



## Unpacking our strategic performance

### Our sustainability journey

We recognise the importance of adopting the right tools, resources and practices that will help to create increasingly sustainable products, reduce the usage of resources and improve recycling efficiency.

Sustainability has become a business imperative for the food services industry. Through innovation, policies and better resource practices, we are on a journey to improve our sustainability. We believe that this will benefit our customers and franchise partners, while limiting our impact on the environment.

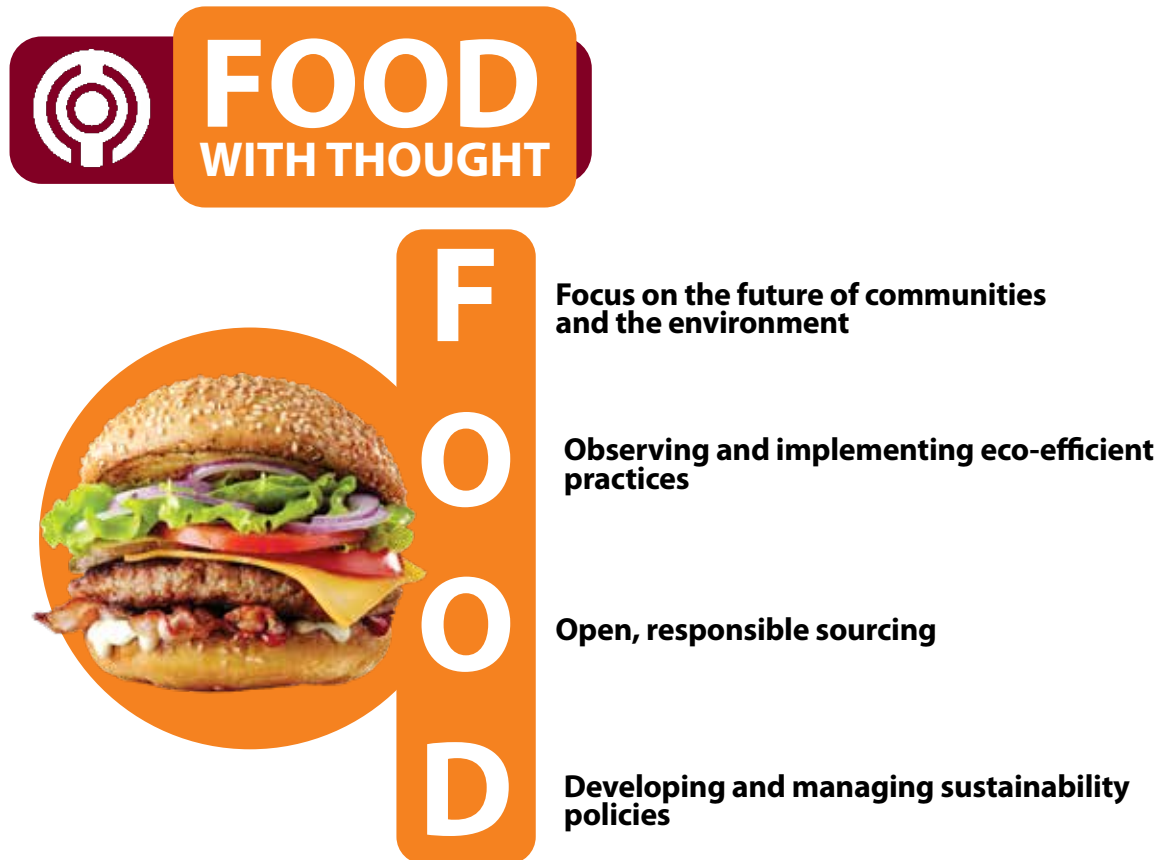
Sustainability matters are addressed through the Social and Ethics Working Committee with oversight from the Board's Social and Ethics Committee. This ensures senior involvement and integration with the Board. Management has KPIs aligned to sustainability achievements. For example, in Manufacturing, plant managers are incentivised to reduce their electricity and water usage.

Famous Brands have initiatives to encourage recycling among franchisees, and many landlords facilitate recycling at their malls. We have operational standards regarding the responsible disposal of waste products, such as cooking oil.



## Our food philosophy

We create food that is good for our customers, employees, franchisees, local communities and the environment. We believe in FOOD with thought:



We commit to developing our FOOD philosophy in line with best practices. This means we will:

- Review and update our goals and timeframes on an ongoing basis.
- Strive to remain responsive to emerging trends impacting health and wellness, sustainability and our communities.
- Be continually mindful of the stakeholders' interests and expectations.
- Be accountable for our actions.

### Responsible sourcing

Famous Brands only procures from reputable suppliers once they have been through our extensive vetting process. Most suppliers have service level agreements to specify quality and service standards, and we schedule site visits to ensure that suppliers meet our standards.

**Seafood:** All our seafood is sustainably sourced. We only purchase seafood from well-managed populations, where these species can handle current fishing pressure or are farmed in a manner that does not harm the environment.

**Cage-free eggs:** All our brands only use cage-free eggs in their recipes.

### Quick fact

**Over the past five years, Famous Brands has focussed on buying more from local suppliers. Today, about 85% of products purchased are from local suppliers.**

**Read more about our local beef project on page 82.**

*Source: Internal management disclosure.*

## OUR SUSTAINABILITY JOURNEY continued

## The United Nations Sustainable Developing Goals

In 2020, we reported our commitment to support and contribute to the achievement of the SDGs. We recognise that our contribution will benefit the citizens in the countries where we operate and support our internal operational efficiency objectives.

We have identified the SDGs that are the most relevant to our business and where we can have the most significant contribution. We have dedicated executive management oversight to these areas.

In 2021, we began identifying aspirational targets for each SDG. In 2022, these were approved by management and our Social and Ethics Committee. We plan to communicate these targets and integrate them into our business processes in 2023.

### Understanding the SDGs

### Understanding our impact

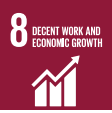
### Defining priorities

### Setting goals

### Integrating targets into operations

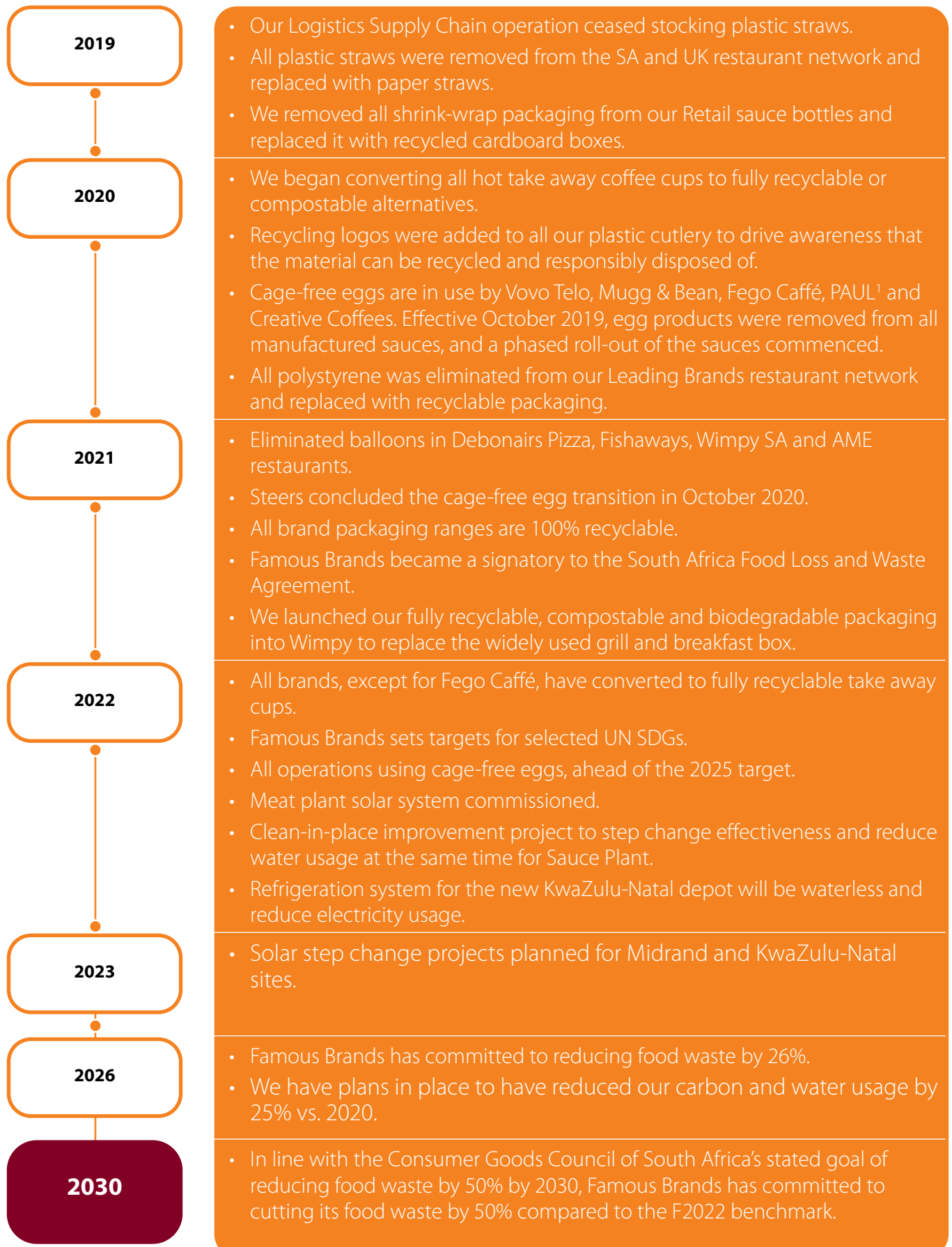
### Reporting on performance

Where we are

| Goal                                                                                                                                | UN SDG target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>5 GENDER EQUALITY</b></p>                 | <p>Achieve gender equality and empower all women and girls.</p> <ul style="list-style-type: none"> <li>• End all forms of discrimination against all women and girls everywhere.</li> <li>• Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</li> <li>• Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources.</li> <li>• Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.</li> </ul> <p><b>Famous Brands opportunity</b><br/>Strengthen opportunities given to women at all leadership levels. Increase the percentage of women at junior, middle and senior management levels.</p> |
|  <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p> | <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <ul style="list-style-type: none"> <li>• By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</li> <li>• Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</li> </ul> <p><b>Famous Brands opportunities</b></p> <ul style="list-style-type: none"> <li>• Ensure equal work for equal pay across the Group.</li> <li>• Increase the support for Black-owned SMMEs.</li> </ul>                                                                                       |

| Goal                                                                                                                                                                                                | UN SDG target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.</p> | <ul style="list-style-type: none"> <li>• Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</li> <li>• Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.</li> <li>• Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.</li> <li>• By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</li> </ul> <p><b>Famous Brands opportunities</b></p> <ul style="list-style-type: none"> <li>• Develop SMMEs within the enterprise and supplier development programme, with a focus on developing one supplier per year.</li> <li>• Created more than two jobs through SMMEs participating in the enterprise and supplier development programme.</li> </ul> |
|  <p>Ensure sustainable consumption and production patterns.</p>                                                  | <ul style="list-style-type: none"> <li>• Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries.</li> <li>• By 2030, achieve the sustainable management and efficient use of natural resources.</li> <li>• By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.</li> <li>• By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</li> </ul> <p><b>Famous Brands opportunity</b><br/>Decrease our carbon footprint by 25% by 2026.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|  <p>Take urgent action to combat climate change and its impacts.</p>                                             | <ul style="list-style-type: none"> <li>• Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</li> <li>• Integrate climate change measures into national policies, strategies and planning.</li> <li>• Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</li> </ul> <p><b>Famous Brands opportunity</b><br/>Reduce our water usage by 25% by 2026.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## OUR SUSTAINABILITY JOURNEY continued

<sup>1</sup> Licensed brand by PAUL International.

## **Our plastic waste reduction and recycling successes**

**We constantly review and modify our brand packaging material to align with best practice benchmarks.**

We drive our plastic waste reduction and recycling initiatives at the front-end (restaurants) and back-end (Supply Chain).

Since 2019, Famous Brands has led a packaging initiative to provide better, more environmentally friendly packaging across the brands. Today, all Famous Brands procured brand packaging ranges are currently 100% recyclable, and work is now being done to improve our status by accelerating conversion to biodegradable and compostable packaging.

We constantly review and modify our brand packaging material to align with best practice benchmarks.

We are looking at other ways to reduce plastic usage, including bulk packaging rather than single packaging options, changing plastic lids to paper lids, moving milkshake cups to paper cups, and reducing container sizes. With these changes, small reductions can make a big difference. For instance, a change

from individually wrapped Wimpy biscuits to bulk wrapping would save about four tonnes of plastic wrapping per year.

In the Manufacturing division, we have stopped shrink-wrapping products, reducing plastic waste and eliminating electricity previously used.

### **Quick fact**

***The transition from our standard hot cup to our compostable hot cup began in 2018. Vovo Telo and Mugg & Bean began phasing out the original cup to using compostable cups in 2019. Fego Caffé remains the only brand to move over. This will phase out by October 2022. Challenges with this transition include expensive and imported materials and a lack of local innovation in this space.***

*Source: Internal management disclosure.*

## **The impact of our initiatives in numbers**

Switching from plastic to paper straws reduced our plastic waste by 11 tonnes per year. This is equivalent to 7.8 standard football fields.

Removing balloons from restaurants has reduced our latex waste by 20.4 tonnes per year. The removal of cups and sticks used in conjunction with balloons) has reduced our plastic waste by 26.3 tonnes per year.

Replacing the plastic wrapping of toothpicks with paper wrapping has reduced our cellophane waste by 3.1 tonnes per year.

Removed all shrink-wrapping for Retail sauce bottles in favour of recycled cardboard boxes. Resulting in an average saving of 30.5 tonnes of shrink-wrap packaging per annum.

## OUR SUSTAINABILITY JOURNEY continued

**Extended Producer Responsibility**

South Africa must take steps to reduce the amount of packaging waste sent to our country's landfills. For this reason, the Department of Forestry, Fisheries and the Environment implemented new Section 18 regulations to the Waste Act from 5 May 2021. The new Extended Producer Responsibility regulations aim to ensure that producers take responsibility for the life cycle of their products, right through to post-consumer waste disposal. It is hoped that this waste will be increasingly diverted from landfills, and more recycling and other circular economy activities will gain momentum.

Famous Brands has registered with several producer responsibility organisations that manage the Extended Producer Responsibility schemes for various packaging schemes, such as plastic or glass. We are also working with suppliers to ensure that they are registered. There are only two producer responsibility organisations that we have not signed up with, namely MetPac SA and the Glass Recycling Co. Our metal and glass suppliers have signed up with these organisations and will report on our behalf.

We are awaiting further clarity from the government on the levy schedule for the different packaging types. The minister is yet to communicate the fees for the various

substrates and start dates for reporting. Some suppliers have included an additional fee into their pricing to Famous Brands which covers the Extended Producer Responsibility fee. This is then paid to the Producer Responsibility Organisation. On the other hand, some suppliers are yet to charge the Extended Producer Responsibility fee.

We also registered with the Department of Forestry, Fisheries and the Environment by 5 November 2021. We are 100% compliant with Section 18 requirements as legislated by the department.

|                                                   | Substrate | PRO                         | Comment                                     |
|---------------------------------------------------|-----------|-----------------------------|---------------------------------------------|
| <b>Famous Brands Management Company (Pty) Ltd</b> | Glass     | The glass recycling company | Not registered – supplier Consol registered |
|                                                   | Metal     | Metpac                      | Not registered – supplier Nampak registered |
|                                                   | Paper     | Fibre Circle                | Registered                                  |
|                                                   | Plastic   | Polyco                      | Registered                                  |
| <b>Famous Brands Coffee Company (Pty) Ltd</b>     | Plastic   | Polyco                      | Registered                                  |
| <b>Marathon Holdings (Pty) Ltd</b>                | Paper     | Fibre Circle                | Registered                                  |
|                                                   | Plastic   | Polyco                      | Registered                                  |

**South Africa Food Loss and Waste Agreement**

Our overall food waste in our Manufacturing division is less than 1% of input. We hope to reduce this by 50% by 2026.

In 2021, Famous Brands became a core signatory to the South Africa Food Loss and Waste Agreement. This agreement was developed by the Consumer Goods Council of South Africa and the Department

**Quick fact**

*We are always investigating ways to reduce our food waste in our Manufacturing division. The potato skins not used when making chips and the whey that is a by-product of cheese production are taken by pig farmers and become animal feed. This way we prevent these by-products from going to the landfill and contribute to a more circular economy.*

Source: Internal management disclosure.

of Trade, Industry and Competition together with the Department of Forestry, Fisheries and the Environment. Famous Brands has committed to:

- Work with the government, food sector and associated organisations to achieve the SDG target, which states that “by 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses”.
- Adopt the food utilisation hierarchy, which prioritises increased food utilisation and food waste reduction, followed by the redistribution of edible, nutritious surplus food for human consumption and the creation of secondary markets for surplus food, taking food safety into account.
- Confidentially report our annual quantities of food waste and quantities diverted to food surplus redistribution, according to the agreed reporting protocol. In 2021, Famous Brands submitted our food waste figures, with pleasing reductions in waste.

Our efforts will be focussed on:

- Meeting our commitment to reduce food waste in our Manufacturing division by 50% by 2030.
- Identifying food loss and waste arising from our operations and isolating the underlying causes.

- Ensuring that food safety is maintained at every level.
- Building our partnership with non-profit SA Harvest to re-distribute edible surplus food to those in need.

We have an established partnership with the charitable organisation SA Harvest whose motto is ‘Rescuing Food, Fighting Hunger’. This relationship began during COVID-19 when Famous Brands management worked closely with the organisation to re-distribute stock that our hibernated operations could not use. We continue to work with them and other non-profits to distribute food close to its expiry date.

### ***Better for You awareness***

We consider the Department of Health’s goals of reducing obesity and encouraging healthier lifestyles in designing our menus. Our extensive menus across our brands cater to dietary restrictions, food allergies, intolerances and lifestyle choices.

Our Leading Brands’ menus highlight a ‘Better for You’ offering, including vegetarian and vegan options and sugar-free sodas, at a lower price than the regular soda. At Steers, sugary beverages may be swapped out for bottled water at no extra cost. Steers no longer promotes upselling, to disincentivise upsizing of meals. Fishaways promote a range of ‘Healthier for you’ meals under 500 calories.

Wimpy UK and our Leading Brands, except for Milky Lane, all have full kilojoule counts on their menus. We plan to roll out kilojoule counts on Milky Lane’s menu in 2023. Full nutritional guidelines, including a list of allergens, are displayed on our Leading Brands’ websites to help customers make informed choices. Customer feedback indicates that having kilojoule counts available is helpful and does guide their decision making.

We offer vegetarian and vegan options across our menus. We have improved our bun and sauce recipes to exclude eggs, which makes them allergen and vegan friendly.

Our TruFruit juice range was reformulated to reduce sugar to be below the sugar-tax threshold.