

SOCIAL, ETHICS AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE REPORT

The social, ethics and environmental sustainability committee (the committee) is constituted in compliance with the requirements of the Companies Act and is governed by terms of reference which are reviewed and approved by the board annually. The terms of reference detail the duties, composition, role and responsibilities of the committee.

ROLE OF THE COMMITTEE

The committee acts in terms of the delegated authority of the board and assists the directors in monitoring the group's activities and disclosures in terms of legislation, regulation and codes of best practices relating to:

- Ethics
- Environmental sustainability
- Stakeholder engagement, including employees, customers, suppliers, communities and the environment
- Empowerment and transformation

COMPOSITION AND FUNCTIONING

The committee membership underwent extensive changes during the year:

- Muzi Kuzwayo, Dineo Molefe and Mntungwa Morojele resigned as non-executive directors.
- Shirley Zinn was appointed to the committee on 26 February 2020.
- Lerato Molebatsi, Jesmane Boggenpoel, Sacha du Plessis and Graeme Kiewitz were appointed to the board and as members of the committee with effect from 15 October 2020, and the board elected Ms Molebatsi to chair the committee.

At the date of the report the committee comprised the following members:

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|----------------------------|------------------------------------|
| – Lerato Molebatsi (chair) | Independent non-executive director |
| – Jesmane Boggenpoel | Independent non-executive director |
| – Shirley Zinn | Independent non-executive director |
| – Sacha du Plessis | Executive director |
| – Graeme Kiewitz | Executive director |

Permanent invitees to committee meetings include the chief financial officer, national procurement executive, head of legal, group finance executive, chief audit executive, chair of The Spur Foundation Trust and the environmental sustainability committee chair.

The committee met twice during the financial year. Meetings are convened and conducted in terms of a detailed agenda accompanied by supporting documents and presentations from the permanent attendees. These presentations cover the main issues covered by the mandate of the committee and enable the committee to monitor its responsibilities. The committee actively engages with management during these presentations.

Attendance at committee meetings is detailed on page 41 of the integrated report for the year ended 30 June 2020 (Integrated Report) and fees paid to committee members for 2020 and proposed for 2021 are detailed on page 50 of the Integrated Report.

ACTIVITIES OF THE COMMITTEE

During the financial year the following matters were considered by the committee and reported on to the board:

- Reviewed the group's code of conduct to determine compliance with statutory requirements, alignment with the culture of the business and the inclusion of matters relating to ethical behaviour.
- Reported on the group's compliance with applicable legislation, regulation and codes of good practice.
- Reviewed activities that incorporated United Nations Global Compact practices, promotion of equality and elimination of discrimination.
- Monitored activities in terms of the International Labour Organisation protocols on decent working conditions.
- Reviewed the group's activities with regard to monitoring corruption risks.
- Monitored the group's transformation progress, including compliance with the Employment Equity Act and the Broad-based Black Economic Empowerment Act.
- Reviewed the corporate social initiatives undertaken by The Spur Foundation Trust.
- Reviewed environmental sustainability initiatives.
- Monitored and reviewed the group's compliance with health and safety legislation and regulations.
- Monitored further areas relating to its statutory obligations and related good corporate governance and corporate citizenship.

FOCUS AREAS FOR 2021

Reviewing policies and practices of the group in relation to the following:

- stakeholder management
- prevention of corruption
- transformation
- customer relations
- environmental sustainability
- health and public safety, particularly in relation to additional safety measures for stakeholders in response to COVID-19
- food wastage
- healthy eating
- food innovation
- enterprise development linked to innovation
- aligning the initiatives of The Spur Foundation Trust to the strategic imperatives of the company

CONCLUSION

The committee believes that the group is substantively addressing the issues monitored by the committee in terms of its statutory mandate.

The committee recognises that issues within its mandate are constantly evolving and challenging, and is satisfied that the group's management is committed to implementing policies and practices to address these issues.

Further information on the group's social and environmental activities is available in the online sustainability report at www.spurcorporation.com/investors/results-centre/.

The committee is satisfied that it has fulfilled its responsibilities according to its terms of reference during the reporting period.

Lerato Molebatsi

Chair

Social, ethics and environmental sustainability committee

20 November 2020