Key stakeholders

We believe that strong, sustainable stakeholder relationships form the foundation of our ability to create shared value in the short, medium, and long term.

Our key stakeholders are the individuals and organisations that have an impact on or are affected by our operations. We endeavour to engage constructively with stakeholders to understand and respond to their interests and concerns.

Stakeholder management

Stakeholders are engaged by employees and business units with the expertise to do so constructively. Our stakeholder engagement and management principles rest on positive partnerships, consultation and teamwork to achieve common goals.

The functional disciplines embed the structured and thorough processes of monitoring stakeholder engagement, including:

- Investor input and feedback through investor roadshows, one-on-one access, and virtual events.
- Formal customer feedback through customer service channels.
- Monitoring social media for negative and positive reviews.
- Community involvement through CSI activities.
- The Human Resources (HR) department provides a union relationship monitoring mechanism.
- Employee feedback through annual surveys.
- Franchise partner feedback through regular engagement, national representative forums and annual franchise forums.

Concerns and improvement opportunities are escalated to the responsible senior executives or the Exco or the Board if necessary.

The Social and Ethics Working Group assists the Social and Ethics Committee on an executive level to ensure effective stakeholder management within Famous Brands. The Working Group reports to the Social and Ethics Committee regularly.

While the Social and Ethics Committee has the primary responsibility for oversight of stakeholder management, other Board Committees are also involved. The Audit and Risk Committee oversees engagement with the JSE, funder institutions, shareholders and investors. The Remuneration Committee oversees interactions with shareholders and employees regarding remuneration decisions.

Read more in the Social and Ethics Committee report on page 124.

Stakeholder communications channels

The Group's stakeholder engagement strategy guides interactions with stakeholders. Our engagement strategies are based on the degree to which our stakeholders impact us, our impact on them, and how we interact with them.

Work closely Engage

Various engagement channels are utilised, which include:

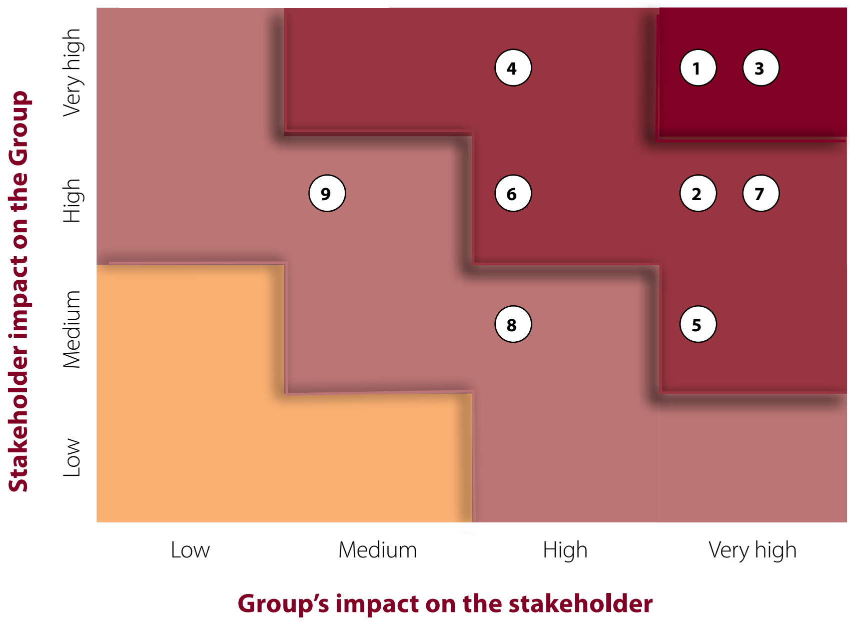
Electronic channels	• Company website • Virtual meetings • Social media • In-app notifications • Call centre
Written communication	• JSE Stock Exchange News announcements • Our reporting suite for the Group's annual and interim results • Newsletters
Direct interaction	• In-person meetings • AGMs • Roadshows, presentations and conferences • Customer satisfaction surveys and loyalty programmes • Supplier audits and reviews
Franchisee-specific platforms	• Web and call-in support • Franchise operational audits and reviews • Operations campaigns • National franchise forums • Annual franchisee brand conferences
Media	• Press releases • Interviews and media briefings • Advertising campaigns

KEY STAKEHOLDERS continued

Identifying our priority stakeholders

We use the following criteria to prioritise the relative importance of our wide range of stakeholders:

- Our dependence on the stakeholder's support to achieve our strategic goals.
- The stakeholder's influence on our performance.
- The significance of the risks and opportunities linking the stakeholder to the Group.
- The risks we face should we not engage constructively with the stakeholder.



1. Shareholders, market analysts and prospective investors
2. Funding institutions
3. Franchise partners
4. Customers and prospective customers
5. Civil society and communities
6. Suppliers and business partners
7. Employees
8. Trade unions
9. Government and regulators

Very high impact
High impact
Medium impact
Low impact

Evaluating the quality of relationships with our stakeholders

This evaluation is based on our internal assessment of our relationships.

 No existing relationship

 Mutually beneficial, good relationship, some opportunity for improvement

 Relationship exists but requires substantial effort to improve

 Strong, mutually beneficial relationship

 Relationship established, generates value, but can be improved

1. Shareholders, market analysts and prospective investors

Stakeholder role	Their primary interest and our goal	Board/Exco member accountable
Provide financial capital for growth	Solid investment proposition and sustainable growth	Darren Hele, Deon Fredericks and Celeste Appollis

Interests and issues raised	Key risk
• Return on invested capital. • Regular dividend payments. • Sustainable earnings growth. • Prudent capital allocation. • Strong corporate governance and ethical and competent leadership.	Deterioration of investor confidence.

Our strategic response and future focus	Key opportunity
• Management has extensive experience in our industry. • The long-term incentive (LTI) plan and other remuneration and reward structures align management's interests with those of shareholders. • Management has a considered approach to gearing and leverage in line with ensuring an appropriate capital structure. • Management endeavours to lead by example and, through behaviour and policies, instil good corporate governance practices throughout the business.	By clearly and regularly communicating our investment case and delivering on our strategy, we build confidence in management and the business's investment potential.

2. Funding institutions

Stakeholder role	Their primary interest and our goal	Board/Exco member accountable
Provide financial capital for growth and facilitate balance sheet support	Responsible capital management	Darren Hele and Deon Fredericks

Interests and issues raised	Key risk
• Timely payment of interest and capital. • Compliance with debt covenants.	Breach of debt covenants and undertakings to the primary lender.

Our strategic response and future focus	Key opportunity
• Ensure debt service requirements are met in line with debt repayment obligations and that covenants are met. • Proactive management of the debt maturity profile.	By demonstrating our commitment to meeting our funding obligations, we will foster supportive long-term relationships.

Internal assessment of relationship quality

Work closely

Engage

KEY STAKEHOLDERS continued

3. Franchise partners

Stakeholder role	Their primary interest and our goal	Board/Exco member accountable
The primary interface with our customers, custodians of our brand and reputation	Supportive, preferred business partner	Darren Hele, Derrian Nadauld, Philip Smith and Andrew Mundell

Interests and issues raised

- Return on investment.
- Strong brands.
- Efficient and competitive Supply Chain.
- Marketing spend.
- Location of restaurants.
- Ongoing business management support.
- Product quality.

Key risk

- The health of the franchise network deteriorates in the weak economy.
- Group's relationship with franchise partners deteriorates due to our failure to meet their expectations.

Our strategic response and future focus

We view our partnerships as long-term relationships which require consistent attention and mindfulness to benefit all parties. We have dedicated operations teams that ensure franchise partners receive support in managing a successful restaurant, namely finance, marketing, design and development, training and procurement.

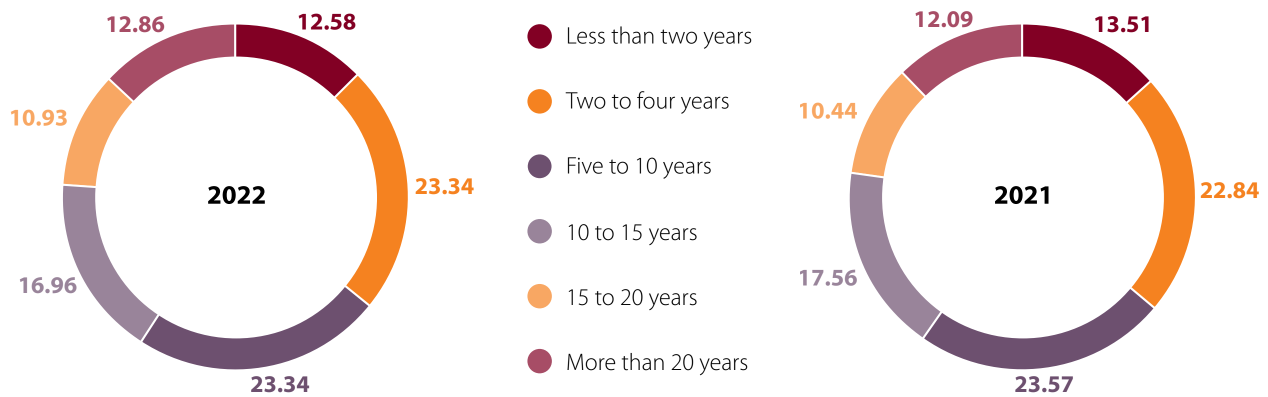
Our vertically integrated Manufacturing and Logistics operations strive to consistently supply high-quality products on time.

We welcome the contribution and input of our franchise partners. We will continue to evolve and improve our engagement with them to enable us to harness the unique and valuable insights they can provide.

Key opportunity

Constant interaction with our franchise partners and responsiveness to their needs will improve our good relationships.

Average tenure of SA franchise partner (%)

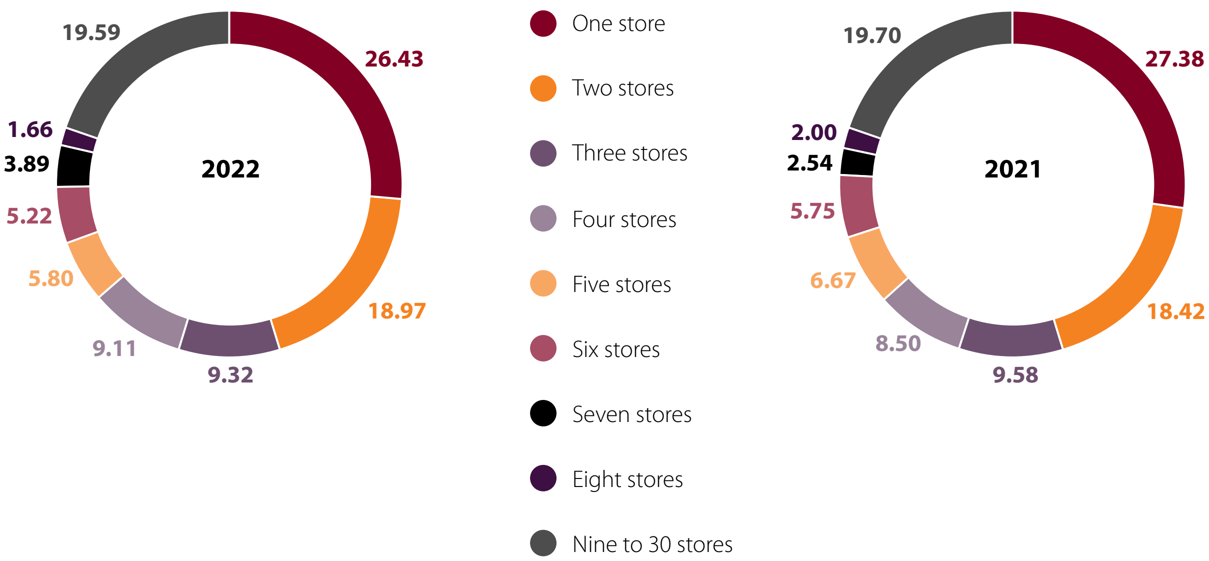


Internal assessment of relationship quality
Work closely
Engage

The Franchisee

- **Training** – This includes start up training and ongoing through franchisee lifecycle for the franchisee and team.
- **Operations** – We constantly engage the franchisee on operational and quality standards, operational efficiencies, business reviews, best practice sharing.
- **Marketing** – We develop and manage brand plans and provide support and tools for local store marketing.
- **Development services** – We manage all new and revamp projects including equipment specifications, equipment supplier and contractor management.
- **Property services** – We assist with site selection, negotiation and management of franchisee leases, key landlord relationship management, rental benchmarking and rebasing.
- **Procurement services** – We are responsible for product sourcing, price negotiations, supplier and quality management.
- **Logistics services** – We provide a "one-stop-shop" for the delivery of products via our vertically integrated Supply Chain.
- **National Franchise Forums** – We actively engage the franchisee through our National Franchise Forum to ensure that we gain the franchisee's participation in brand decision-making.

Number of restaurants per SA franchise partner (%)



KEY STAKEHOLDERS continued

4. Customers and prospective customers

Stakeholder role	Their primary interest and our goal	Board/Exco member accountable
Purchase our products, providing the basis for revenue growth	First-choice brand offering	Darren Hele, Derrian Nadauld, Philip Smith and Andrew Mundell

Interests and issues raised	Key risk
• Strong brands and value offerings. • Location accessibility and convenience. • Positive total experience. • Menu innovation and a dining experience.	Loss of market share due to failure to meet our customers' expectations.

Our strategic response and future focus	Key opportunity
For our brands to maintain and gain market share, they must remain relevant, contemporary and accessible and offer value. We are passionate about unique consumer experiences through innovation, flawless execution and continuous improvement. We maintain our standards through: • Regular restaurant reviews and audits to ensure our high standards are maintained. • Prioritising food quality and safety across the Supply Chain. • An ongoing restaurant revamp programme to continue to meet our customers' expectations. • Innovation to keep up with evolving trends. • A call centre to manage queries and complaints and we value and act on our customers' feedback.	Grow market share in new and existing markets by leading in the categories where we compete.

5. Civil society and communities

Stakeholder role	Their primary interest and our goal	Board/Exco member accountable
Provide the socio-economic context we operate in and impact on our reputation	Responsible community participant	Darren Hele, Philip Smith and Jabulani Mahange

Interests and issues raised

- Sustained support.
- Association with a reputable brand.
- Responsible use of natural resources.

Key risk

- Revenues below pre-COVID-19 levels mean smaller CSI budgets.
- A poor reputation leads to a deterioration of relationships with CSI beneficiaries and other stakeholders.

Our strategic response and future focus

Our Leading Brands conduct extensive CSI fundraising programmes to support worthy charities. We also invest in a sponsorship alliance with Varsity Sports to promote the development of local future sporting stars.

Our environmental policy sets out our commitment to responsible environmental practices. It identifies critical areas of focus and objectives regarding reducing our environmental footprint and contributing to a more sustainable operating environment.

Key opportunity

- Continue to grow market share and improve the Group's favourable reputation by making a meaningful contribution to the communities in which we trade.
- Ensure our compliance culture and commitment to reducing our environmental footprint are communicated through improved ESG reporting.

6. Suppliers and business partners

Stakeholder role	Their primary interest and our goal	Board/Exco member accountable
Contribute to our ability to provide quality, cost-effective products and services	Preferred business partner	Darren Hele, Derrian Nadauld, Andrew Mundell and JP Renouprez

Interests and issues raised

- Timely payment.
- Continuity of supply.
- Fair treatment.
- BBBEE compliance.

Key risk

Our suppliers and business partners lose confidence in our ability to fulfil their agreements and contracts.

Our strategic response and future focus

Contractual agreements facilitate quality and food safety adherence and transparent, healthy relationships with suppliers. Our procurement and planning teams interact with suppliers frequently to ensure mutually beneficial partnerships.

Key opportunity

- Continue to improve on our internal processes and fulfilment of commitments to suppliers.

Internal assessment of relationship quality

Work closely

Engage

KEY STAKEHOLDERS continued

7. Employees

Stakeholder role	Their primary interest and our goal	Board/Exco member accountable
Contribute to our ability to provide quality, cost-effective products and services	Continued employment, good working conditions and rewards	Darren Hele, Derrian Nadauld, Andrew Mundell and JP Renouprez

Interests and issues raised

- Fair remuneration and recognition.
- Equal opportunities and career development.
- Training and skills development.
- Safe working environment.
- Sustainable earnings growth and job security.
- Good corporate governance and ethical and competent leadership.

Key risk

- Difficulty in attracting and retaining the calibre of skills the business requires.
- Slow pace of transformation.

Our strategic response and future focus

We regard human capital as a core asset. Our HR policies ensure our employees are appropriately remunerated, and incentivised and offered career development opportunities.

We support the principles of BBBEE in South Africa, and our transformation policy and strategies are aimed at uplifting historically disadvantaged individuals.

We are committed to creating a learning culture and investing significant resources in this regard. In addition to training our employees, we conduct extensive training for our franchise partners and their employees.

Key opportunity

- Strengthen our career development plans and communicate growth opportunities better.
- Achieve an improved BBBEE status.

Caring for employee wellbeing

Famous Brands engaged ICAS to provide employees with access to an Employee Wellness Programme. The programme aims to give employees the freedom to unpack their feelings and find solutions to the many problems people experience.

The overall engagement rate of the programme, which includes uptake of all services provided, was 4.1% for 2022. The individual usage of the core counselling and advisory services was 4%, which compares to 5.7% across all ICAS client companies. The most commonly utilised service was professional counselling.

The percentage of employees whose problems appear to have a severe impact on their work is 9.7%, which is slightly below the ICAS average of 10%. This is a pleasing indication of the overall employee mental wellbeing given the pressure of the industry, which includes long and irregular working hours, demanding customers and difficult situations.

Internal assessment of relationship quality

Work closely

Engage

8. Trade unions

Stakeholder role	Their primary interest and our goal	Board/Exco member accountable
Serve as the interface with our unionised labour force	Responsive employer	Jabulani Mahange

Interests and issues raised	Key risk
On behalf of their members: • Sustainable earnings growth and job security. • Fair remuneration and recognition. • Equal opportunities and career development. • Training and skills development. • Safe working environment.	Poor labour union relationships lead to animosity and potential strikes.

Our strategic response and future focus	Key opportunity
We recognise and respect the role of unions and engage professionally and cordially to find common ground on all matters.	By demonstrating that we are an employer of choice and a good-faith partner, we can continue to enhance our existing mutually respectful relationship.

9. Government and regulators

Stakeholder role	Their primary interest and our goal	Board/Exco member accountable
Provide regulatory parameters and measures with cost implications, and provide operating licences	Responsible corporate citizen	Darren Hele, Celeste Appollis, Deon Fredericks, Ntando Ndaba and Jabulani Mahange

Interests and issues raised	Key risk
• Tax revenues. • Compliance with legislation and regulations. • Transformation. • Supporting communities. • Responsible use of natural resources.	• Health and safety and/or food quality risk control mechanisms fail. • Failure to ready the business to comply with new legislation.

Our strategic response and future focus	Key opportunity
Business sustainability is advanced by complying with relevant regulatory and legislative frameworks. We have systems and structures in place to monitor changes to legislation, assess the implication of any changes on our operations and communicate this to relevant stakeholders. Maintaining our level 4 BBBEE status is an important management priority, and we prioritise procurement, equity and skills development for improvement.	• Continue to improve our internal processes and risk preparedness programmes. • Ensure our compliance culture is communicated through improved disclosure in ESG reporting.

Internal assessment of relationship quality
Work closely
Engage