reputational standing with stakeholders. As such, cost-benefit assessments on risk responses and remediation strategies include opportunities as part of the benefit assessment, while costs associated with remediation actions are included in the cost side of the assessment. This allows Tiger Brands to select risk responses and remediation actions that are context appropriate and rooted in a comprehensive and balanced approach to risk management.

The group executive committee oversees the identification of group risks and responses. Business unit management oversees and manages business unit risks and reports the most material risks to the group executive committee through the operational risk management committee. A consolidated Tiger Brands risk profile is then compiled and reported to the board risk and sustainability committee before finally being submitted to the board of directors.

In addition to the analysis and remediation of top risks, we maintain a combined assurance programme that aims to provide stakeholders with comfort that the control measures deployed to shape risks are adequate and effective.

Risk appetite and tolerance

General risk appetite and tolerance ranges are defined by group executive management and annually approved by the board. These ranges are reflected in the heat maps and provide general guidance regarding expected responses to mapped risks. In addition, for each risk group executive management determines a targeted residual risk level. These targets are set against the backdrop of the approved risk appetite and tolerance ranges and more specifically define the nature and extent of each risk's control improvement plan. This is subject to oversight as per the Tiger Brands' risk management policy, together with the risk assessment, its analysis, and its current controls.

While the group will accept risk to achieve its ambitions of being a market-leading, international, diversified FMCG company, there is a strong focus and aversion to risk in the areas of food safety, the delivery of quality products and loss of life.

Oversight

The design, implementation and operation of the risk and combined assurance arrangements are subject to quarterly oversight by the operational risk management committee, the risk and sustainability committee, and the board of directors. The first is a sub-committee of the group executive committee and includes group executive management, business unit management and corporate functional leads, while the other is a sub-committee of the board. Notwithstanding this oversight programme, the management teams of the various business units and group operations monitor and manage their risk profiles continuously.

MATERIAL RISKS AND OPPORTUNITIES CONTINUED

This active and continuous process of engagement with risks provides the basis for reporting into the quarterly risk oversight programme.

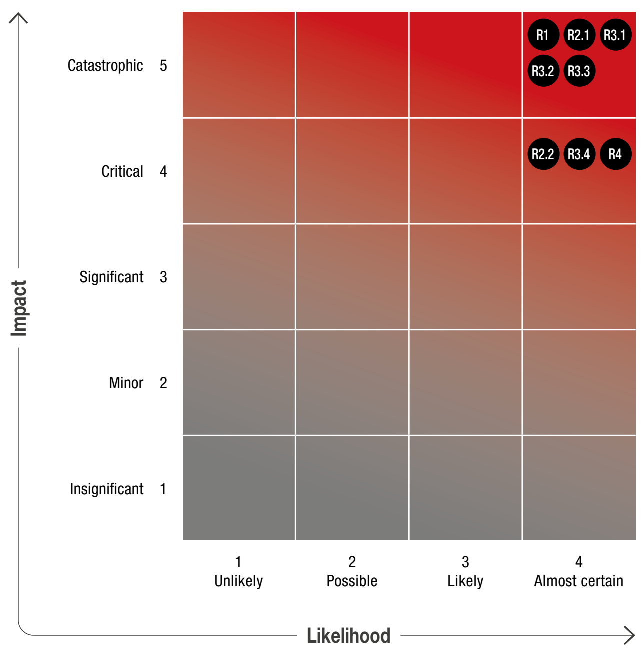
OUR TOP RISKS

Our material risks are those that exceed our residual tolerance level and are thus identified as having the most material implications for Tiger Brands and its employees.

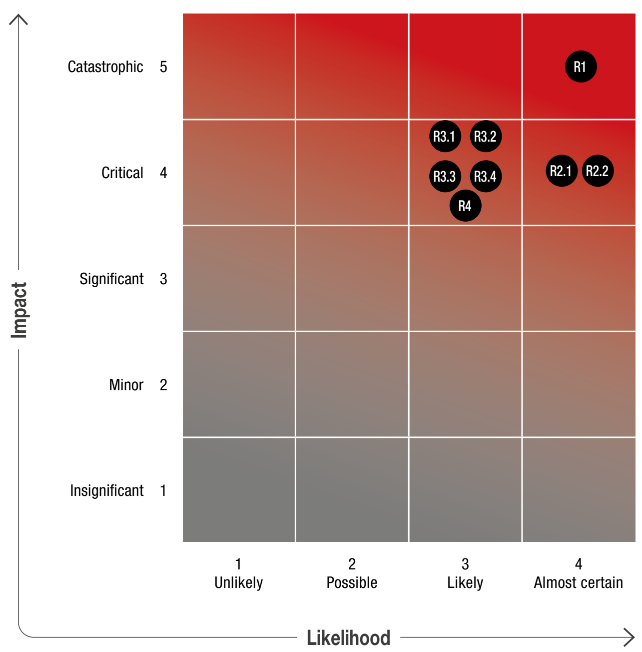
The heat map represents the inherent risk profile of our material risks. Without adequate remediation the risks are potentially a threat to the group as a going concern and thus merit management attention.

R1	Albany route-to-market
R2.1	Market responsiveness
R2.2	Cost competitiveness
R3.1	Food safety
R3.2	Cyber security
R3.3	Occupational Health and Safety (OHS)
R3.4	Industrial action
R4	Third-party supplier risk

INHERENT RISK MAP



RESIDUAL RISK MAP



Following management's intervention through various remediation programmes, some of which are still being implemented, the material risk profile shows a marked improvement, albeit still in need of further remediation.

The positioning of Albany route-to-market and cost competitiveness do not appear to improve on the back of implemented control processes, reflecting the company's cautious stance on these risks. Although we are confident in our response strategies, we are monitoring the effectiveness of control processes for clear evidence of improvement. Once evidence is apparent, the residual risk ratings for these risks will be reassessed. Similarly, market responsiveness shows a marginal improvement from inherent to residual level because of the dynamic and often uncontrollable nature of the market, together with the need to see tangible evidence of control effectiveness before reducing risk levels.

The following table briefly reviews the implications, mitigation measures, and the year-on-year trend in the risk rating, for each of our top risks.

1. ALBANY ROUTE-TO-MARKET

Attacks on Albany delivery vehicles carrying stock and cash

Risk trend ⇔
2021 Ranking (1)

Context and value impact

Tiger Brands' aversion to risks that threaten employee health and safety has resulted in this risk remaining our top risk, with incidents this year – including robbery, assault, and hijackings – remaining unacceptably high.

Mitigating actions

Our measures aim to reduce the occurrence of violent crime against drivers and include collaboration with law enforcement agencies and partners. We have also increased response effectiveness by implementing defensive driver and first aid training and using technology solutions to support rapid alert and response action. We have piloted a cashless solution and are assessing the viability of a broader roll-out of this solution.

2.1 MARKET RESPONSIVENESS

Inadequate response to changes in market dynamics (customer and consumer) and competition

Risk trend ⇔
2021 Ranking (2)

Context and value impact

Meeting and exceeding customer and consumer needs and wants is the lifeblood of our business. With consumer spending remaining depressed and competition high, this challenge remains material and threatens our market share, brand equity, profitability and distribution channels.

Mitigating actions

Our mitigations revolve around the following key themes:

- Collaborating with customers and researchers to better understand market needs and wants, while leveraging insights garnered by our own consumer insights division
- Ensuring that product and customer mix are optimal
- Maximising service levels to ensure product availability at location.

MATERIAL RISKS AND OPPORTUNITIES CONTINUED

2.2 COST COMPETITIVENESS

Decline in competitiveness due to higher input costs across the entire value chain, with specific reference to procurement, manufacturing, packaging and logistics, and corporate costs

Risk trend ⇧
New

Context and value impact

Our supply chain remains a central component of our ability to remain cost competitive. Its capacity and associated costs were adversely impacted by the resurgence of economic activity as the threat of Covid-19 subsided. Local electricity disruptions have exacerbated the need for alternative energy sources (such as diesel to run generators) that are often more expensive and not in line with Tiger Brands' environmental aspirations.

Mitigating actions

- Prioritising the availability of stock to ensure consistent service levels
- Maximising the efficiency of the logistics value chain
- Manufacturing optimisation to reduce material usage variances and improve overall plant efficiency
- Enhanced forecasting, renegotiating creditor terms and conditions and careful oversight

3.1 FOOD SAFETY

Harm to the consumer caused either by foodborne illnesses (food products), or undesired skin/body reactions (personal and home care products)

Risk trend ⇔
2021 No movement (Joint 3)

Context and value impact

Tiger Brands elected to split food safety and product quality risks to better manage the underlying drivers. Food products have inherent capacity to lead to health concerns for consumers and therefore remain at the forefront of management's attention given the company's risk averse stance when it comes to public health and safety.

Mitigating actions

The nature of food safety demands that we approach it in a scientific and systematic manner to ensure consistent and repeatable results. To this end we have implemented:

- Quality risk assessment and management protocols (including incident management processes)
- Rigorous accreditations processes
- Industry hygiene and quality standards and certifications
- Positive release protocols
- Operational monitoring and reporting processes
- Extensive and ongoing employee training programmes.

A key improvement initiative starting in FY23 is the roll-out of quality IT systems that will be phased in over three years.

3.2 CYBER SECURITY

Any risk of financial loss, disruption or damage to Tiger Brands' reputation due to failures of its information technology systems because of large-scale cyber security attacks

Risk trend ⇔
2021 No movement (Joint 3)

Context and value impact

Increasing interconnectivity, globalisation and "commercialisation" of cyber crime are driving greater frequency and severity of cyber incidents, including data breaches. This can compromise the confidentiality, integrity and availability of information and technology resources, lead to disclosure of commercially sensitive information, intellectual property and/or disruption to operations. In addition to non-compliance risks, the release of any personal information also has negative reputational and brand implications.

Mitigating actions

Our five-year cyber security roadmap is mitigating key risks identified through independent cyber assessments.

- Various core capabilities have been purchased and are being implemented
- Strong skill sets added to the team through vendor partnerships to ensure we are ready to respond to any cyber incident
- We are building capacity to ensure monthly reporting on our cyber security status; this is critical in ensuring continuous improvement and visibility in ensuring that identified gaps are addressed.

3.3 OCCUPATIONAL HEALTH AND SAFETY (OHS)

Failing to provide a safe working environment for our employees, contractors, and visitors

Risk trend ⇧
New

Context and value impact

Our direct involvement with the manufacturing of products creates an inherently dangerous environment. This risk was elevated on the back of lagging indicators, such as manufacturing lost-time injuries coming under pressure during the year. We are encouraged, however, by the improvement seen in our leading indicators, which include an increase in the number of safety risks and observations recorded as well as an improvement of the Safety, Security, Health and Environment (SSHE) pillar score at the Manufacturing Competitiveness Enhancement Programme (MCEP) sites. This underlying progress suggests that benefits emanating from our safety initiatives are coming to fruition.

Mitigating actions

Tiger Brands' comprehensive approach to OHS management aims to prevent incidents of injury and provide quality incident response capability. This is done through the operation of a group-wide safety programme, as well as ongoing assurance activities to validate the effectiveness of the control processes.

Key measures include:

- The Tiger Brands' OHS strategic framework
- MCEP SSHE pillar assessments and remediation actions
- Defined reporting and investigation protocols
- Health centres
- First responder training
- Medical emergency and business continuity plans.

MATERIAL RISKS AND OPPORTUNITIES CONTINUED

3.4 INDUSTRIAL ACTION

Deteriorating labour relations and associated disruption of our value chain

Risk trend ⇧
2021 Ranking (new)
Increase in the movement driven by wage negotiation cycles, as well as below inflation wage increases relative to the cost of living

Context and value impact

Within a context of labour-dependent manufacturing that is unionised the threat of industrial action remains prevalent, especially during wage negotiations. Failure to contain industrial action may lead to poor service levels, erosion of profitability and market share.

Mitigating actions

- Embedding an employee relations strategy that is geared towards creating labour stability and a great place to work
- Execution of employee engagement and shop floor development programmes
- Continuous review of our remuneration policies and practices to ensure competitiveness and relevance
- Business continuity plan

4 THIRD-PARTY SUPPLIER RISK

Failing to adequately manage risks associated with the following outsourced activities: manufacturing, and in-bound supply

Risk trend ⇧
2021 Ranking (new)

Context and value impact

Tiger Brands collaborates with various supply chain partners to deliver on its strategies. These suppliers provide raw materials, ingredients and packaging and in some instances, finished goods, which are subject to quality control processes outside of Tiger Brands' protocols. Failure to ensure adherence to Tiger Brands' specifications and standards may erode consumer satisfaction, profitability and brand equity.

Mitigating actions

Relationships with these suppliers and manufacturers are carefully contracted to maintain Tiger Brands' quality requirements and allow for performance management. Beyond contractual compliance, Tiger Brands also implements physical inspections upon delivery and, where appropriate, we obtain Certificates of Analysis. Finally, Supply Quality Assurance (SQA) audit programmes are rolled out to provide necessary assurances.

Retired risks

The impact of Covid-19 was retired from the risk profile this year. The South African government's move to an unrestricted social and commercial environment on the back of a marked decrease in severe cases of Covid-19 follows the broader international trend. On the back of this, the expectation of a return to lockdown conditions experienced during the last two years is lower and as a result this risk has been retired as a standalone risk. This does not imply, however, that it no longer represents a threat to Tiger Brands. The group remains vigilant to its effects and to the possibility that it may again develop into a material risk and has thus included pandemics as root causes for the materialisation of other risks. Our business continuity programme provides the foundation of our response to events of this nature.

Emerging risks

The company has identified several emerging risks, including climate change, the reliable supply of administered services such as water and electricity, and fuel shortages.

The physical and transition risks of climate change are particularly relevant to Tiger Brands' operations given its strong agricultural association. The risk retains its emerging status due to its size and complexity, making it difficult to describe and manage as a single risk. We continue to monitor climate change from a bottom-up and top-down perspective, identifying specific themes as their relationship with Tiger Brands become more apparent.

Water and electricity are similarly an important dependency in our manufacturing processes. We have largely addressed the unreliable supply of electricity by installing generators and concluding power purchase agreements to introduce solar power at four of our plants, an important step towards a broader rollout. This comes, however, at a significant cost. Access to reliable water supply to support our operations is an important emerging risk, impacted by changing rainfall patterns arising from climate change, as well as challenges relating to municipal water infrastructure in certain areas; this may affect the continuation of operations, production, product quality and food safety.

A related concern is fuel shortages. The increased reliance on generators to mitigate against loadshedding increases the use of fuel. In addition, fuel permeates the supply chain from inbound logistics, to manufacturing to channel distribution. Moreover, general market shortages will impact the cost of inputs as increased fuel prices impact inflation.

We are closely monitoring and managing these risks through normal risk management processes.

OUR STRATEGY

Tiger Brands is one of Africa's largest listed manufacturers of FMCG. Our core business is the manufacture, marketing and distribution of everyday branded food and beverages.

Our products are relevant across every meal occasion and are well-positioned to grow. The portfolio also includes leading brands in the home and personal care segments and we have a growing presence in Africa.

OUR PURPOSE IS TO NOURISH AND NURTURE MORE LIVES EVERYDAY.

DELIVERING ON OUR PURPOSE: OUR STRATEGY

BUILDING A GROWTH PIPELINE
- Innovation
- Optimising our product portfolio
- Winning at the point of purchase
- Growth in Africa
- Inorganic growth

MEETING THE NEEDS OF THE CONSUMER
- Value-conscious consumers
- Health and nutrition
- Snackification

OPTIMISING OUR SUPPLY CHAIN
- World-class manufacturing facilities
- Product quality and safety
- Procurement
- Logistics

BEING OBSESSED ABOUT COST SAVINGS AND EFFICIENCIES
- Unlocking costs and cash
- Digital transformation

IGNITING OUR PEOPLE
- Talent
- Leadership
- Great place to work

INVESTING IN A SUSTAINABLE FUTURE
- Health and nutrition
- Enhanced livelihoods
- Environmental stewardship

#1

BUILDING A GROWTH PIPELINE

To realise our ambition of building a growth pipeline through best-in-class category, channel, and customer strategies, we have been driving an innovation pipeline, optimising our product portfolio, winning at the point of purchase, and pursuing growth in Africa, while identifying opportunities for inorganic growth.

Delivering growth through innovation enablement

This year we stepped up our innovation efforts across the group, successfully completing 21 innovation projects across all our consumer growth areas, achieving a R1,1 billion (4,2%) innovation rate with a priority focus on value, health and nutrition, and snackification.

Although our performance fell slightly short of our internal ambitions for the year due to pipeline re-prioritisation, pleasingly we are now outperforming the market in terms of share of innovation. We measure our share of innovation against our market share to understand whether we are pulling our weight in driving category growth; this year we achieved a positive share of innovation, improving significantly from -17,1% in 2021 to +3,2%.

This year we developed an evolved Tiger commercialisation framework that enhances our existing process. As part of this, we have developed and rolled out a set of tools and guidelines to support innovation project leaders and team members by providing clarity and access to current best practices. We now have access to a single centralised commercialisation source (the Tiger Commercialisation iHub) that houses all information for project teams. We have made important progress this year in harnessing the value of various external partnerships and collaborations with universities and expert third-party suppliers that have been helping us to address technology gaps and drive speed to market. We have also been working with the Tiger Venture Capital Fund ↱ page 42 to supplement our own internal pipeline, accessing external innovators and ideas that may not yet be scalable or easy for us to build internally.

PERFORMANCE SUMMARY 2022

Positive developments

- Market-leading contribution of innovation to market share, following internal process improvements
- Fully staffed cross-functional R&D team
- Successfully migrated to performance-based trading terms across all customers
- General trade store roll-out and distribution on track
- Exit of UAC to open future Nigerian growth opportunities
- Stabilised Rest of Africa (RoA) base reflected in significant profit growth
- Developed good partner networks to facilitate potential M&A

Opportunities for improvement

- Accelerate initiatives to further improve customer service levels and stock availability
- Improve the robustness of our future innovation funnel, and further strengthen speed to market and commercialisation
- Scope to further improve our equity score in some of our Billion Rand Brands
- Appointment of new leadership for ROA to drive growth activities

Optimising our product portfolio

To deliver on our growth ambitions, we are continually evaluating and optimising our product portfolio. Using a structured approach, we have identified those categories with high attractiveness and competitive strength that should be invested in and grown, those where we will focus on improving profitability, and those to be evaluated for possible exit through a carefully structured process.

Informed by this assessment we see potential for further growth in Rice, Breakfast (Jungle), Snacks & Treats, Beverages, Home Care, Exports and International, including Chococam, with opportunities for enhanced profitability in Other Grains, particularly Baked Goods and Pasta, Groceries, and Flour. We are investing in product and process innovation, driving further process efficiencies, and/or expanding production capacity in these areas. In rationalising our portfolio, following a review of our forecast five-year performance against the stated portfolio objectives, we are continuing to review the status of the following business units over the medium term: Deciduous Fruit, Maize, Sorghum-based beverages and breakfast, and Personal Care.

Winning at the point of purchase

We are seeking to secure sustained growth and win at the point of purchase by delivering on our commitments in three broad focus areas, underpinned by optimising our sales force and people capabilities, and by improving our data and IT platforms. Our targeted focus areas are:

- Growing in new and existing channels – by improving channel segmentation, expanding our reach in general trade and forecourts, growing our e-commerce presence, and strengthening our position in neighbouring countries
- Ensuring best practice revenue management
- Delivering an impactful presence at the point of purchase through enhanced customer engagement and precision execution.

We have made pleasing progress this year in almost all these focus areas, delivering against most of our agreed success metrics, other than our performance in terms of general service levels, which was particularly impacted earlier in the year following various supply challenges that meant we were unable to meet customer demand.

On channel segmentation, we have been working to embed shopper-centricity into our segmentation of stores and our growth strategies to ensure greater customer alignment, more impactful trade execution and increased shopper conversion. Developing appropriate insight and understanding of broad shopper profiles is informing our shopper activation and store execution principles and plans, and ensuring more effective shopper messaging and campaigns, targeted pricing and promotions, and appropriate price and pack architecture.

Recognising the growing importance and contribution of the **informal market** to the total South African FMCG sector, and that this market is growing ahead of modern trade, we are pursuing various initiatives to expand our reach in this market (general trade), as well as in forecourts. Through our aggressive roll-out plan, we have targeted reaching 60 000 active spaza stores by 2024,

BUILDING A GROWTH PIPELINE CONTINUED

supported by a dedicated team of sales representatives, and delivery through three different distributions models. Since completing a baseline audit two years ago, we have already improved the availability of our targeted SKUs.

We believe that there is valuable growth potential in the **Hard Discounters** sector – those merchants with fewer SKUs, at lower prices driving hard deals on promotions – where we have traditionally been under-indexed. To realise these growth opportunities, we have developed differentiated price packs, targeted promotions and merchandising, and lower-cost route-to-market initiatives, and we have been pursuing partnerships on private label brands.

In response to the recent and anticipated rapid growth in the **e-commerce channel**, we have been driving various initiatives to raise our online presence and become the preferred supplier to prioritised e-commerce partners. We have made pleasing progress in our three targeted areas: increasing sales in "Bricks and Clicks" (such as Checkers Sixty60 and Pick n Pay ASAP) by building occasion-based cross-category promotions and ongoing brand activations; growing our online presence and conversion in "Pure Play" (such as Takealot and Yebo Fresh) by creating a "shop in a shop" for key categories, sponsored search, soft bundle promotions, and bulk deals; and delivering a reward-based mobile-first transactional food service ordering platform for "Out of Home", in partnership with key distributors. We have also been trialling our pilot online employee shop.

We have prioritised five clear levers within our **revenue management practices** aimed at ensuring that our product prices, placement and availability are properly aligned within each customer segment, based on an informed understanding of customers' perception of product value. We have refined our new pay-for-performance trading terms framework with clearer performance metrics aimed at incentivising strong customer performance aligned with our strategic growth drivers. To improve identification of profitable revenue growth opportunities, we have developed a comprehensive decision-making tool that connects disparate data sets to enable detailed analysis at an SKU and customer level. Revenue management principles have been embedded across the organisation.

To address the recognised recent challenges in terms of **customer service levels**, we have been working on various initiatives to improving customers' perception of their relationship with Tiger Brands to ensure that we are consistently rated as a top-three supplier. We will be deepening our direct relationship with customers by moving away from a single seller/single buyer relationship to a series of cross-functional and multi-level relationships. We are continuing to work more closely with customers to ensure greater alignment between our category strategies and customer strategies, as well as involving customers at an appropriate level in our innovation planning and to ensure more effective joint forecasting.

Driving growth in Africa

We have ambitious plans to deliver significant growth across Africa over the next four years, building on our current established presence across the continent. We have been targeting consumer-led category growth through carefully chosen brand investments and innovations in key categories, developing superior routes-to-markets, and investing in developing supply chain capacity, underpinned by strengthening core competencies across the region.

Realising opportunities for inorganic growth

Although our primary focus is to drive organic growth by delivering on the initiatives outlined above, we are continuing to explore alternative growth opportunities. These include specific opportunities that are core and/or near adjacencies to our current business and underpinned by clear consumer trends, while various participation options are being explored.

This year, we have taken a more deliberate approach to systematically identifying and discussing potential M&A opportunities through the creation of an operational investment committee, comprising the chief executive officer, chief financial officer, chief legal officer, and chief growth officers, with monthly meetings scheduled to maintain healthy pressure on the system. We have re-established our interest in M&A opportunities, both in South Africa and the rest of the continent, with key banking partners and advisers across these geographies, narrowing our categories of interest to those that can provide a credible and margin-accretive addition to the Tiger portfolio. Although we analysed several targets and opportunities this year, none were the ideal long-term fit.

#2

MEETING THE NEEDS OF CONSUMERS

We are driving various strategic initiatives to meet and beat the current and anticipated needs of consumers, delivering market-leading solutions for the value-conscious consumer, realising commercial opportunities in health and nutrition and snackification, and responding to significant changes in in-store and online shopping dynamics.

Meeting the needs of value-conscious consumers

In 2020, the board approved a value-trend strategy for the business with three strategic focus areas: driving our relevance in the value segment by highlighting the benefits of our current brands through marketing and communication best practice; meeting value-specific consumer needs through innovation and renovation; and identifying and delivering commercially viable opportunities to manufacture private label products to our benefit.

We have made some progress this year in each of these focus areas. In addition to ongoing value-led marketing campaigns, we have driven value-for-money innovations in certain categories to meet more affordable price points, including new value packs in beverages, canned food, and personal care categories. In response to growth in private label, we have been implementing our recently developed guidelines on engagement with customers in this regard, and although we have realised some specific private label manufacturing opportunities in categories where manufacturing capacity exists, the contribution to revenue remains small.

We have a clear pipeline of value-led innovations, including new value packs in groceries and beverages, and value offerings in groceries and beverages. Delivery of these innovations 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.

PERFORMANCE SUMMARY 2022

Positive developments

- 60% reduction in consumer complaints, reflecting our focus on quality
- New healthier product lines in the Snacks, Baby, and Beverages categories
- Material gains in volume market share over last two years
- 28 external marketing awards
- E-commerce gains beyond targeted levels and within 1-2% of matching total basket share
- Completed first venture capital investment in a future-focused foods space

Opportunities for improvement

- Recall of certain baby powder products
- Scope to deepen use of big data analytics and further entrench consumer insights into our response

MEETING THE NEEDS OF CONSUMERS CONTINUED

TIGER BRANDS' VENTURE CAPITAL FUND – FIRST INVESTMENT IN PLANT-BASED AND VEGAN COMPANY

Our R100 million Venture Capital Fund was set up in mid-2021 to support up-and-coming consumer brands in the food and beverage sector. This forms an important part of our strategy to stay ahead of the curve in terms of key consumer trends, to ensure that we are better able to address the evolving needs of our consumers, and to give us access to exciting new developments in emerging brands and technologies. The fund's first investment, made in March 2022, was in Herbivore Earthfoods, a company founded in 2014 with the goal of making healthy, plant-based foods accessible and affordable in South Africa. Through our investment in Herbivore Earthfoods – which includes financial capital, as well as support in the form of distribution, brand building, and research and development – we are partnering with the company to provide the necessary scale to make plant-based foods more accessible for the South African consumer.

Since our investment, Herbivore has acquired additional machinery to increase capacity and drive innovation, with their recently launched crumbed range and additional dairy-free offerings gaining traction. The partnership with Tiger Brands has enabled the company's first foray into the food service and quick service restaurant market, leveraging the strategic expertise of our out-of-home team.

The Venture Capital Fund has a strong pipeline of opportunities which are in the process of being evaluated, particularly within health and nutrition and snackification.

Realising commercial opportunities in health and nutrition

As Africa's largest food company, our health and nutrition agenda is integral to our corporate purpose of nourishing and nurturing more lives every day. In addition to the broader moral imperative of driving positive change on health and nutrition, we believe that there are valuable opportunities for business growth in leading this agenda in South Africa and across the continent. We are looking to realise these commercial opportunities through our health and nutrition strategy, which remains particularly relevant given the state of nutrition in South Africa, as well as pending labelling and marketing regulations.

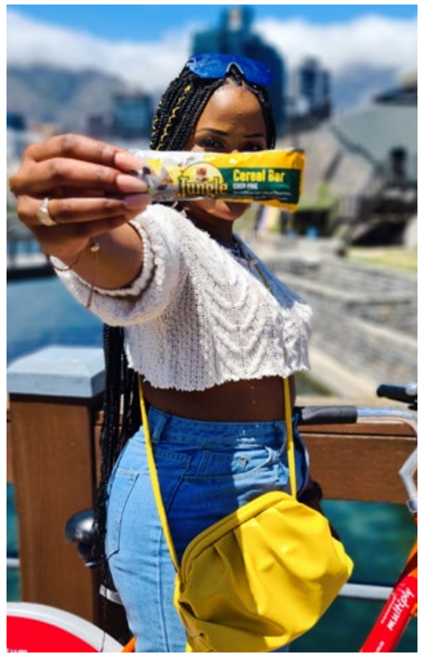
The strategy, which has been in place for more than two years, includes four key focus areas:

› *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 continued to make progress this year in delivering on this strategy, launching new healthy product lines in the Snacks, Baby, and Beverages categories, including a lower calorie Energade beverages product, and a new healthy snack offering. We have also continued the rollout of clear and simple consumer-relevant health claims on various brands. Our innovation pipeline includes lower-sugar, lower-calorie beverages and grocery products, new protein power offerings, and health-led innovations in cereals, pasta and beverages.

Responding to the snackification trend

Our ongoing research confirms that snacking trends continue to gain momentum in South Africa. Initially led by younger consumers, this trend is now apparent across all consumer age groups. We continue to drive innovation and communication to capitalise on this trend through our snackification strategy that lays out our areas of focus over the next five years. We will be exploring multiple options to drive gains in this space including through inorganic growth and potentially some licensing deals. Innovation remains at the heart of our strategic focus; we will continue to drive innovative launches, including Tastic Rice Chips and ready-to-eat cereal snacks, which build on the successes of recent launches such as Black Cat into the count-line bars and slabs product categories. In launching new products we are spending equal effort in developing robust pipelines to enter existing and adjacent categories, aligned to our core and emerging capabilities. We have built an improved go-to-market capability that is being continually refined to meet changing market demands and consumer preferences.



#3

OPTIMISING OUR SUPPLY CHAIN

We have maintained a particular focus this year on further strengthening our product quality and food safety practices, stabilising operational performance in our supply chain, and implementing clear processes to boost productivity, efficiencies, and workplace safety. In addition to upgrading some of our factories and investing in renewable energy, we have continued to seek opportunities to deliver value from our procurement and logistics activities.

Developing world-class manufacturing facilities

Investing in excellence in our manufacturing operations is a critical foundation for Tiger Brands' success. Through our operations support strategy and capex programme, we are striving to build agile, fit-for-purpose operations that deliver continuous improvement in productivity as efficiently and safely as possible, ensuring product quality and enhanced environmental performance. We are placing a particular focus on implementing and progressing manufacturing excellence custom and practice (MECP) across all our plants, prioritising our activities this year on ten sites with the greatest need for improvement. Our investment in plant and equipment is supported by investment in competency-based training, talent attraction and retention, and building a pipeline through management trainees and apprentices.

This year, our capital expenditure amounted to R961 million, covering numerous projects aimed at expanding capacity, optimising efficiency, replacing ageing equipment, upgrading infrastructure, ensuring compliance, and realising innovation opportunities. Specific projects included the multi-year investment in the relocation and upgrading of our peanut butter plant, improving reliability at our pasta facility, improvement in aerosol lines within Personal Care, and various automation and digitalisation initiatives across our categories. In August 2022, we signed a power purchase agreement with an independent power producer to introduce solar power at four of our sites, with solar power generation expected to come on line at all of these sites by March 2023. This forms an important step towards our goal of sourcing 65% of our manufacturing electricity requirements from renewable energy by 2030.

PERFORMANCE SUMMARY 2022

Positive developments

- 9% improvement in OEE across our focus sites over past three years
- Achieved R354 million in savings through improved MUV over the past three years
- Stabilised logistics infrastructure for next three years, generating significant savings
- Approved capex projects managed within time and on-budget
- Four rooftop solar systems, strengthening energy security and reducing GHG emissions
- Definitive plans for automation rollout across six sites

Opportunities for improvement

- Further strengthening our occupational safety measures
- Meet lost-time injury frequency rate (LTIFR) targets
- Productivity improvements to match or exceed our OEE improvements

OPTIMISING OUR SUPPLY CHAIN CONTINUED

Our investment in plant and equipment is supported by investment in safety performance, competency-based training, talent attraction and retention, and building a pipeline through management trainees and apprentices. Capital expenditure of R1,6 billion has been earmarked for FY23, of which R403 million has already received the prerequisite approvals. These investments are underpinned by replacement and maintenance aimed at optimising efficiencies and realising innovation opportunities while supporting our commitment to health and safety compliance. The most significant projects include the relocation and upgrade of our peanut butter plant, upgrade to the aerosol canning line, a new oats flaking plant and structural improvements at the Sorghum facility.

The focus at the ten priority plants is to sustain the momentum of achieving improvements in OEE, with a clear focus placed on safety performance, entrenching MECP practices, filling priority vacancies and developing competencies and ensuring effective maintenance practices. It is pleasing to report that we have achieved a 9% improvement in OEE across our focus sites over the past three years, with Tiger Brands now inside the "Best in Class" definition area for overall OEE. In addition, over the same period, we have achieved R354 million in savings through MUV.

Despite our various occupational safety training, assessment and auditing initiatives, it has been a disappointing year in terms of safety performance, with the tragic fatality of one Albany driver and two contractors reflecting a broader increase in employee injuries with our lost-time injury frequency rate (LTIFR) of 0,45. This year we have improved our internal safety monitoring and reporting process, and changed our methodology for calculating LTIFR to ensure greater consistency with our peers for benchmarking and assessment purposes.

Embedding a product quality approach

Although we have continued to make progress this year in embedding a strong quality culture, supported by qualified people and robust integrated management systems, we recognise that more still needs to be done in our drive to ensure world class product quality and consumer safety practices.

Our overall quality performance improved significantly this year, with a 14% reduction in consumer complaints. This progress, off the back of significant improvements in the prior year, was unfortunately overshadowed by a recall of certain baby powder products. The recall was instituted as a precautionary measure in the best interests of consumers after trace levels of asbestos were detected in test samples from a batch of pharmaceutical-grade talc powder used as a raw material in the production of our baby talc powder products. The trace levels of asbestos detected in the test samples were so low that it could not be quantified by the standardised testing methodology used. We have undertaken a root cause analysis and are implementing various corrective actions.

Last year we introduced a new supplier quality assurance (SQA) protocol – informed by a detailed supplier, raw material, and packaging risk matrix – as part of a structured process to strengthen the management of our supplier quality assurance. We introduced a more robust supplier audit programme and have been working with suppliers to proactively identify and address areas of potential risk. We have prioritised a number of suppliers and third-party manufacturers to be physically audited next year, based on an assessment of potential risks.

In our own operations, we have ensured that HACCP risk and control measures are in place across our facilities. We have identified high-risk areas and implemented the necessary critical control measures, introducing new automation and in-line inspection technologies where needed, and validating our quality testing, sanitation and finished good release protocols. We are continuing to conduct quarterly self-assessments against the Global Food Safety Initiative (GFSI) requirements, as well as self-assessments against Tiger Brands' quality standards. All but three of our manufacturing units are certified to the global FSSC 22000 standard, a GFSI-recognised food safety certification scheme; the three remaining units are currently on HACCP certification and will progress to FSSC 22000 certification next year. All 23 of our external warehouse facilities (Tiger Brands facilities and third-party warehouses) were externally audited this year and certified against the Brand Reputation through Compliance (BRCGS) Global Standard for Storage and Distribution.

Tiger Brands has been a member of the European Hygiene Engineering and Design Group (EHEDG) since 2019 and we use their detailed guidelines and expertise to enable best practice across our operations on hygienic design and food quality safety. We also renewed our sponsorship of the Centre for Food Safety, an applied food-science research consortium at Stellenbosch University that works with the food industry and other stakeholders on food safety challenges. Our teams have continued to benefit from the centre's valuable technical support and advice on food safety and microbiological risk assessments.

Enhancing the centralised procurement capability

This has been a challenging year for procurement, with continuing global supply chain constraints and increasing inflationary pressures resulting in the procurement team having to focus all its efforts on securing supply rather than unlocking new value. Together with the need to adequately resource the team, these challenges have hampered our ability to deliver on our ambition of transitioning to a world-leading procurement function that drives an improved bottom-line and serves as a key source of competitive advantage for the group.

Globally we have seen some significant changes in corporate procurement priorities in recent years. While cost savings remains the strongest priority, there has been a heightened focus on supplier risk management and ensuring strong ESG/sustainability practices across the supply chain, with issues around digitisation, talent management, and innovation also gaining importance.

Within this context, we have been working over the past few years to centralise our procurement function into a single hub that manages the strategic sourcing of major spend items – such as ingredients and fresh produce, packaging, and logistics – as cost effectively as possible, leveraging scale both internally and externally with the aim of establishing the group as a price maker and not a price taker.

We recognise that much needs to be done if we are to match the procurement performance of leading local and global peers. We believe there is an opportunity to unlock value of around R500 million within the next two years, if we strengthen our core procurement capabilities, complete the realignment of our centralised operating model, and ensure priority investment in the right digital tools and technology. We are working to redefine our governance and processes to significantly increase capacity, using digital tools to drive a step-change in operational efficiencies, risk remediation and improved sourcing effectiveness. We will be strengthening the commonality of processes – such as category management, supplier management and operating process – centralising our investment in talent, and ensuring more effective collaboration with our business units to optimise costs and drive growth.

Transforming our logistics activities

Last year we launched an ambitious logistics transformation programme aimed at positioning the logistics function as an important source of strategic advantage, realising significant costs savings and improving overall efficiencies. This programme covers 12 broad focus areas and several individual projects with the goal of developing a function that is self-sufficient and agile, where we have full ownership of the intellectual property and data, as well as improved overall visibility and management of the logistics process, delivering a significant reduction percentage in logistics costs.

Through this initiative we have brought in a new warehouse management system that has already been implemented at one of our warehouses, with implementation imminent at other sites next year. We are currently reorganising our customer support centre, which will start operations in March 2023. We have introduced a pallet optimisation initiative at some of our facilities, which is expected to yield material savings in transport costs as soon as next year; the business case for additional opportunities is being assessed in other operations for potential launch next year. The first phase of a project to improve the management of logistics providers, and integrate forecasting with replenishment planning, has been completed. We are confident that these various initiatives will deliver significant savings by getting the basics right, ensuring full ownership of intellectual property and data, freeing us from potential hold-ups by service providers, and improving overall visibility and management of the logistics process.

#4

BEING OBSESSED ABOUT COST SAVINGS AND EFFICIENCY

We have realised R387 million in savings this year, reflecting our drive in instilling a culture of cost savings.

Unlocking costs and cash

In 2020 we introduced a culture-change initiative aimed at ensuring a more systemic group-wide approach to driving efficiencies across the business, and to enhancing the quantity and quality of projects that are being identified and tracked. As part of this initiative, we introduced clear process steps from identification to realisation of savings, improved internal transparency and strengthened our accountability measures to ensure appropriate ownership of expenses. We have set up revenue management capabilities to help us identify cost savings and efficiencies and to create a pipeline of opportunities across the business units, and we prioritised the need to improve our SKU rationalisation by developing an accurate product costing model informed by activity-based costing.

We have made further progress this year in embedding this cost-savings culture across the group, delivering R387 million in savings, short of our target for the year due to inflationary pressure in procurement. Our revised accountability matrix is helping to ensure greater ownership in delivering the targeted savings, creating a healthy tension between cost owners and business owners, aided by introducing appropriate incentive structures to drive performance and ownership.

We have been further strengthening our central revenue management capability within each of our business units, delivering positive results in Groceries, Beverages, and Snacks & Treats. Our new trading terms, designed to provide stronger pay-for-performance incentives and ensure compliance with new legislation, are showing encouraging signs of delivering results. We have continued to deliver valuable costs savings and reduce complexity through further portfolio optimisation and SKU rationalisation, primarily in Groceries, Snacks & Treats, and Beverages.

PERFORMANCE SUMMARY 2022

Positive developments

- R1,4 billion in cost savings realised over the last three years
- Rejuvenated costs savings culture with launch of Every Tiger Counts initiative
- Revenue management initiatives implemented, delivering R300 million cumulative benefit since inception
- Digitalisation strategy in-place and driving decisions
- IT spend moves closer to benchmark levels and delivering on commitments

Opportunities for improvement

- Strengthen the procurement function and position as a competitive advantage
- Continue to deepen our cost-efficiency culture change

Delivering digital transformation

Delivering digital optimisation, and providing integrated IT and information solutions, is an increasingly significant source of competitive advantage and critical to realising our vision of developing an effective, best-in-class supply chain. We have completed the development and approval of a comprehensive digital strategy that defines the key areas of focus for the business and serves as a comprehensive framework and roadmap for our business initiatives over the coming years. Through this process we have a clear view of the required initiatives and a process for prioritising them, while ensuring that the initiatives all align to deliver business value across the enterprise.

Thus far our technology investments have focused on five key areas: operational efficiency, automation, data and analytics, revenue optimisation, and security. Our new customer service and logistics centre programme has enabled more accurate stock transfers, while our pallet-tracking solution has improved traceability throughout the order to deliver process. We have delivered efficiency improvements by reducing the number of systems used for the financial close process, as well as through automatic account reconciliation, and we have strengthened our revenue management and growth decisions through improved analytics on our customer and sales data. Deployment of the recently introduced distribution requirements planning system has improved accuracy and efficiency in allocating stock across our warehouse distribution network and reduced dependency on external service providers.

Looking ahead, we have approved new projects to improve operational efficiency and increase automation across the supply chain including warehouse management; demand planning and forecasting; safety, security, and environmental management; food quality monitoring and reporting; integrated budgeting and reporting and forecasting capability; and procurement operations management.

#5

IGNITING OUR PEOPLE

For Tiger Brands to perform, innovate and grow, the "Future-fit Tiger" employee must be consumer obsessed, an excellent executor, collaborative, agile, innovative and resilient, centred by our purpose, values and winning behaviours.

Our people strategy is designed to ignite a culture of consumer obsession, agility, and a risk-embracing growth mindset that will accelerate innovation and enable us to win in the market. Through our three strategic pillars of talent, leadership and great place to work, we are building a diverse talent base, developing leadership capability, and creating a work environment that liberates people to focus on the consumer, and deliver on our purpose.

Building a diverse talent pipeline

Over the last three years we have built a strong foundation for our talent management process across the organisation, identifying the critical commercial and technical capabilities needed to execute our strategic agenda and improving our internal rate of leadership appointments to above 40%, up from 20% in 2018. Unfortunately, as with many of our peers locally and internationally, our talent management efforts have been impacted by higher post-Covid-19 attrition rates, compounded in South Africa by a general skills shortage in some technical areas critical to our business. This year, our attrition rate in key technical roles and at senior leadership levels averaged 13%, down from a peak of around 17% over the prior two years, and below the South African average of 16%. This challenging attrition rate, together with the internal moves that we have accelerated over the last three years, has seen us depleting our talent pipeline in middle to senior leadership levels, necessitating an urgent focus on talent acquisition from external sources and a renewed focus on developing capabilities internally.

We have taken various actions to address these challenges, creating a talent acquisition hub in March 2022 to accelerate targeted resourcing and talent pipeline building for the whole organisation, with a focus on critical roles. We have undertaken targeted engagements across the business, implementing learning plans to address core competencies, strengthening proactive career development opportunities through targeted programmes such as our WINGS accelerated development programme and refreshed learning academies, and refining our reward and recognition strategy to attract and retain high calibre talent and motivate winning performance. More specifically, the remuneration committee approved once-off retention awards for Exco members (excluding the CEO) to manage the retention of Exco members, which is imperative to the stability of our strategic and operational support teams. Although our efforts have started to yield positive results, the sourcing of critical skills remains a top priority. To fill roles more quickly, we have widened our talent mapping and sourcing efforts beyond our immediate peers in the sector, particularly at senior management levels.

PERFORMANCE SUMMARY 2022

Positive developments

- 40% leadership vacancies filled internally to date against our target of 50%
- Accelerated core capability in manufacturing, customer, marketing and R&D
- Launched an accelerated leadership development programme to improve succession planning
- Further improvements in diversity metrics
- Voice of Tiger employee engagement process informing actions to improve culture and engagement

Opportunities for improvement

- Industrial action at two of our facilities including a prolonged strike at Snacks & Treats
- Filling of vacancies and developing bench-strength
- Deepen commercial capability of the marketing team
- Reduce senior management attrition rate

Learning and development

Our foundational talent development programmes for each employee segment are designed to ensure the steady development of capabilities needed to drive performance now and fill our talent pipelines for the future. We have refreshed our learning academies this year, focusing on Supply Chain, Marketing, Customer, Bakeries and R&D, and accelerating the focus of the academies toward developing identified fit-for-purpose capabilities. We have taken advantage of the opportunities presented by remote-working arrangements to embed the use of just-in-time digital learning to accelerate the integration of learning into day-to-day work across the organisation. This year, we spent R97 million on learning and development across all sites and businesses. We had a total of 278 employed learners and 96 unemployed learners actively participating in accredited skills development interventions, such as learnerships, apprenticeships and internships. In addition, 34 people with disability learnership candidates joined our organisation to further build our talent pipeline and address our diversity, inclusion and transformation objective.

Diversity and inclusion

We are continuing to execute our diversity strategy to strengthen African, Coloured and Indian (ACI) representation in our workforce, champion women in the workplace, and make progress with the inclusion of people with disabilities. In 2022, 94% of our workforce is ACI, and on average 81% of internal leadership placements were filled by ACI employees. The representation of ACI employees at management level is 65% in middle management, 58% in senior management, and 60% in top management. Our management trainee intake in 2022 was 100% ACI. Our gender equity agenda is addressed through various targeted talent and leadership development programmes, while the Tiger Women's Network provides a forum for female employees to network, dialogue and have access to tailored mentorship, coaching and development opportunities. We have integrated dialogues about unconscious bias into our leadership development programmes and culture transformation engagements. In 2022, 31% of our workforce is female, with female representation at management level being 41% in middle management, 42% in senior management, and 30% in top management. Our management trainee intake in the last year was 66% female.

Developing leadership capability

We have a longstanding focus on developing leadership capabilities across the organisation to drive performance, support the wellbeing of employees, and lead the transformation of our culture. This year, to further accelerate the building of leadership succession pipelines, we have established and are piloting a high potential accelerated development programme (WINGS), for internal and external talent, that will enable us to rotate key talent across our businesses and prepare them at a faster rate for key leadership positions. This programme is open for internal and external talent, and our first cohort of WINGS delegates are participating in the programme. Our existing flagship leadership development programmes, Game Changer and LIFT, remain effective at embedding core leadership competencies, and work well in combination with mentorship and coaching through our Leader-as-Coach programme. This year, 92 employees participated in the LIFT programme, and 46 completed the Game Changer programme.

We measure the progress of our leaders using a 360° MultiRater feedback platform that captures feedback on their ability and behaviours directly from their teams, peers and line-leaders. Our targeted leadership rotations are designed to strengthen our leadership pipeline and stimulate innovation and a growth mindset across our leadership talent pool.

Looking ahead, we will continue executing our future-fit leadership development programmes and rotations to strengthen our leadership pipeline, as well as to stimulate innovation and a growth mindset across our talent pool.

Creating a great place to work

Transforming our culture and creating a great place to work remains a critical focus for the organisation. The culture we aspire to has been clearly articulated – agile, innovative, collaborative and execution-focused – and our culture transformation roadmap guides us towards realising this vision.

Our Voice of Tiger (VoT) employee experience and engagement survey is a key tool that informs the work of transforming our culture. Our last VoT survey was conducted in November 2021, and our activities this year were focused on addressing the key employee engagement opportunities identified. Employee participation in the survey remained at

IGNITING OUR PEOPLE CONTINUED

73%, with the overall employee engagement score declining slightly from 70 to 66, in line with global trends. This indicates a generally positive work experience among employees, yet with definite room for improvement. We will conduct the next VoT survey in November 2022 to gauge our progress, and inform further actions in 2023.

Employee wellbeing

The Covid-19 pandemic has fundamentally reshaped the employer-employee relationship, with acknowledgement and respect for the unique lives and experiences of different employees becoming critical to success. We have further humanised the employee-employer relationship in ways that are starting to unlock value through increased performance, engagement and talent market attractiveness. We have embraced hybrid and flexible work arrangements to meet the need of employees for personalised work conditions and autonomy in choosing where and when they work. Our employee wellbeing programme, THRIVE, is playing a critical role in enabling our people and their families to seek help, find safety and support, and build the resilience needed to navigate work-life integration issues, and address physical, emotional and mental-health challenges.

Reward and recognition

We reward winning employee performance to motivate excellence and enhance our ability to attract, develop and retain high-calibre talent. We review and refine our reward and recognition strategy annually to stimulate performance, align with market benchmarks, and meet the interests of our employees and shareholders. We reward performance fairly and responsibly, in accordance with the reward philosophy outlined in our remuneration policy, and in alignment with International Labour Organization (ILO) conventions and relevant national legislation.

Our remuneration strategy is aligned with the key performance indicators (KPIs) used to measure and reward performance against our strategy. Our reward framework follows a "total reward" approach, consisting of guaranteed pay and variable pay, and a range of market-relevant benefits and professional growth opportunities that recognise individual and team performance. Our short-term incentive (STI) scorecard has been revised to strike a better balance between a focus on financial and non-financial strategic aspects of performance. Remuneration incentives are indirectly linked to sustainability performance via weighted measures for achieving strategic objectives in efficiency, quality and safety. Further details are provided in our remuneration report on pages 75 and 76.

In recent years, the rewards issued to employees through our LTI and STI schemes have been less attractive due to lower levels of business performance and the impact of Covid-19. However, this has started to change in the last two years, as business performance has started to improve. Eligible employees received STI payments in 2021, and will receive further payments in 2022 based on the achievement of performance KPIs. Our in-person employee recognition ceremonies and channels also took a hit as Covid-19 kept employees at home and away from the office. Our refreshed recognition platform, Tiger Stripes, has reinvigorated the practice of giving regular recognition for a job well done. These incremental votes of recognition, culminate in our annual Tiger Stripes Awards ceremony.

Employee relations

We aim to build and maintain meaningful collaborative relationships with employees and representative trade unions. Our employee relations partnership framework guides our approach, and we work continuously through direct engagements and site partnership forums to maintain a stable employee relations environment across all our sites. Our CEO and executive team are involved in employee relations engagements on strategic issues, including engagements with trade union partners. We align and comply with all labour-related legislation and ILO conventions relevant to the countries where we operate.

In 2022, we invigorated more regular engagements between site leaders, staff and union partners on matters of mutual interest. Our intention is for increased interaction to support relationship building, and thereby help us address challenges more proactively together before they become disruptive conflicts. We have improved our management of non-compliant overtime, and we have seen a reduction of cases across our sites. There have been no instances of non-compliance with labour standards.

This year, we successfully concluded 27 planned site negotiations without industrial action. Regrettably, we experienced one protected strike at our Snack & Treats site in the first quarter due to a wage dispute. The strike commenced on 8 November 2021 and employees returned to work on 20 December 2021, with a total of 279 079 manhours lost. Our efforts to stabilise the situation at this site are starting to yield positive results, and we are leveraging the recent challenge as an opportunity to build a stronger relationship with our employees going forward.

#6

INVESTING IN A SUSTAINABLE FUTURE

Our sustainable future strategy supports delivery on our core purpose, communicates our forward-looking approach to sustainability, and orients the business towards improved environmental, social and governance (ESG) performance.

The strategy articulates our societal value-proposition and reflects our commitment to addressing our most material impacts and to creating broader social, economic and environmental value.

The strategy comprises three clear focus areas: health and nutrition; enhanced livelihoods; and environmental stewardship. Our commitments under these pillars drive the pursuit of commercial opportunities in health and nutrition, the systematic transformation of our supply chain to promote more inclusive economic development, and the adoption of environmentally responsible production practices. These goal areas are underpinned by a set of critical anchors, relating to the following areas: food safety and quality; ethical supply chain practices; safety, health and environment; responsible marketing; and transparency, partnerships and stakeholder responsiveness.

INVESTING IN A SUSTAINABLE FUTURE CONTINUED

Health and nutrition

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.

2030 targets

- Empowering Good Nutrition choices for 100 million African consumers annually
- 75% of our food basket meeting EWLW standards

OUR 2022 PERFORMANCE

More nutritious products

- Various new nutritious and affordable product innovations launched
- Micronutrient enrichment across >30% of portfolio
- Product lifecycle management system baseline launched

Nutritional standards

- Introduced three-tier nutritional categorisation of our products

Consumer health awareness

- R76 million spent on marketing health and nutrition products; 10,2% of total marketing spend
- KOO TV show promoting fruit and vegetable consumption continued for second season
- R3,3 million EWLW spend

Food labelling

- 100% adherence to EWLW and Be-Nutrient-Wise standards
- Continue to support clean-label pouches through new Purity fruit products

Nutrition-led CSI

- Initiated Isondlo, a R42 million nutrition programme supporting 10 000 food-insecure children (five years of age and younger) and their families, with monthly food hamper for nine months
- Tiger Brands Foundation serves its 100 millionth meal

Enhanced livelihoods

OUR COMMITMENTS AND KEY ACTIONS

We will improve 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.

2030 targets

- Create 4 000 new jobs
- Support 1 000 black enterprises and 20 community enterprises
- ESD fund of R400 million through partnerships
- 50% of total procurement spend on black and black women-owned suppliers
- 100% of products ethically sourced

OUR 2022 PERFORMANCE

Enterprise supplier development

- R104 million ESD (Dipuno) Fund (2021: R85 million)
- 67 farmers supported under aggregator model
- 271 permanent jobs created in small-scale farming sector
- R54 million spend on agricultural projects

Preferential procurement (PP)

- R14 billion spend with B-BBEE-verified suppliers (2021: R14 billion)
- R7 billion spend with black-owned enterprises (2021: R5 billion)
- R5 billion spend with black women-owned enterprises (2021: R4 billion)

Broad-based black economic empowerment (B-BBEE)

- B-BBEE Level 2 (2021: Level 2)

Socio-economic development

- R26 million total SED spend (2021: R23 million)
- 58 048 reached through Family Food programme
- 300+ schools reached through EduPlant

Environmental stewardship

OUR COMMITMENTS AND KEY ACTIONS

We will improve 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 emissions. We are exploring opportunities for circular economy initiatives that stimulate sustainable economic opportunities, as well as leveraging our brand and marketing to inspire positive behaviour change in consumers.

2030 targets

- 65% of electrical energy at manufacturing sites from renewable sources
- Energy and water intensity reduced by 30%
- 45% reduction in GHG emissions (scope 1 and 2)
- Zero waste to landfill at all sites
- 50% reduction in food waste produced
- 100% of plastic packaging is recyclable/compostable
- Total plastic packaging (volume) to contain at least 50% recycled plastic

OUR 2022 PERFORMANCE

Climate and energy

- 13% (YoY) reduction in absolute direct (scope 1) GHG emissions
- 13% (YoY) reduction in GHG emissions intensity
- 7% (YoY) reduction in absolute energy use
- 8% (YoY) reduction in electrical energy intensity

Water

- 8% (YoY) reduction in absolute water use
- 7% (YoY) reduction in water-use intensity

Waste

- Waste reduction projects at site level, diverting organic waste from landfill to animal feed
- 32% (YoY) reduction in waste to landfill intensity
- 70% of plastic packaging is recyclable
- Working through CGCSA on industry food-waste reduction framework

CRITICAL ANCHORS

Safety and health

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.

Food safety and quality

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.

Purpose-led culture

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 a 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 2022 PERFORMANCE

Food safety and quality

- Proactively recalled baby powder products
- 14% reduction in consumer complaints (2021: 25%)
- All sites manufacturing sites certified against FSSC 22000 or HACCP
- Completed external audits for all warehouse facilities

Safety

- Three fatalities (2021: Zero)
- 0,45 lost-time injury frequency rate (LTIFR) (2021: 0,31)
- 80 route-to-market incidents (2021: 106)

Creating a great place to work

- 73% employee participation rate in VoT survey
- Employee engagement score of 66 is in line with global trends

Diverse talent

- 31% female workforce (2021: 31%)
- 84% ACI in junior management and 60% at top management (2021: 63% junior and top management)

For more detailed disclosure on our sustainability and ESG performance, please see the Tiger Brands sustainability report 2022, available at:

www.tigerbrands.com/sustainability/reporting

CHIEF FINANCIAL OFFICER'S REVIEW

DEEPA SITA CHIEF FINANCIAL OFFICER

The year under review can be characterised as a year of two halves. The first half was impacted by a lag in recovering unprecedented and unanticipated levels of cost inflation. This was compounded by certain supply constraints as a consequence of global and local supply chain challenges and industrial action at Snacks & Treats and Bakeries. The second half performance, despite a continuation of the cost and supply challenges, exacerbated by prolonged periods of loadshedding, reflects the effective implementation of category specific margin recovery initiatives, as well as the execution of specific initiatives in Bakeries, Snacks & Treats and Exports. In addition, the Deciduous Fruit business benefited from improved global fruit pricing and a weaker exchange rate.

TOTAL REVENUE FROM CONTINUING OPERATIONS INCREASED BY 10% TO R34,0 BILLION, DRIVEN BY PRICE INFLATION OF 11% AND A MARGINAL OVERALL VOLUME DECLINE OF 1%.

Volume growth in Exports and International was offset by volume declines in the Domestic Business, primarily attributable to Milling and Baking, Snacks & Treats, and Baby, as well as Home and Personal Care. These volume declines were partially offset by good volume growth in Rice, Beverages, Groceries, and Out of Home.

Although slightly lower than previously guided, cost-saving initiatives and supply chain efficiencies continued to make a positive contribution to the results. Together with further progress in revenue management, this resulted in the overall gross margin being maintained at to 30,3% relative to the prior year (excluding the impact of the product recall and civil unrest). Group operating income (before impairments and non-operational items) increased by 53% to R3,4 billion. Operating income for the current period includes insurance proceeds of R52 million in respect of last year's product recall and R166 million in respect of the civil unrest, which occurred in July 2021. Last year, the group's operating income was impacted by once-off costs related to the product recall (R647 million) and civil unrest (R85 million). Excluding the pre-tax impact of these costs as well as the benefit in the current period of the insurance proceeds as referred to above, operating income increased by 10% compared to the prior year whilst group operating margin remained unchanged at 9,6%.

Income from associates increased by 38% to R478 million. Good underlying trading performances from Carozzi and National Foods were augmented by a profit on disposal of an associate investment in National Foods and favourable currency translation gains at Carozzi.

Net financing costs for the year amounted to R75 million compared to R54 million last year. This was due to higher average debt levels and higher interest rates compared to the prior year. Debt during the year was impacted by higher raw material inventory levels and the impact of the share buy-back programme. A net foreign exchange gain of R46 million resulted from the translation, in the current year, of foreign currency cash balances at a weaker average exchange rate, while last year there was a net foreign exchange loss of R9 million due to the strengthening of the rand against major currencies.

The group's effective tax rate before impairments, fair value losses, non-operational items and income from associates, increased slightly to 29,4% from 29,1% last year.

The share buy-back programme amounting to approximately R1,5 billion, which was executed during the year, reduced the weighted average number of shares in issue by 1,9% to 162 552 439.

Earnings per share (EPS) from continuing operations increased by 65% to 1 762 cents (2021: 1 070 cents), while headline earnings per share (HEPS) from continuing operations increased by 51% to 1 702 cents (2021: 1 127 cents). Excluding both the impact of the product recall and civil unrest in the prior year, as well as the benefit of the related insurance recoveries in the current year, HEPS from continuing operations increased by 11%.

EPS from total operations increased by 54% to 1 762 cents (2021: 1 142 cents). Similarly, HEPS from total operations increased by 51% to 1 702 cents (2021: 1 127 cents).

Differing performance across our divisions

This year we saw mixed performance across our divisions, with continued solid performances in Rice, Beverages, and Groceries, and pleasing volume growth in Exports, International and Out of Home, offset by volume declines in other areas of our domestic business.

In **Grains**, revenue benefited from price increases across the Milling and Baking segments, and a strong volume performance in Rice. Operating income generated by the wheat-to-bread value chain was significantly higher than in the first half although flat on the second half comparative period and therefore the full year performance reflects the significant decline reported at the end of the first half. The improved performance of the value chain in the face of both pricing pressure and significant cost escalations, reflects the impact of a refreshed leadership and management team in executing on initiatives aimed at driving volume, price/volume management, quality and internal efficiencies. Volume performance has been pleasing with the double-digit declines of the first quarter reversed with solid growth in volume achieved in the fourth quarter. Our sorghum-based breakfast and beverages business delivered a muted performance, impacted by supply challenges and lower demand. Although our Jungle and Pasta businesses delivered solid revenue growth, profitability was impacted by higher input and distribution costs, and sub-optimal factory performance.

Within **Consumer Brands**, all segments delivered top-line growth with a particularly strong performance from Out of Home in line with increased post-lockdown demand. Groceries benefited from innovation, particularly in cost-competitive value packs and price-pack solutions for value-seeking consumers. Snacks & Treats recorded a strong second-half recovery following supply challenges in the first half due to labour disruptions and low opening inventory levels, while Beverages operating income was impacted by higher raw material costs, ingredients, and packaging inflation.

Home and Personal Care's top line was unable to recover from a poor start to the year, with unfavourable weather conditions impacting category demand for pesticides, compounded by increased raw material and packaging costs.

We saw a pleasing turnaround in performance in **Exports and International**, driven primarily by an improved performance from the Deciduous Fruit business, which benefited from higher international fruit prices, favourable exchange rates, and improved volumes. We are continuing to engage with affected stakeholders to identify mutually beneficial solutions regarding the future of our deciduous fruit business, Langeberg and Ashton Foods (LAF). We have reopened the sale process together with our advisers and will continue to operate the business through to the end of the current season in May 2023. Elsewhere, Chococam's revenues increased by 10%, off the back of volume growth and price inflation, reduced by an unfavourable foreign currency translation. Volumes were driven by optimal pricing strategies, an improved distribution network in key markets and market share gains in chocolate.

Further details are provided in the operational review.

Cash flow and capital expenditure

Continued investment in working capital due to increased stock holdings, particularly on raw material purchases as well as due to the rebuilding of inventory levels at Groceries and Snacks & Treats, resulted in cash generated from operations declining

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

to R2,6 billion from R4,0 billion in FY21. This is line with the strategy to carry higher stock levels to ensure continuity of supply due to ongoing global and local supply chain disruptions. The level of investment is further exacerbated by the unprecedented levels of inflation over the past year. Capital expenditure for the year amounted to R961 million (2021: R1,0 billion), while the cash position was further impacted by the completion of the general share buy-back programme. The group ended the period in a net cash position of R143 million (2021: R2,2 billion).

Share buy-back programme

As previously disclosed, the board approved a share buy-back programme to return cash to shareholders over and above ordinary dividends.

In line with the general authority granted by shareholders for the company to acquire shares from its shareholders, the buy-back was limited to 5% of the issued share capital of Tiger Brands. On 20 July 2022, the company completed the repurchase up to the limit of the general authority, acquiring 9,49 million shares at a total cost of R1,5 billion. All the shares repurchased have been cancelled.

Given the company's ungeared balance sheet and in the absence of any significant or imminent corporate activity, the board will continue to consider a share buy-back programme as part of its capital allocation deliberations.

Final ordinary dividend

The company declared a final ordinary dividend of 653 cents per share for the year ended 30 September 2022. Together with the interim dividend of 320 cents per share, this brings the total dividend for the year to 973 cents per share, a 18% increase relative to last year. In calculating last year's total dividend, HEPS was adjusted to exclude the costs of the product recall and the civil unrest. This year, the company's dividend policy of 1,75x cover was applied to HEPS, inclusive of insurance proceeds received in respect of these events.

Shareholders are referred to the accompanying dividend declaration for further details.

Outlook

The year ahead is likely to remain challenging. Persistently high unemployment and inflation levels together with higher interest rates, will place further pressure on over-extended consumers. In addition to local and global supply chains remaining volatile, our cost base is sensitive to rand weakness as well as higher commodity prices whilst the cost of mitigating the regular occurrence of loadshedding is significant. This will require ongoing agility and judicious price/volume management in the face of a challenged consumer.

To this end, the progress made over the last three years in terms of stabilising the core and building a solid foundation for growth will help facilitate the agility required. Significant investments were made in technology and digital capabilities, which will help drive operational efficiencies, increase automation, improve data analytics, and drive revenue management initiatives. In addition, there are further cost-saving opportunities that are potentially available within our procurement and logistics activities.

In response to the constrained consumer environment, we have accelerated value-led innovation and renovation including price-pack architecture solutions across key segments of the portfolio. In addition, we have various initiatives with customers aimed at strengthening our position at the point of purchase.

While the performance this year is encouraging and provides forward momentum as well as internal confidence, there is still much work to be done to deliver the group's full potential. We are confident in our strategies and our focus for the foreseeable future remains on relentless and flawless execution.

Appreciation

Albeit a challenging year, we have made meaningful progress on many initiatives that will benefit the group going forward. I wish to thank Noel, and my colleagues on the executive committee, the audit committee and the board, for their support and guidance. I also wish to thank the finance department for their dedication and support. Finally, thank you to our shareholders for their investment and meaningful engagement.

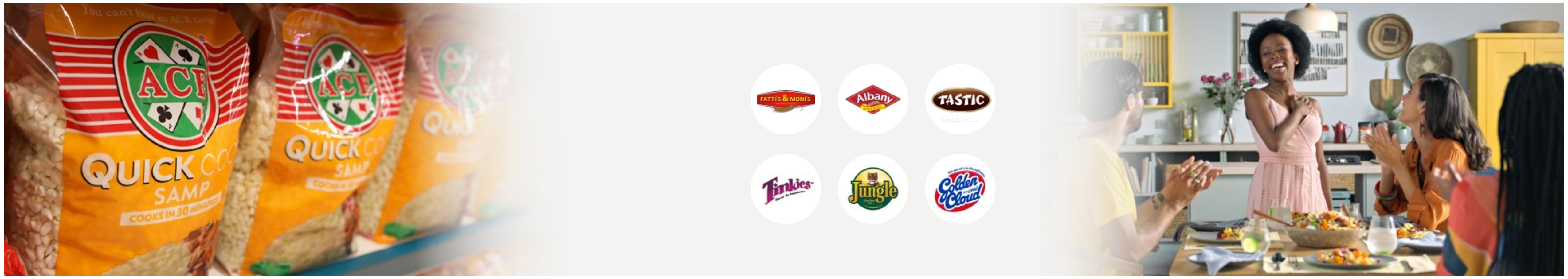
Deepa Sita

Deepa Sita
Chief financial officer

1 December 2022

OPERATIONAL REVIEW

GRAINS



OVERVIEW

Revenue in Grains increased by 6% to R15,5 billion, reflecting average price inflation of 9%, offset by overall volume declines of 3%. Operating income recorded a marked recovery in the second half driven by all segments except Maize. Despite this, it was not enough to offset the poor first-half performance, with the full-year operating income ending 7% lower at R1,3 billion.

Revenue in **Milling & Baking** increased by 5% to R10,6 billion, influenced by price inflation of 16% and an overall volume decline of 11%. Bakeries benefited from the planned volume recovery initiatives in the second half, driven primarily by top-end retail, while the performance in the general trade gained encouraging momentum. Despite an improved volume performance in the second half, this was not enough to offset the poor start to the year. In addition, price increases and cost reduction initiatives were insufficient to counter the significant impact of higher fuel costs and raw material inflation. Maize's performance was adversely impacted by continued volume pressure as well as volatile raw material prices. This was compounded by the effect of higher conversion costs driven by increased generator utilisation amid excessive loadshedding and power outages. The sorghum-based breakfast and beverages business delivered a muted performance, impacted by supply challenges and lower demand. Overall, Milling & Baking's total operating income declined by 21% to R803 million.

Revenue in **Other Grains** grew by 9% to R4,9 billion and operating income increased by 33% to R469 million, largely as a result of Rice's significantly improved performance. Although the Oat-based breakfast (Jungle) and Pasta businesses delivered solid revenue growth, higher raw material and distribution costs, as well as sub-optimal factory performances, adversely impacted profitability. Volumes in Rice benefited from category deflation relative to other carbohydrates as well as successful brand and customer initiatives.

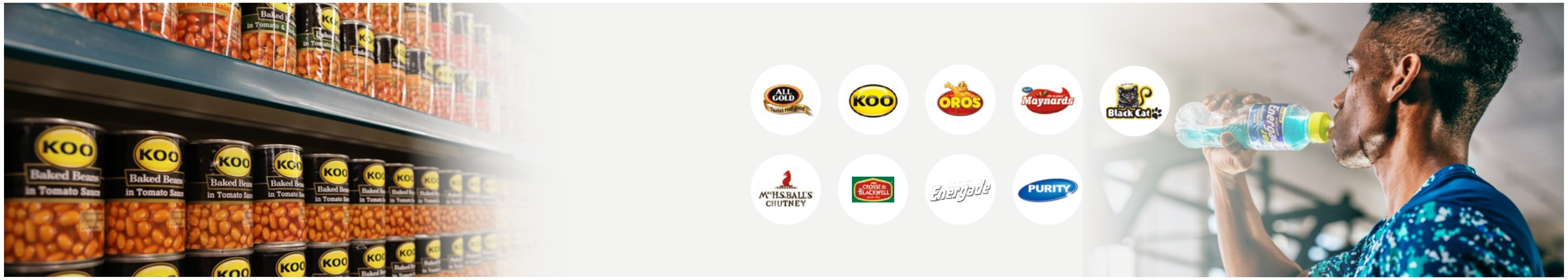
FINANCIAL HIGHLIGHTS

Revenue	Operating income	Operating margin
Up 6%	Down 7%	
R15,5bn	**R1,3bn**	**8,2%**
2021: R14,6 billion	2021: R1,4 billion	2021: 9,4%

LOOKING AHEAD

- **Focus on supporting innovations in wheat category**
- **Continued focus on volume/value in bread to remain agile**
- **Continued focus on cost savings and efficiencies**
- **Various customer and shopper campaigns in the pipeline to drive volume growth**
- **Continued investment in pasta plant to improve quality and build equity**
- **Improve product mix and availability of pasta and Jungle RTE ranges**

CONSUMER BRANDS*



OVERVIEW

Within Consumer Brands, all segments delivered top-line growth, with a particularly strong performance from Out of Home as the business recovered in line with post lockdown demand. Groceries also recorded strong revenue growth and benefited from new product innovations. Snacks & Treats produced a strong second-half recovery following supply challenges in the first half due to labour disruptions and low opening stock levels. Overall, revenue in Consumer Brands increased by 12% to R12,4 billion. Operating income increased by 25% to R1,4 billion, attributed primarily to strong second-half recoveries in Snacks & Treats, as well as sustained strong performances in Groceries, Beverages and Out of Home. Baby recorded a marginal improvement in operating income.

Groceries delivered a strong top-line performance, growing revenue by 15% to R6,4 billion, driven primarily by price inflation of 11%, while total volumes increased by 4%. Despite significantly higher selling prices, volumes benefited from innovation and support from top-end retailers, as well as growth in the wholesale channel. Core offerings benefited from cost-competitive value packs and price-pack solutions for value-seeking consumers, resulting in market share gains across most segments. Volumes were further supported by distribution gains on product innovations such as canned fish. The improved top line, together with ongoing efficiency improvements, logistics savings, optimal promotional activity and revenue management benefits, resulted in operating income increasing by 51% to R597 million.

Revenue at **Snacks & Treats** increased by 4% to R2,4 billion, supported by price inflation of 8% less an overall volume decline of 4%. Revenue in the second half increased by 24% following industrial action in the first quarter of the financial year which adversely impacted sales and inventory levels going into the peak Easter season. A particularly strong performance was delivered in the second half across the portfolio with distribution gains in the general trade supporting recovery. Operating income increased by 12% to R263 million due to a favourable product mix, while the factory benefited from increased throughput as inventory levels were restored in the second half.

FINANCIAL HIGHLIGHTS

Revenue	Operating income	Operating margin
Up 12%	Up 25%	
R12,4bn	**R1,4bn**	**11,1%**
2021: R11,1 million	2021: R1,1 billion	2021: 10,2%

Beverages' revenue increased by 11% to R1,8 billion, supported by volume growth of 5% and price inflation of 6%. Volume growth was driven by concentrates in the first half of the year as a result of price pack innovation in Oros, a strong performance from sports drinks (Energade) and improved distribution of the full ready-to-drink flavour range. Despite a meaningful recovery in second half profitability relative to last year, operating income for the full year increased marginally to R269 million, mostly due to the impact of higher raw material costs and packaging inflation.

Revenue growth of 4% to R1,1 billion in the **Baby** segment was driven by price inflation of 11%, offset by volume declines of 7%. Volumes are reflective of lower demand across the jar and pouch segments within the nutrition portfolio, particularly in the second half of the year. Operating income increased by 3% to R147 million, with the benefit of improved factory efficiencies being partially offset by an unfavourable product mix. Once-off costs related to the precautionary recall of certain baby powder products amounted to R16 million, and largely comprise the cost of the affected stock that has been written off, as well as the logistics costs of the recall.

LOOKING AHEAD

Groceries

- Partner with procurement and logistics to deliver further savings
- Further manufacturing platform efficiencies
- Fast-track innovation and value proposition focus
- Execution of new peanut butter site

Beverages

- Optimisation of operating model to reflect seasonal nature of business
- Drive innovation execution
- Cold availability rollout
- Focus on combo deals throughout winter to mitigate volume regression
- Relentless focus on efficiencies and continuous improvement to mitigate cost push

Snack & Treats

- Fixing and optimising the supply chain remains a priority
- Revenue management to improve promotional ROI and inform strategic pricing relative to consumer need state and relative product positioning
- Drive innovation via strategic partnerships

Baby

- Continued brand investment
- Optimal revenue and portfolio management to hold share in nutrition
- Relentless focus on cost management to remain competitive on shelf
- Innovation will continue to focus on functional and taste benefits

* *Excludes the impact of product recalls.*

HOME AND PERSONAL CARE (HPC)

OVERVIEW

Overall revenue in HPC declined by 5% to R1,9 billion, primarily due to lower volumes in the pesticides segment within Home Care. This, together with a significant cost-push, resulted in operating income declining by 29% to R308 million.

Personal Care's revenue increased by 4% to R672 million as a result of price inflation of 12%, offset by volume declines of 8%. Despite improved profitability in the second half, significant increases in ingredients and packaging costs, as well as an adverse product mix, resulted in operating income declining by 66% to R16 million.

Home Care was unable to recover from a poor start to the year as unfavourable weather conditions impacted category demand for pesticides. Revenue declined by 9% to R1,2 billion, due to 17% lower volumes, offset by price inflation of 8%. Lower volumes, together with higher raw material and packaging costs, resulted in operating income declining by 24% to R292 million.

FINANCIAL HIGHLIGHTS

Revenue	Operating income	Operating margin
Down 5%	Down 29%	
R1,9bn	R308m	16,6%
2021: 2,0 billion	2021: 433 million	2021: 22,2%

LOOKING AHEAD

- **Price management to protect margin**
- **Continued focus on factory efficiencies**
- **Execution of key capex projects: warehouse upgrade and aerosol replacement project**
- **Successfully deliver innovation focusing on functional benefits**

EXPORTS AND INTERNATIONAL

OVERVIEW

Total revenue for Exports and International increased by 19% to R4,3 billion, with total operating income increasing to R350 million (2021: R96 million). This was primarily driven by an improved performance from the **Deciduous Fruit** business, which benefited from higher international fruit prices and improved volumes, resulting in revenue increasing by 32%. In addition, this business recorded operating income of R26 million, driven by higher volumes and favourable exchange rates due to the weaker rand, compared to an operating loss of R147 million incurred in the prior year.

The **Exports** business grew revenue by 14% following improved sales of powdered soft drinks and seasoning into key export markets in the second half. Operating income increased significantly to R143 million (2021: R71 million) due to better realisations, increased factory efficiencies, improved stock management and a favourable product mix.

Chococam's revenue increased by 10% to R1,1 billion (14% in local currency), comprising 7% volume growth and 7% price inflation, reduced by an unfavourable foreign currency translation movement of 4%. Volumes were driven by the implementation of optimal pricing strategies and packaging solutions, an improved distribution network in key markets and market share gains in chocolate. Operating income in rand terms increased by 5% to R181 million.

FINANCIAL HIGHLIGHTS

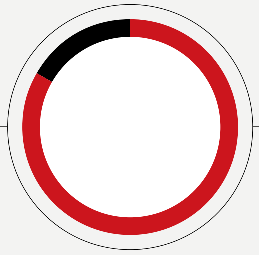
Revenue	Operating income	Operating margin
Up 19%	Up 265%	
R4,3bn	R350m	8,2%
2021: R3,6 billion	2021: R96 million	2021: 2,7%

LOOKING AHEAD

- **Business stabilised**
- **Newly appointed executive to drive growth agenda**
- **Re-opened sale process for Deciduous Fruit while reviewing all options for sustainability**

PROTECTING VALUE THROUGH GOOD GOVERNANCE

INDEPENDENCE

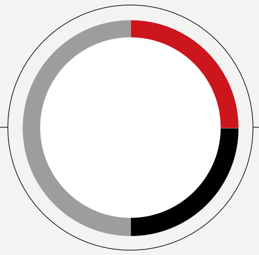


Independence

10 Independent non-executive directors

2 Executive

BOARD DEMOGRAPHICS

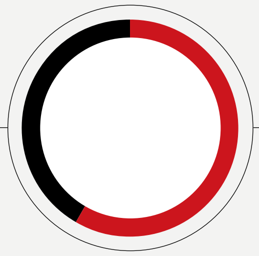


Age

3 40 – 49 years

3 50 – 59 years

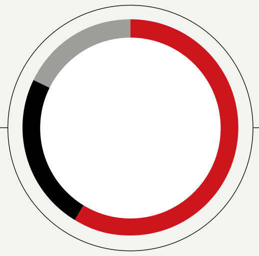
6 60 – 69 years



Gender

7 Women

5 Men



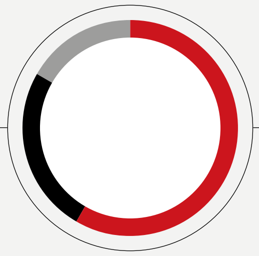
Nationality

8 Black

4 White

3 Non-South African

BOARD TENURE



Tenure

7 0 – 3 years

3 3 – 6 years

2 6 – 8 years

Board composition

The board comprises 12 directors, most of whom are non-executive directors. Appointments to the board are conducted through a formal and transparent process supported by the nomination and governance committee in line with the policy on appointment to the board of directors and board diversity requirements in terms of the group diversity policy.

In 2022, the board was further strengthened by the appointment of Frank Braeken on 1 April and Lucia Swartz on 1 June.

Maya Makanjee and Mark Bowman retired from the board on 31 December 2021 and 16 February 2022 respectively, after serving on the board for more than nine years.

Separation of powers

The board is led by the independent chairman, Geraldine Fraser-Moleketi, whose role and functions are clearly defined and separate from that of the CEO, Noel Doyle. The board charter sets out a clear division of responsibilities and authority at board level, providing that no individual director has unfettered powers of decision making or influence over the board, which allows for participative decisions.

Board independence

The board assessed the independence of the non-executive directors against the criteria set out in King IV™ as well as the provisions of the JSE Listings Requirements and considered them to be independent.

Board induction

New directors to the board undergo an induction programme. The programme comprises a briefing on essential board and company information, including governance structures; laws and regulations affecting the business, as well as business performance. This is supplemented with visits to our manufacturing sites.

Sessions are scheduled with board and committees' chairs, key executives and the company secretary.

Board and committee evaluations

This year, we commissioned an independent external effectiveness review that assessed the board's overall performance in 2022.

The board is effective in leading the current business and has opportunities to shift towards a more future-focused approach. This includes having greater exposure to the second level of management, enabling improved succession planning. Improvement plans are being developed to close identified gaps.

Board committees' composition and responsibilities

The board has delegated certain of its functions to committees to assist it in meeting its oversight responsibilities in line with the board charter. The board charter and board committee terms of reference are reviewed annually to ensure they remain relevant and aligned with the requirements of King IV™, the Companies Act and governance best practice.

The chairs of board committees provide feedback to the board on the key deliberations and decisions taken by the committees.

During the year under review each committee executed its key responsibilities and the board is satisfied that the committees functioned in line with their respective terms of reference.

BOARD FOCUS AREAS IN 2022

Quarter 1

- Approved revised group delegation of authority
- Approved the execution of the share buy programme
- Approved appointment of external auditors Deloitte & Touche
- Approved the group's financial results for the year ended 30 September 2021
- Approved the company's suite of reporting publications
- Considered and agreed the directors to be put forward for re-election and appointment to the audit committee at the AGM

Quarter 2

- Reviewed ESG matters, and climate change approach and sustainability reporting
- Considered Rest of Africa strategy and operating model
- Considered the succession planning and approved the appointment of new directors
- Considered updates on corporate aspects such as the status of significant strategic actions underway, key risk matters, as well as the competitor and shareholder landscape

Quarter 3

- Considered regular updates on the group's performance, strategic priorities, interim financial results and forecasts
- Approved the group's financial results for the six months ending 31 March 2022
- Considered the future of the Deciduous Fruit business in the context of its business model, portfolio fit and returns
- Considered the capital expenditure requirements for the culinary business
- Considered Snacks & Treats portfolio, including the chocolate turnaround strategy and innovation initiatives
- Received training on JSE-related continuing obligations and disclosure requirements

Quarter 4

- Approved the group's budget for the 2023 financial year
- Reviewed and approved the group's strategy, in line with the company's strategic pillars
- Considered the macro-economic and operating environments in relation to Tiger Brands' performance and prospects
- Reviewed the bakery business priorities and progress achieved in respect of each priority
- Considered the benchmarking exercise on product safety and quality, including improvement opportunities, process capabilities and operational opportunities
- Attended a site visit at beverages plant

PROTECTING VALUE THROUGH GOOD GOVERNANCE CONTINUED

SETC

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

Members	Attendance at meetings
TE Mashilwane[1] (chairman)	3/3
MO Ajukwu[2]	1/1
NP Doyle	3/3
GA Klintworth	3/3
M Makanjee[3]	1/1
M Sello	3/3

[1] Appointed as chairman 2 January 2022.
[2] Appointed as member 1 April 2022.
[3] Resigned as member and chairman 31 December 2021.

Mandate

The committee fulfils the statutory duties as set out in Regulation 43 of the Companies Act, has oversight of and report on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships, and assists the board in facilitating and supporting the development of transformation objectives, ensuring that the corporate culture is supportive of the approach and monitoring and reporting actual performance against these objectives.

Key focus areas in 2022

- As part of embedding an ethical culture, monitored the implementation of the new electronic declaration system
- Monitored the ESG agenda, including ESG performance and reporting
- Monitored progress towards enhancing the company's culture including embedding the approved diversity and inclusion strategy
- Approved the ethics investigation framework
- Accelerated the development of diverse talent succession pipeline
- Considered and supported socio-economic development initiatives aimed at uplifting the livelihoods of communities where Tiger Brands operates
- Monitored implementation of improvement plans in respect of skills development, employment equity and preferential procurement
- Monitored stakeholder engagement activities

RSC

RISK AND SUSTAINABILITY COMMITTEE

Members	Attendance at meetings
M Sello (chairman)	3/3
MO Ajukwu	3/3
FNJ Braeken[1]	2/2
CH Fernandez	3/3
GA Klintworth[1]	2/2
GJ Fraser-Moleketi	3/3
OM Weber	3/3

[1] Appointed as member 1 April 2022.

Mandate

The committee assists the board in its oversight of the management of risk and risk governance in the group.

Key focus areas in 2022

- Evaluated and monitored key risks and the overall business risk profile and response plan to address the risks appropriately
- Ensured maturity and effectiveness of enterprise risk management processes and continuously monitored the implementation of the risk management plan
- Considered the combined assurance plan and reviewed its implementation
- Monitored the ESG agenda, including sustainability performance
- Considered the IT governance framework, including cyber security and data architecture
- Monitored the business insurance profile and insurance claims underway
- Monitored the safety, security, health and environment activities of the group
- Monitored the quality performance and the maturity of quality management systems

AC

AUDIT COMMITTEE

Members	Attendance at meetings
CH Fernandez (chairman)	3/3
FNJ Braeken[1]	1/1
M Sello	3/3
DG Wilson	3/3

[1] Appointed as member 1 April 2022.

Mandate

The committee primarily oversees the integrity of the company's financial reporting, monitors the strength of internal financial controls and ensures the effectiveness of assurance services and functions, with particular focus on combined assurance arrangements, including external assurance service providers, the finance function and internal audit.

Key focus areas in 2022

- Considered the appointment of external auditors and monitored the transition for the rotation of external audit firms
- Continuously evaluated the internal financial reporting controls
- Considered group tax matters
- Considered the accounting treatment of significant matters in the group
- Evaluated the integrity and effectiveness of the financial and non-financial reporting
- Considered the group's impairment assessments
- Reviewed the going concern assumptions, solvency and liquidity testing and the proposed dividend consideration
- Assessed the suitability of the finance function, internal auditors and external auditors
- IT resilience and cyber security

NGC

NOMINATION AND GOVERNANCE COMMITTEE

Members	Attendance at meetings
GJ Fraser-Moleketi (chairman)	7/7
MJ Bowman[1]	2/2
M Makanjee[2]	1/1
TE Mashilwane[3]	2/2
LA Swartz[4]	0/0
OM Weber[3]	2/2
DG Wilson	7/7

[1] Resigned as member 16 February 2022.
[2] Resigned as member 31 December 2021.
[3] Appointed as member 1 April 2022.
[4] Appointed as member 1 September 2022.

Mandate

The committee assists the board in ensuring performance of the board, its committees and directors. It reviews the composition of the board and its committees and recommends suitable candidates to fill vacancies on these governance structures, ensures the implementation of Tiger Brands' succession plans, and reviews continuous development programmes for directors.

Key focus areas in 2022

- Evaluated the board composition to ensure it appropriately reflects the required skills set and diversity
- Recommended the commission of external board effectiveness assessment
- Monitored the implementation of the group strategy in terms of succession plans and talent pipelines for the board, executive management and other critical skills
- Managed the nomination process of candidates for consideration for appointment to the board
- Monitored the assessment of the performance of retiring directors due for rotation in terms of the memorandum of incorporation
- Monitored progress of board diversity targets and was instrumental in achieving 58% and 60% of female and black representation respectively, against a target of 50% on both elements

PROTECTING VALUE THROUGH GOOD GOVERNANCE CONTINUED

RC

REMUNERATION COMMITTEE

Members	Attendance at meetings
DG Wilson (chairman)[1]	6/6
MJ Bowman[2]	4/4
GJ Fraser-Moleketi	6/6
M Makanjee[3]	3/3
TE Mashilwane[4]	2/2
LA Swartz[5]	0/0
OM Weber[4]	2/2

[1] 1 Appointed as chairman 17 February 2022.
[2] Resigned as member and chairman 16 February 2022.
[3] Resigned as member 31 December 2021.
[4] Appointed as member 1 April 2022.
[5] Appointed as member 1 September 2022.

Mandate

The committee assists the board in ensuring Tiger Brands' remuneration policies and practices are aligned to the company's objectives for value creation and are benchmarked to ensure fairness and competitiveness in remuneration of employees to attract and retain key talent and critical skills required to deliver business goals and results.

Key focus areas in 2022

- Approved retention awards for Exco members, excluding the CEO
- Evaluated the remuneration strategies, including policy and practices designed to attract, motivate and retain talent, to ensure they are linked to the company's strategy and value creation objectives
- Approved the 2022 group STI scorecard
- Reviewed and approved the targets relevant to the STI scheme and the LTIP in line with the relevant scheme rules
- Conducted benchmarking process and proposed the annual fees for non-executive directors
- Considered the annual performance outcomes of senior management and executives and conducted salary reviews and monitored wage negotiation processes
- Engaged with key shareholders on various elements related to remuneration

IC

INVESTMENT COMMITTEE

Members	Attendance at meetings
GJ Fraser-Moleketi (chairman)	5/5
MJ Bowman[1]	1/1
CH Fernandez[2]	4/4
FNJ Braeken[3]	0/0
TE Mashilwane	5/5
OM Weber	5/5
DG Wilson	5/5

[1] Resigned as member 16 February 2022.
[2] Appointed as member 1 April 2022.
[3] Appointed as member 2 December 2022.

Mandate

This is an ad hoc committee which assists the board in assessing investment opportunities and divestments in line with the group's strategic objectives.

Key focus areas in 2022

- Assessed the investment opportunities in line with the group's strategic objectives
- Considered and recommended the share buy-back programme to the board for approval, in line with shareholders' approval

REMUNERATION AND PERFORMANCE

SECTION 1: BACKGROUND STATEMENT

Statement from the chairman of the remuneration committee

Dear stakeholder

On behalf of the remuneration committee (the committee), I am pleased to present the 2022 remuneration report which, in compliance with best practice reporting as recommended by the King IV™* Report on Corporate Governance for South Africa (King IV™), highlights:

- Key components of our remuneration policy
- Alignment of our remuneration policy with Tiger Brands' business strategy and priorities
- Implementation of the policy for the year ended 30 September 2022 (FY22).

This year, the Tiger Brands executive leadership team has effectively led the execution of our six strategic priorities to improve business performance, and drive growth and innovation while proactively navigating prevailing market conditions.

Our remuneration outcomes

In line with our people strategy, enhancements were made to the remuneration strategy, including ensuring further alignment of critical business key performance indicators (KPIs) to measure and reward performance against our strategy. The remuneration committee approved the implementation of a revised short-term incentive (STI) scorecard that drives the achievement of KPIs, while maintaining a healthy balance between financial, strategic and sustainability outcomes.

As a result of historically high turnover of executive committee members, many years of no STI payments, and limited long-term incentive plan (LTIP) vesting, the retention risk of executive committee members had increased, presenting a knock-on effect to the stability of the CEO's strategic and operational support team. To this end, there was a business need to provide executive committee members with a value proposition to continue driving the turnaround strategy, especially since there are signs of traction and improved momentum. Motivated by the CEO, the remuneration committee has thus approved retention awards for executive committee members, (excluding the CEO). This was a once-off award intended to retain executives, rather than reward performance, and is deemed to be in the long-term interest of the company. The awards are in line with the company's retention policy; the various forms are explained in detail on page 80 of the implementation report.

Looking ahead, the remuneration committee approved the inclusion of certain ESG metrics in the FY23 STI scorecard in line with Tiger Brands' sustainable future strategy and associated targets (see further details on page 75).

Shareholder voting outcomes

The remuneration committee maintains strong relationships with stakeholders and strives towards high standards of disclosure to ensure that there is a clear understanding of our remuneration policy and practices.

The non-binding advisory votes by shareholders over the last three years are summarised below

% vote in favour	February 2022	February 2021	February 2020
Remuneration policy	**91,55%**	89,20%	76,55%
Remuneration implementation	**96,94%**	82,24%	78,71%

Shareholder engagement

The remuneration committee is committed to shareholder engagement and will take the following steps if 25% or more of total votes exercised by shareholders at the upcoming AGM are against the remuneration policy or implementation report:

- Tiger Brands will issue a SENS announcement requesting shareholders to appropriately engage on their specific concerns and will seek to actively engage with dissenting shareholders by inviting them to one-on-one meetings, where necessary
- Tiger Brands will consider shareholder concerns and report on the outcome of the engagements and measures taken, in its next integrated report.

While the voting outcomes on the remuneration policy and the implementation report have been positive over the last three years, the remuneration committee chairman, the chief human resources officer (CHRO) and investor relations proactively conducted a series of engagements with key shareholders on the following matters:

1. Retention awards to executive committee members, excluding the CEO granted in FY22
2. Best practice in terms of incorporating ESG metrics into executive reward
3. Best practice with regards to minimum shareholding requirements
4. Best practice in terms of LTIP performance conditions, targets and structure
5. General disclosure.

Key focus areas, objectives, and activities for FY22

In FY22 the committee undertook the following activities:

- Reviewed the peer comparator group for the purposes of non-executive director and executive remuneration benchmarking
- Benchmarked the appropriateness of the LTIP performance conditions, targets and structure
- Approved the wage negotiation mandate for bargaining unit employees
- Approved the salary increase mandate for employees on total remuneration packages (TRP)
- Approved the remuneration for executive directors and executive committee members
- Approved the STI and LTIP performance conditions, targets, and weightings in respect of FY23
- Embedded the STI integrated scorecard and LTIP scheme to align behaviours with business objectives, shareholder interests and drive winning performance
- Recommended for approval to the board non-executive directors' (NEDs) fee increases
- Approved the implementation of measures to address identified historical pay disparities.

Focus areas for FY23

- Embedding the STI integrated scorecard and LTIP scheme to align behaviours with business objectives, shareholder interests and drive winning performance
- Benchmarking the total reward of the CEO and CFO against a comparator group of JSE-listed companies
- Benchmarking total reward of the executive directors and senior management against market data obtained from the REMchannel remuneration survey
- Benchmarking NED fees against a comparator group of JSE listed companies
- Incentivising performance more tangibly through the STI and sales incentive schemes. The sales incentive scheme was implemented in FY22 and targeted at sales representatives and regional customer operations managers. The objective is to drive an increase in sales
- Continuously address identified pay inequities during the annual salary review process by allocating a separate income disparity budget to address the inequities
- Continuing to review our reward mechanisms and practices with a view to introducing innovative reward strategies to:
  - Drive winning performance
  - Attract, retain, and motivate key and critical talent, core, and leadership capabilities
  - Embed the recognition platform and practices that improve the way we recognise execution excellence, agility and consumer-obsession.

External advice provided to the committee in FY22

In reviewing our remuneration offering to ensure that it is competitive, fair, transparent, and responsible, we enlisted the services of PwC South Africa to assist us with benchmarks relating to remuneration of executive directors and non-executive directors, incentive scheme market practice, remuneration trends and survey data. KPMG are engaged annually for the purpose of auditing STI payments, while EY provide services to assist with the review of the single total figure of remuneration table on page 83. The committee is satisfied that PwC South Africa, KPMG and EY are independent and remained objective in providing these services.

Voting at the Annual General Meeting (AGM)

As required by King IV™, the remuneration policy and implementation report that follow, will be tabled for separate non-binding advisory votes by shareholders at the upcoming AGM in February 2023. As required by the Companies Act, non-executive directors' fees for the coming year will be put to shareholders by way of a special resolution.

Achievement of policy objectives

On behalf of the committee, I am satisfied that the remuneration policy is appropriate, and I am confident that our remuneration policy has achieved the desired outcomes for FY22 and is aligned with the company's strategic goals. The remuneration disclosures presented in this report have been made in compliance with the remuneration policy as approved by shareholders. No known deviations from the remuneration policy have been made in the current financial year, other than the retention awards made to the executive committee, excluding the CEO.

Donald Wilson
Chairman – Remuneration committee

1 December 2022

SECTION 2: OVERVIEW OF REMUNERATION POLICY

Remuneration governance

The membership of the Tiger Brands remuneration committee consists of a minimum of three non-executive directors, the majority of whom are independent. The CEO is a permanent invitee to all meetings and other executives may attend the meetings by invitation.

The CEO and nominated invitees are not present when matters relating to their own remuneration are discussed. The group company secretary is the secretary of the committee.

The committee meets four times a year and, where necessary, additional meetings may be held.

As documented in the remuneration committee terms of reference the duties and responsibilities of the committee are:
› Remuneration governance
› Executive and senior management remuneration and performance
› Non-executive director remuneration.

The terms of reference are reviewed annually.

Fair and responsible remuneration

Tiger Brands is committed to a total reward offering built on a strong foundation of fair and responsible pay that is linked to our remuneration philosophy of pay-for-performance. Salaries are benchmarked annually against the REMchannel salary survey to ensure that people are remunerated fairly and in line with market practices. We follow a job grading methodology that is consistent and provides a fair and accurate job grade, which allows for proper salary benchmarking.

We also use a pay progression model to fairly reward employees based on performance and market positioning that enables the management of employees who are significantly below and above market rates.

Pay inequities are assessed and adjusted during the annual reward review process. Employees whose annual TRP are below the minimum pay scale are assessed and salaries adjusted in line with the income disparity mandate. This salary adjustment is generally capped at a predetermined percentage to limit exorbitant increases. Specific focus is given to ACI, female and employees in roles that require scarce and critical skills.

Tiger Brands' remuneration strategy

The remuneration strategy is aligned with the Tiger Brands' people strategy, which is geared to enable the execution of the business strategy and accelerate business performance.

Our remuneration principles have been designed to support the execution of the people strategy and are premised on our belief that great people and great brands are at the core of our success. Our reward framework is holistic, encompassing the financial elements of reward, as well as non-financial aspects such as recognition, development, the work environment, culture and challenging work.

Our remuneration policy has the following key objectives:
› Strengthen our ability to competitively attract and retain talent to enable the execution of our strategy
› Align Tiger Brands' annual and long-term performance to the delivery of the strategy
› Align Tiger Brands' reward structures with shareholder interests
› Implementation of minimum shareholding requirements
› Motivate and stimulate high performance across Tiger Brands through competitive short and long-term incentives
› Ensure fair and responsible pay
› Ensure that reward mechanisms are simple and provide line of sight to all employees.

We have summarised below the various remuneration elements (guaranteed package, short-term incentive and long-term incentive) that Tiger Brands offers at different levels of employment (excluding bargaining unit employees):

TRP employees	All inclusive salary package plus annual STI based on performance. LTIP applicable to grades D and above.
Anchor point	Tiger Brands has anchored its current fixed pay position at the 65th percentile of the national market. We aspire to achieve a normal distribution around the anchor point based on individual performance, talent/potential, experience and in certain instances, tenure. It is important to note that guaranteed packages are not automatically adjusted to the anchor point. The performance-based increases granted in the organisation (including those for executive directors and executive committee members) are managed within the overall salary increase budget and the pay progression model as discussed below.
Benefits	Benefits include retirement fund contributions, funeral cover, permanent health insurance, death-in-service cover, medical aid contributions and travel allowances (where applicable).

Guaranteed package (excluding bargaining unit employees)

Description

Guaranteed package (GP) offered to people on a total remuneration package basis (TRP) comprises base pay, allowances, retirement and medical benefits. It is reviewed annually based on personal performance (KPIs linked to individual performance agreements (IPA) for each TRP employee which is agreed to at the commencement of every year), business performance (linked to budget), behaviours aligned with company values and market competitiveness (national and sector benchmarks).

Benchmarks

Benchmarking for executive directors and non-executive directors is based on a comparator group of companies and is reviewed on a bi-annual basis. The comparator group is determined using the closeness metric formula. This closeness metric is constructed to measure how similar a candidate company is to the company and is based on:
› Total assets
› Turnover
› Earnings before interest, tax, depreciation and amortisation (EBITDA).

The comparator group for 2022 has changed from 2021 to include more manufacturing and food companies, which are more relevant to our industry.

Companies included in the 2022 comparator group comprise:

Factor	Executive directors			Rest of Exco, senior management and below
Survey type	**Bespoke survey** Public data of South African companies listed on the JSE, based on the closeness metric is used to determine an appropriate comparator group			REMchannel® survey
Comparator group*	The Foschini Group AVI Clicks Group KAP Industrials Holdings	Dischem Massmart Holdings Mr Price Group Pick n Pay Stores	RCL Foods Oceana Woolworths Barloworld Tongaat Hulett Libstar	National and consumer goods circles

* *From FY20 the comparator group for executive directors and non-executive directors' remuneration benchmarking has been merged.*

REMUNERATION AND PERFORMANCE CONTINUED

2021 comparator group:

Factor	Executive directors			Rest of Exco, senior management and below
Survey type	**Bespoke survey** Public data of South African companies listed on the JSE, based on the closeness metric is used to determine an appropriate peer group			REMchannel® survey
Comparator group*	Aspen Pharmacare Ltd AVI Ltd Clicks Group Ltd Distell Group Ltd	Imperial Holdings Ltd Massmart Holdings Ltd Mr Price Group Ltd Pick n Pay Stores Ltd	RCL Foods Ltd The Spar Group Ltd Woolworths Holdings Ltd	National and consumer goods circles

* *From FY20 the comparator group for executive directors and non-executive directors' remuneration benchmarking has been merged.*

Short-term incentive

Description and link to strategy

The primary intention of the STI is to improve business performance by focusing participants' attention on annual key financial, strategic, functional and personal performance objectives (KPIs based on a balanced scorecard), which are aligned with the long-term business strategy for sustainable value creation. This drives high performance by explicitly creating line of sight in linking group, business unit and individual performance.

- All permanent employees on a guaranteed package in Paterson grades CU and above, are eligible to participate
- The STI is paid annually in cash to qualifying people who are employed by the organisation on the payment date
- The on-target percentage (as a percentage of guaranteed package) is benchmarked against the South African market to ensure we are aligned with market best practice. The STI payment is based on affordability and on achieving the defined objectives
- The STI outcomes are determined based on a multiple of the on-target STI, which comprises three performance factors, reflecting the three dimensions of performance that is expected from employees:
  - A group performance factor focused on group financial and non-financial metrics
  - A business unit performance factor focused on business unit financial and non-financial metrics
  - An individual performance factor focused on individual performance objectives and allows for differentiation in rewarding high performers.

Payment of an STI is subject to the overriding condition that the group/business unit meets or exceeds the agreed entry threshold in respect of its earnings before interest and tax (EBIT).

Calculation

STI = **Annual TRP (GP)** × **On target %** × (**Group performance factor** (0 to 200%) + **Business unit performance factor** (0 to 200%) + **Individual performance** (0 to 200%))

EBIT THRESHOLD GATEKEEPER

Pre-determined weightings will be applied to each of the performance factors. In respect of the individual performance factor, participants will be rated on a rating scale ranging from 1 (poor performer) to 5 (exceptional performer). The remuneration committee has final discretion over the approval of STI payments.

Target and maximum

In FY23 the following ranges of STI awards will apply to the various categories of people covered by this report:

	On-target percentage of guaranteed package	Maximum of on-target percentage
CEO, CFO, and executive directors	60	200
Executive committee members	60	200
Other participants (Paterson grades CU to E band)	8,5 to 50	200

Group and business unit performance factors

The underlying values and weightings for each KPI are set and approved by the remuneration committee in advance of each year to determine parameters for the STI in the form of a balanced scorecard. Below is the group STI scorecard for FY23 that will be applied to the CEO, CFO, executive directors, executive committee members and other participants:

Strategic objective	Strategic objective weighting	Key performance indicator	Key performance indicator weighting	Threshold score = 50%	On-target score = 100%	Stretch score = 200%
Growth[1,2]	57,5%	Sales volume growth	5%	92%	100%	150%
		Brand health	7,5%	96%	100%	104%
		FY23 Innovation NS delivery	5%	90%	100%	120%
		FY24 to FY26 Innovation pipeline value		93%	100%	114%
		EBIT	40%	96%	100%	107%
Efficiency[1,2]	10%	Overall equipment effectiveness (factor in waste)	5%	Improvement in overall equipment effectiveness year-on-year		
				78%	100%	144%
			5%	Continuous Improvement (Rm)		
				89%	100%	122%
People and sustainability[1]	32,5%	Quality	10%	Reduction in complaints year-on-year		
				86%	100%	129%
		Safety (LTIFR)	10%	Reduction in lost time injuries year-on-year		
				105%	100%	88%
		Carbon emissions	5%	67%	100%	150%
		Talent pipeline	7,5%	67%	100%	150%
		Time to fill		122%	100%	78%
		Vacancy fill		89%	100%	111%

[1] *The actual targets have not been provided as they are linked to budget and considered commercially sensitive information.*

[2] *For each of the key performance indicators within growth and efficiency, the targeted percentages for "threshold", "on-target" and "stretch" represent the targeted percentage achievement of the underlying budgeted amounts.*

The group, business unit and individual performance weightings applicable to the various employee categories are detailed below:

Employee category	Group	Business unit	Individual
CEO, CFO and executive directors	80%	0%	20%
Executive committee members	80%	0%	20%
Other participants (Paterson grades CU to E band)	0% to 40%	40% to 80%	20%

Long-term incentive plan

Description

The LTIP is aligned to our reward approach and operating model, taking into consideration the following principles:

- Strengthen our ability to competitively attract and retain talent to enable the execution of our business strategy
- Align Tiger Brands' leadership performance to our long-term strategy and, in particular, to unleashing the power of our people objective.

Employees in Paterson grade D and above may be eligible to participate in the annual awards of the LTIP.

The table below provides further details regarding the performance shares (conditional rights to shares) and restricted shares (conditional rights) awarded under the LTIP:

Instrument	Performance shares		Restricted shares	
	Employee category	Performance shares multiple	Employee category	Restricted shares multiple
Award mechanism	CEO	81,3%	CEO	–
	CFO	81,3%	CFO	–
	Executive committee members	61,0%	Executive committee members	–
	Senior management and below	10,6% – 27,7%	Senior management and below	8,2% – 22,9%
Frequency of awards	› Awards are generally made once a year in December as part of the annual review process		› Awards are generally made once a year in December as part of the annual review process	
Performance multiplier	› A personal performance multiplier is used to modify the standard quantum of performance shares and restricted shares, based on an individual's personal sustained performance and potential › This is based on a 9-box matrix taking performance over the last three years into account and a percentage ranging from 0% to 150% is applied on award		› A personal performance multiplier is used to modify the standard quantum of performance shares and restricted shares, based on an individual's personal sustained performance and potential › This is based on a 9-box matrix taking performance over the last three years into account and a percentage ranging from 0% to 150% is applied on award	
Calculation of award quantum	› (GP x performance share multiple/share price) x performance multiplier		› (GP x restricted share multiple/share price) x performance multiplier	
Vesting	› Three-year vesting based on anniversary of award and achievement of performance conditions		› Three-year time-based vesting based on anniversary of grant	
Performance conditions applicable to performance shares	HEPS growth (weighted at 50%): › 0 – less than CPI + GDP › 25% vesting (threshold) – CPI + GDP › 100% vesting – CPI + GDP +2% › 200% vesting (stretch) – CPI + GDP +4% The HEPS calculation is performed on an annual compound basis over the three-year vesting period. Linear vesting to apply between threshold and stretch. ROIC – (weighted at 50%): › 0 – less than WACC +1% › 25% vesting (threshold) – WACC +1% › 100% vesting – WACC +2% › 200% vesting (stretch) – WACC +5% and above The measurement will be the average ROIC over the three-year vesting period. Linear vesting to apply between threshold and stretch.			
Share price	Based on the volume-weighted average price (VWAP) for a Tiger Brands share calculated for the 10-trading day period ending immediately prior to the date of award/grant.		Based on the volume-weighted average price (VWAP) for a Tiger Brands share calculated for the 10-trading day period ending immediately prior to the date of award/grant.	

Historical LTIP information

The following LTIP instruments were discontinued. However, eligible employees still have exposure to these instruments through previous allocations, which include:

- Restricted shares issued as bonus-matching shares (full value shares with a three-year vesting period, no performance criteria). The last grant of bonus-matching shares was made on 6 December 2018. These shares have been settled in FY22.
- Share appreciations rights (SARs). The last allocation of SARs was made on 5 June 2019. The SARs vest over a five-year period, subject to the achievement of the applicable vesting criteria, namely real HEPS growth (50%) and ROIC (50%). The performance measurement of the last tranche of SARs will be performed in FY24.

BEE shares

The following two schemes were established as part of the company's black empowerment strategy:

- Tiger Brands Black Managers Trust (BMT I)
  - Established in 2005 to attract and retain diverse talent
  - Rights allocated – Tiger Brands shares. Rights are settled after making the required capital contributions to BMT I. For all rights allocated on or before 31 July 2010, settlement may take place at any time after the initial lock-in period, ie, from 1 January 2015. For all rights allocated after 31 July 2010, the lock-in date varies depending on the date of allocation. Periodically, new allocations are made to new joiners and top-up allocations are made to existing participants promoted to higher grades out of shares that may become available as a consequence of forfeitures
  - The scheme made its final allocation in August 2022
- Thusani Trust
  - Established in 2005 as part of the company's BEE phase I empowerment initiative. The trust's resources were enhanced in 2009 under the company's BEE phase II transaction
  - The trust provides bursaries for tertiary education to dependants of permanently employed black people who might not otherwise be able to afford this cost.

Dilution

The maximum aggregate number of shares that may be acquired by participants under the LTIP scheme and any other share plan may not exceed 5,5 million shares, and for any one participant 550 000 shares. In determining these limits, shares acquired through the JSE and transferred to participants are not considered. At 30 September 2022, the aggregate number of shares that may be acquired by participants under the various schemes was 2 557 731 (2021: 2 634 230), which represents approximately 1,4% of the number of issued ordinary shares. This is in line with JSE regulations.

Minimum shareholding policy

We have a minimum shareholding policy, where senior executives are expected to build up their personal shareholding in the company over a specific period. In the case of the CEO, the target is 200% of guaranteed package while the target for executive directors and members of the executive committee is 100% of guaranteed package. Senior executives who were in service when the policy was adopted in 2016 have six years to build up their shareholding from date of adoption. Senior executives appointed after adoption have six years to build their shareholding from date of appointment. They may use any vesting LTIs or their own resources to acquire these shares.

Exemption from compliance with the minimum shareholding requirements

In the case of the minimum shareholding requirement not being met, the board retains the overriding discretion to:

- Vary the minimum shareholding level or extend the determination date for an individual executive or the executives as a whole. This will only be allowed to apply in exceptional circumstances
- Determine that an executive has complied with the policy even if the number of shares held by an executive does not meet the minimum shareholding requirements. Such an exemption will only be allowed in exceptional circumstances where compliance will result in severe financial difficulty for an executive or prevent an executive from complying with an order of a court of law.

Malus and clawback

With respect to malus, if the remuneration committee, in consultation with the board and/or any committee of the board, believes that a trigger event has occurred, it has full discretion to reduce, in part or whole, unvested variable remuneration (ie STIs and LTIs) before the end of the vesting or payment period. In the case of clawback, it is the responsibility of the remuneration committee, in consultation with the board and/or any committee of the board, to implement clawback for the whole or portion of vested variable remuneration in the event of a trigger event occurring over a period of three years from the date on which payment was made of such vested variable remuneration. Trigger events include, but are not limited to:

- Material misstatement of financial results
- Misconduct, incompetence, fraud, dishonesty
- Negligence or material breach of obligations to the company
- Deliberate harm to the company's reputation
- Material failure of risk management.

Illustrating potential remuneration outcomes

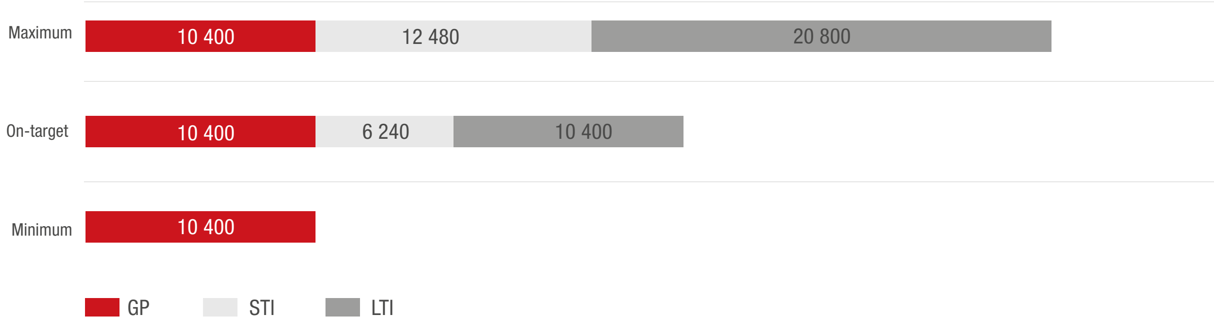
The variable pay arrangements described above have various potential outcomes. These outcomes could be from zero (minimum) to the expected level of performance outcomes (target) to the maximum potential variable pay outcomes (capped at the maximum). In the illustrations presented on the following page, it should be noted that:

- STI represents the cash component of short-term performance
- LTIP represents the total award of performance vesting shares.

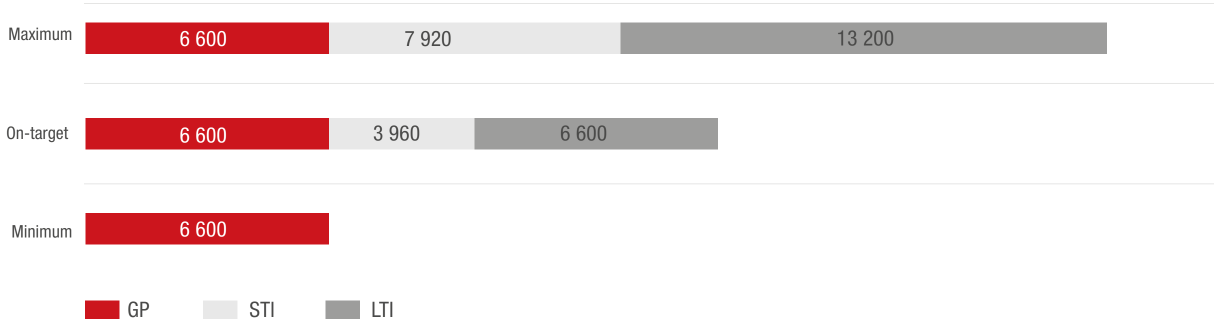
REMUNERATION AND PERFORMANCE CONTINUED

Total remuneration potential for members of executive management for the year ended 30 September 2022

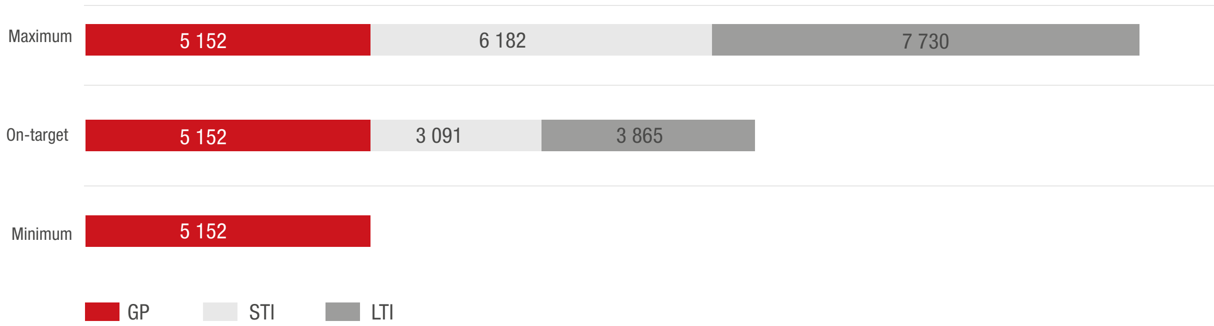
CEO (R'000)



CFO (R'000)



Members of executive committee (average) (R'000)



Executive service contracts

Senior executives are employed full-time under standard agreements, with a notice period of three months. We strive to bind all senior executives by a restraint-of-trade agreement. To the extent that executives have access to proprietary business insights and intellectual property, Tiger Brands will enforce the agreement should they join a competitor. The restraint comprises a three-month notice period or three months' special leave (paid as a three-month lump sum (based on guaranteed package) on termination).

Sign-on and specific retention payments

In exceptional circumstances (mainly for the recruitment and retention of critical and/or scarce talent), Tiger Brands will award a sign-on/retention payment which will be subject to the following conditions:

› Employees remaining in the service of Tiger Brands as a permanent employee for an uninterrupted period of 24 months from date of the payment. Should the employee or Tiger Brands decide to terminate the employment relationship for any reason, excluding those listed below, before the expiration of 24 months, the employee will be required to repay Tiger Brands the full gross amount. There will be no pro rata refunds. Should Tiger Brands terminate the employment relationship because of operational reasons (for example, retrenchment or redundancy) or ill health, or if termination occurs as a result of death, the employee will not be required to repay Tiger Brands.

Payments on termination of employment

Remuneration policy component	Voluntary termination (ie resignation)	Involuntary termination (retrenchment, retirement, death)
Guaranteed package	Paid up to last day of service	Paid up to last day of service including notice period, where applicable.
Medical aid	Benefit continues to last day of service	Benefit continues up to last day of service. Employees who qualify for post-retirement medical aid funding will continue to receive the employer contribution with effect from their normal retirement date.
Retirement and risk plans	Employer contributions paid until last day of service. Employee is entitled to the value of the investment, but all risk benefits cease on termination of service.	
Other benefits	Not applicable	Severance package in respect of retrenchments – one or two weeks for every completed year of service in terms of the relevant rules.
Short-term incentives	No pro rata bonus paid	Pro rata STI payment (based on extent of achieving specified financial and strategic targets for the period and a personal performance agreement being in place at the date of exit).
Long-term incentives	All unvested awards	Depending on the nature of the instrument and reasons for termination, a participant may retain all units or a pro rata portion. Accelerated vesting and settlement of retained units may apply in certain circumstances.

External board appointments

Under a formal policy, an executive is limited to one substantive outside directorship. The chairman of the Tiger Brands' board, chairman of the nominations committee, and chairman of the remuneration committee are required to authorise these appointments based on a recommendation from the CEO. Other than in respect of their appointment to the boards of associate companies, directors' fees under this policy may be retained by the individual. Tiger Brands currently has one executive member serving as non-executive director on the main board of a listed company.

Non-executive directors

Fees and approval process

Non-executive directors are paid an annual retainer that reflects their overall contribution and input to the company, and not just for attendance at board and committee meetings. Fees are also paid on an hourly basis for approved, ad hoc meeting attendance. Fees are reviewed annually, and increases are implemented in April after approval at the relevant AGM.

A benchmark analysis is conducted annually against an agreed comparator group of South African companies listed on the JSE, based on market capitalisation, turnover and total assets. As these are similar metrics to that of the benchmark group for executive directors it was decided that from FY20, in line with King IV™ and in terms of the current requirements of the organisation, a single comparator group be adopted for the non-executive directors and executive directors' remuneration benchmarking. The revised comparator group is detailed on page 73.

Targeted remuneration for the 12-month period ending 28 February 2023 was based on the 65th percentile of the comparator group, which is aligned with our internal anchor point. Non-resident non-executive directors are paid a premium in comparison to resident directors, which is below the market median. The chairman does not receive any additional remuneration for participating in committees of the board. Non-executive directors who perform services outside the scope of their ordinary duties will not receive additional remuneration. Shareholder approval will be sought for increasing non-executive directors' fees, including fees paid for attending special board meetings. Details of proposed non-executive directors' fees effective from 1 April 2023 appear in the notice of AGM of shareholders to be held on 21 February 2023. Details of non-executive directors' fees paid in the review period appear on pages 86 and 87.

Voting statement

This remuneration policy is subject to a non-binding advisory vote by shareholders at the upcoming AGM.

SECTION 3: IMPLEMENTATION REPORT

In this section of the remuneration report we explain the implementation of our remuneration policy, providing details of the remuneration paid to our executive directors and members of the executive committee for the financial year ended 30 September 2022.

Salary adjustments

In 2021 the remuneration committee approved a 4,5% annual increase effective December 2021. The only exceptions to this were the negotiated increases for bargaining unit employees and specific increases to reward high performance, retain critical skills and address the remuneration objective of fair and responsible pay in the CL and below employee population during the financial year.

The executive directors received an annual increase but did not receive an STI payment in FY21 whereas all other eligible employees received an annual increase and STI payment.

2022 guaranteed package

The following increases to guaranteed packages were implemented in the reporting period for executive directors. New amounts were effective as indicated below:

	1 Dec 2021 to 30 Nov 2022	1 Dec 2020 to 30 Nov 2021	% increase
Executive directors			
NP Doyle	10 400 000	10 000 000	4%
DS Sita	6 600 000	6 000 000	10%

FY22 retention awards

In December 2021, in order to address the high attrition rates as well as mitigate against the risk of vacancies in key positions, a retention mechanism was implemented. The executive committee, excluding the CEO, received once-off retention awards.

- The CFO did not receive an upfront cash retention payment but was awarded a combination of performance vesting and restricted shares which are summarised on page 76 of this report. The retention LTIP award made to the CFO took into account the critical leadership role that the finance discipline, together with other operational and functional leads, plays in executing the company's strategy. More specifically, consideration was given to the CFO's diverse strategic and transformational portfolio, which includes information technology and group procurement, which are fundamental to ensuring business value across the enterprise, as well as her role as an executive director of the company. To this end, the retention award took the form of LTIs, combining Performance Vesting Shares and Restricted Shares, with both instruments subject to a vesting period of three years. The combined award amounted to a total value of R14,8 million. The quantum of the award had to be significant enough to create the retention benefit required to ensure a three-year retention. The vesting criteria for these retention awards are set out on page 76.

- Each of the other members of the executive committee (excluding the CFO) received:
  - An upfront cash retention payment equal to either 50% or 75% of an executive's TRP for one year. In turn, the executive agreed to a two-year lock-in period. In the event that the executive exits the company prior to expiry of the retention period, the upfront payment is repayable in full (gross of taxation). The upfront cash retention payments amounted to R24,1 million
  - An allocation of LTIs split between restricted shares at a maximum allocation of 75% and performance shares at a minimum allocation of 25%, the face value of which was determined in accordance with the principles as outlined in the table on page 76. These LTIs were allocated in lieu of the annual award of performance shares. The vesting criteria for these retention awards are set out on page 76.

2022 short-term incentive

As indicated in the policy section, the STI for executive directors is based on the combination of a group performance factor and individual performance component.

Executive directors

The group performance factor for executive directors is weighted according to the table below. Results for FY22 were as follows:

Strategic objective	Strategic objective weighting	Key performance indicator	Key performance indicator weighting	Threshold score = 50%	On-target score = 100%	Stretch score = 200%	Achievement Actual result	Achievement Weighted result
Growth	65%	Sales volume growth	10%	92%	100%	108%	0,9%	0,00%
		Brand health*	7,5%	98%	100%	105%	26,3%	0,00%
		Innovation	7,5%	92%	100%	108%	4,3%	0,00%
		EBIT	40%	95%	100%	105%	R3,3 billion	70,28%
Efficiency	10%	Overall equipment effectiveness (factor in waste)	5%	Improvement in overall equipment effectiveness year-on-year				
				80%	100%	120%	3,2%	0,00%
			5%	Material usage variance (Rm)				
				85%	100%	115%	74,14%	10,00%
People and sustainability	25%	Quality	10%	Reduction in complaints year-on-year				
				83%	100%	125%	14%	16,67%
		Safety (LTIFR)**	10%	Reduction in lost-time injuries year-on-year				
				108%	100%	92%	73%	0,00%
		Leadership positions filled internally	5%	80%	100%	120%	40%	2,65%
								99,59%

* *Brand health is measured on an individual category and not on an aggregated basis.*
** *The safety KPI has a disqualifier linked to it and even though "Stretch" target was achieved, due to a fatality on a site, the safety KPI (LTIFR), as shown in the table above, was not met by the group.*

The targeted percentages for "threshold", "target" and "stretch" as set out above per KPI represent the targeted percentage achievement of the underlying budgeted amounts.

Linear vesting will apply if the actual result falls between "threshold" and "target" or between "target" and "stretch".

Individual performance

Executive directors individual KPIs are aligned to the group's KPIs. FY22 group KPIs and their achievement are listed above. The individual performance factor for executive directors is weighted according to the table below. The results for FY22 were as follows:

	NP Doyle					DS Sita				
Key indicators	Not met	Partially met	Met	Exceeded	% achievement of target	Not met	Partially met	Met	Exceeded	% achievement of target
Individual KPIs			●					●		

Met   Partially met   Not met

Name	GP*		On-target %		Actual group performance factor %		Actual individual performance factor %	2022 STI (Rand)	2021 STI (Rand)
NP Doyle	10 400 000	x	60%	x	99,59%	+	100%	6 219 647	–
DS Sita	6 600 000	x	60%	x	99,59%	+	130%	4 184 683	–

* *Annual guaranteed package in rand as at 30 September 2022.*

REMUNERATION AND PERFORMANCE CONTINUED

2022 long-term incentives

In FY22, performance shares were awarded to executive directors, executive committee members, senior management and middle management. Grants of specific retention shares were also made to selected senior management and key people whose contribution has been identified as being critical to achieving our business strategy.

Long-term incentive awards made during the year to executive directors are set out below:

Long-term incentive awards to executive directors for FY22

Name	LTI personal performance multiplier[1]	GP (R)	Performance shares Award %	Performance shares Number	Face value (R)	Expected value (R)
NP Doyle	150%	10 400 000	81,3	69 700	12 683 309	15 600 470

[1] *The personal performance multiplier is used to modify the standard quantum of performance shares and restricted shares, based on an individual's personal sustained performance and potential. This is a percentage ranging from 0% to 150%.*

[2] *Allocated on 15 December 2021 at VWAP of R181,97.*

Retention awards

Name	GP (R)	Number	Face value (R)	Expected value (R)
		Restricted shares		
DS Sita	6 600 000	72 540	13 200 103	11 880 093
		Performance shares		
DS Sita	6 600 000	9 220	1 677 763	2 063 648

[1] *Allocated on 15 December 2021 at VWAP of R181,97.*

LTI awards vesting or with a performance period ending in FY22

The outcome for awards due to vest in FY22, and whose performance conditions ended by 30 September 2022, are shown below. This applies to all eligible participants.

LTI allocation	LTI measures Real HEPS growth	Performance condition result % vesting
Bonus-matching shares granted in FY19	N/A	100% (time-based vesting)
Share appreciation rights granted in FY17 – third tranche	●	–
Share appreciation rights granted in FY18 – second tranche	●	–
Share appreciation rights granted in FY19 – first tranche	●	–

● Met ● Partially met ● Not met

Current minimum shareholding summary

Name	Date of engagement	GP[1] (R)	Number of shares held	Original value of shares held (R)	Current value of shares held[2] (R)	Original value as % of GP	Target % of GP	Years remaining to meet target
NP Doyle	1 July 2012	10 400 000	12 775	4 199 926	2 164 596	40	200	0
CX01	5 December 2016	4 114 240	7 373	1 638 700	1 249 281	40	100	0

[1] *GP as at 30 September 2022.*

[2] *Value calculated with reference to the closing price of a Tiger Brands' share as at 30 September 2022, ie R169,44.*

Payments for termination of office

No additional payments were made for executives terminating office.

Compliance with remuneration policy

There were no deviations from the remuneration policy in the financial year.

Single total figure of remuneration

The following tables disclose total remuneration received and receivable by executive directors and executive management for the period 1 October 2021 to 30 September 2022:

Executive directors

Remuneration element	NP Doyle FY22 (R'000)	NP Doyle FY21 (R'000)	NP Doyle % change	DS Sita FY22 (R'000)	DS Sita FY21 (R'000)	DS Sita % change
Basic salary	8 878	8 591		5 938	4 957	
Retirement funding	1 455	1 409		330	335	
Other benefits	–	–		245	228	
Guaranteed package	10 333	10 000		6 513	5 520	
Short-term incentive	6 219	–		4 184		
Cash remuneration	10 333	10 000		6 513	5 520	
SARs	–	–		–	–	
Bonus matching shares	–	–		–	–	
Deferred bonus shares and company matching shares	–	–		–	–	
Cash sign-on bonus	–	–			1 818	
Total remuneration	16 552	10 000	65,5	10 697	7 337	45,8

Member of executive committee

Key	FY22 (R'000)	FY21 (R'000)
CX01	8 605*	3 956
CX03	11 551*	4 985
CX04	12 671*	3 044
CX05	3 768	4 565
CX06	13 774*	5 513
CX07	1 314	5 347
CX08	10 770*	4 221
CX013	15 077*	4 820
CX014	2 777	3 433
CX015	7 399*	–
CX016	9 723	6 500
CX017	1 635	–
Total	99 064	46 384

Notes:

CXO4 rejoined on 1 November 2021.

CXO5 resigned 31 May 2022.

CXO7 resigned 31 December 2021.

CXO14 resigned 31 December 2021.

CXO15 appointed as executive on 1 January 2022.

CXO16 fixed term contract – FY22 remuneration includes FY22 STI payable in December 2022.

CXO17 acted for the period May 2022 to December 2022 – includes FY22 STI payable in December 2022.

* *Includes retention payments made in December 2021 of R24,1 million as well as FY22 STI payable in December 2022 of R36,1 million.*

REMUNERATION AND PERFORMANCE CONTINUED

Number and value of LTI share awards

Disclosure of the quantum and value of awards for the CEO and CFO outstanding at the beginning and end of the reporting period, as well as new awards made in the period, are provided in the tables below, with the cash value of awards settled during the reporting period indicated in the value-based tables.

Name and awards	Award date	Vesting date	Grant price (R)	Opening number	Granted during the year	Forfeited during the year	Performance condition achieved	Settled during the year	Closing number	Face value at award (R)	Cash received (R)	Value of shares acquired	Closing fair value vesting (R)
NP Doyle													
FY20 performance shares	07/09/2020	07/09/2023	–	65 880	–	–	–	–	65 880	11 741 792	–	–	10 741 734
FY21 performance shares	04/12/2020	04/12/2023	–	59 930	–	–	–	–	59 930	12 195 755	–	–	9 711 057
FY22 performance shares	15/12/2021	15/12/2024	–	–	69 700	–	–	–	69 700	12 683 309	–	–	10 827 198
FY17 SARs	07/12/2016	07/12/2021	368,11	12 112	–	12 112	–	–	–	–	–	–	–
FY18 SARs	11/12/2017	11/12/2021	385,29	16 433	–	16 432	–	–	–	–	–	–	–
		11/12/2022	385,29	16 433	–	–	–	–	16 434	6 331 471	–	–	657
FY19 SARs	06/12/2018	06/12/2021	254,79	18 895	–	18 895	–	–	–	–	–	–	–
		06/12/2022	254,79	18 896	–	–	–	–	18 896	4 814 512	–	–	72 372
		06/12/2023	254,79	18 897	–	–	–	–	18 897	4 814 767	–	–	73 131
Total				227 476	69 700	47 439	–	–	249 736	52 581 606	–	–	31 426 149
DS Sita													
FY21 performance shares	04/12/2020	04/12/2023	–	31 680	–	–	–	–	31 680	6 446 880	–	–	5 133 427
FY22 performance shares	15/12/2021	15/12/2024	–	–	9 220	–	–	–	9 220	1 677 763	–	–	1 432 235
FY22 restricted shares	15/12/2021	15/12/2024	–	–	72 540	–	–	–	72 540	13 200 104	–	–	11 268 364
Total			–	31 680	81 760	–	–	–	113 440	21 324 747	–	–	17 834 026

Interests of executive directors in B-BBEE schemes

DS Sita was awarded shares in terms of the black managers trust scheme for the year ended 30 September 2022.

Name and awards	Award date	Vesting date	Opening number	Granted during the year	Forfeited during the year	Settled during the year	Closing number	Face value at award[1] (R)	Cash received (R)	Value of shares acquired	Closing fair value vesting[2] (R)
DS Sita											
Tiger Brands share allocation	31/01/2021	31/01/2024	2 333	–	–	–	2 333	334 995	–	–	290 272
		31/01/2025	2 333	–	–	–	2 333	334 995	–	–	290 272
		31/01/2026	2 334	–	–	–	2 334	335 139	–	–	290 396
Adcock Ingram share allocation[3]	31/01/2021	31/01/2024	1 983	–	–	–	1 983	63 278	–	–	66 867
		31/01/2025	1 983	–	–	–	1 983	63 278	–	–	66 867
		31/01/2026	1 984	–	–	–	1 984	63 309	–	–	66 900
Oceana share allocation[3]	31/01/2021	31/01/2024	603	–	–	–	603	30 554	–	–	24 174
		31/01/2025	604	–	–	–	604	30 605	–	–	24 214
		31/01/2026	604	–	–	–	604	30 605	–	–	24 214
Total			14 761	–	–	–	14 761	1 286 758	–	–	1 144 176

[1] *Calculated with reference to the market value of an allocated share (less the amount of the capital contribution) as at the date of the award.*

[2] *Calculated with reference to the market value of an allocated share (less the amount of the capital contribution) as at year end (30 September 2022).*

[3] *In addition to the award of the Tiger Brands shares, the executive was also awarded Adcock Ingram and Oceana shares (as a consequence of the unbundling by Tiger Brands of its interests in Adcock Ingram and Oceana, the Tiger Brands Black Managers Trust, as Tiger Brands shareholder, also became a shareholder of shares in Adcock Ingram and Oceana). Participants in the Trust are, consequently, also awarded shares in these two companies when awarded Tiger Brands shares.*

REMUNERATION AND PERFORMANCE CONTINUED

Non-executive directors' remuneration 2022

The non-executive directors' remuneration paid for the year ended 30 September 2022 is disclosed below, excluding VAT in rand:

Committee	MO Ajukwu	MJ Bowman	FNJ Braeken	CH Fernandez	GJ Fraser-Moleketi	GA Klintworth	M Makanjee	TE Mashilwane	M Sello	OM Weber	DG Wilson	LA Swartz
Notes		1	2				3					4
Board fees	1 020 626	217 500	520 376	443 750	2 119 464	1 020 626	108 750	443 750	443 750	1 020 626	443 750	113 125
Audit committee fees			232 416						198 212		198 212	
Investment committee fees				14 262				23 406		53 834	23 406	
Remuneration committee, nomination and governance committee fees		122 948					28 711	59 700		137 310	185 272	29 850
Social, ethics and transformation committee fees	126 500					245 964	50 729	182 200	106 942			
Risk and sustainability committee fees	361 358		184 230	157 112		184 230			308 030	361 356		
Extraordinary fees in respect of special board meeting	54 984		54 984	23 906	23 906	54 984		23 906	23 906	54 984	23 906	
Ad hoc work/meetings												
Total FY22	1 563 468	340 448	992 006	990 714	2 143 370	1 505 804	188 190	732 962	1 080 840	1 628 110	874 546	142 975
Total FY21	1 460 495	754 303		1 027 821	1 713 171	1 345 170	798 733	713 327	908 565	1 440 285	868 442	

1. MJ Bowman retired 16 February 2022.
2. FNJ Braeken appointed 1 April 2022.
3. M Makanjee retired 31 December 2021.
4. LA Swartz appointed 1 June 2022.

DECLARATION OF FINAL DIVIDEND

The board declared a final ordinary dividend of 653 cents per share for the year ended 30 September 2022.

In accordance with paragraphs 11.17 (a) (i) to (x) and 11.17 (c) of the JSE Listings Requirements, the following additional information is disclosed:

- The ordinary final dividend has been declared out of income reserves
- The local dividends tax rate is 20% (twenty percent), effective 22 February 2017
- The gross final dividend amount of 653,00000 cents per ordinary share will be paid to shareholders who are exempt from the dividends tax
- The net final dividend amount of 522,40000 cents per ordinary share will be paid to shareholders who are liable for the dividends tax
- Tiger Brands has 180 327 980 ordinary shares in issue (which includes 10 326 758 treasury shares)
- Tiger Brands Limited's income tax reference number is 9325/110/71/7.

Shareholders are advised of the following dates in respect of the final ordinary dividend:

Declaration date	Friday, 2 December 2022
Last day to trade cum the ordinary dividend	Tuesday, 17 January 2023
Shares commence trading ex the ordinary dividend	Wednesday, 18 January 2023
Record date to determine those shareholders entitled to the ordinary dividend	Friday, 20 January 2023
Payment date in respect of the ordinary dividend	Monday, 23 January 2023

Share certificates may not be dematerialised or re-materialised between Wednesday, 18 January 2023 and Friday, 20 January 2023, both days inclusive.

By order of the board

JK Monaisa
Company secretary

Bryanston
1 December 2022

COMPANY INFORMATION

Tiger Brands Limited
(Tiger Brands or the company)
(Incorporated in the Republic of South Africa)
Share code: TBS
ISIN: ZAE000071080

Independent non-executive directors
GJ Fraser-Moleketi (chairman), MO Ajukwu, FNJ Braeken, CH Fernandez, GA Klintworth, TE Mashilwane, M Sello, LA Swartz, OM Weber, DG Wilson

Executive directors
NP Doyle (chief executive officer)
DS Sita (chief financial officer)

Company secretary
JK Monaisa

Registered office
3010 William Nicol Drive
Bryanston
Sandton

Postal address
PO Box 78056, Sandton, 2146
Telephone: +27 11 840 4000

Auditors
Ernst & Young Inc.

Principal banker
Rand Merchant Bank

Sponsor
JP Morgan Equities South Africa (Pty) Limited

South African share transfer secretaries
Computershare Investor Services
Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
Private Bag X9000
Saxonwold, 2132

American Depository Receipt (ADR) facility
ADR Administrator
The Bank of New York Mellon

Investor relations
Nikki Catrakilis-Wagner
Erene Kairuz
Telephone: +27 11 840 4000

Website address
www.tigerbrands.com

Contact details
Companysecretary@tigerbrands.com
Investorrelations@tigerbrands.com
Consumer helpline: 0860 005342

Forward-looking information
This report contains forward-looking statements that, unless otherwise indicated, reflect the company's expectations at the time of finalising the report. Actual results may differ materially from these expectations if known and unknown risks or uncertainties affect the business, or if estimates or assumptions prove inaccurate. Tiger Brands cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these statements. The company assumes no obligation to update or revise any forward-looking statements, even if new information becomes available as a result of future events or for any other reason, save as required by legislation or regulation.

THE OAK TREE GROUP