SPUR CORP.

LEADING FOR THE GREATER GOOD

Integrated Annual Report TWENTY22

ABOUT THIS REPORT

This integrated annual report is presented in an interactive PDF format to assist readers to easily access topics of relevance. The report covers the activities of Spur Corporation Limited for the financial year ended 30 June 2022.

The board acknowledges its responsibility to ensure the integrity and completeness of the report.

The directors confirm that they have collectively assessed the contents and believe that the report accurately reflects the group's performance, strategy and material issues and risks.

The audit committee recommended the report for approval by the directors. The board approved the 2022 integrated annual report on 27 October 2022.

To ensure balanced representation, we have included **reflection boxes** throughout the report to highlight areas in our business we believe we can further enhance.

The icons below guide readers to the group's relevant capitals, key risks and material issues.

Our use of capitals

- Financial capital
- Human capital
- Manufactured capital
- Intellectual capital
- Social and relationship capital
- Natural capital

Risks and material issues

- Our key risks
- Our material issues

Mike Bosman (Chairman)	Shirley Zinn (Lead independent non-executive director)	Val Nichas (CEO)	Cristina Teixeira (CFO)	Kevin Robertson (COO)
Jesmane Boggenpoel (Independent non-executive director)	Cora Fernandes (Independent non-executive director)	Lerato Molebatsi (Independent non-executive director	André Parker (Independent non-executive director)	Sandile Phillip (Independent non-executive director)

SCOPE AND BOUNDARY

The integrated annual report covers the group's financial and non-financial performance for the financial year from 1 July 2021 to 30 June 2022. The financial reporting boundary is consistent with the 2021 financial year.

We were guided by the principles and requirements in the International Financial Reporting Standards (IFRS); the International <IR> Framework; King IV; the JSE Limited (JSE) Listings Requirements; the Companies Act No 71 of 2008, as amended; and the JSE Sustainability Disclosure Guidance.

Our social and ethics committee fulfilled its mandate, as prescribed by the regulations of the Companies Act. There are no instances of material non-compliance to disclose.

We include a guidance section in the supplementary section of our report suite to indicate elements we consulted during the writing of this integrated annual report.

Spur Corporation's activities include franchised restaurant and marketing activities, procurement, manufacturing and restaurant operations in South Africa, which generate 98% of group revenue. At year-end, the group also operated in 14 additional countries through its international division.

The *audited annual financial statements* can be found at *https://www.spurcorporation.com/investors/results-centre/*.

ASSURANCE

Although the group applies a combined assurance model to confirm the integrity of the information in this report, the content has not been independently assured. However, several disclosure elements included in this report are independently assured through our business practices.

The group's external auditor, PwC Inc., has provided assurance on the consolidated annual financial statements and expressed an unmodified audit opinion.

FORWARD-LOOKING STATEMENTS

The integrated annual report includes forward-looking statements that relate to the possible future financial position and results of the group's operations. These are not statements of fact, but rather statements by the leadership based on current estimates and expectations of future performance.

No assurance can be provided that these forward-looking statements will prove to be correct, and shareholders are advised to exercise caution in this regard.

The group will only update or revise any of these forward-looking statements publicly during its formal engagements through SENS, if required. The forward-looking statements have not been reviewed or reported on by the group's external auditor.

MATERIAL ISSUES

The board and executive management applied the principle of materiality in determining the content of this report. We considered all matters that could substantially impact the assessment and decisions of the board, key stakeholders and the group's ability to create value over time.

Determining our material matters

We have increased the frequency and methodology used to identify and monitor material issues and risks and conduct a bi-annual formal review of the material matters that could impact on our operations. We have also improved our processes to interrogate developing matters that could have a material impact on the business as soon as they are identified. Once a possible material risk is identified, an executive management team meeting is immediately convened to determine tracking measures, mitigating actions and to allocate responsibility for implementation.

The process we followed to identify our 2022 material matters is outlined below:

1. Evaluating market trends and operating conditions discussed at board level and consulting market reports.
2. Reviewing board minutes to crystalise consistent material issues.
3. Reviewing updated risk management reports, including ranking key risks by likely impact.
4. Evaluating stakeholder feedback. For example, we regularly review franchisee feedback to identity potential issues. We also commissioned customer research and hosted focus groups during the year.
5. Discussions with the board chairman and senior management.
6. Meeting with management members across a number of business disciplines.
7. Once these matters were collated and critically assessed, they were presented to the board for sign off as part of the integrated annual report process.

INTEGRATED ANNUAL REPORT SUITE

- Main section of report
- Remuneration policy
- Remuneration report
- Supplementary report, including the report from the social, ethics and environmental sustainability committee
- Notice of AGM
- Form of proxy
- Annual financial statements

HOW WE OPERATE

01

WHO WE ARE

Spur Corporation is a leading casual dining franchised restaurant group of 631 outlets across South Africa, the rest of Africa, Mauritius and the Middle East.

The group owns seven well-established and diverse brands, including some of South Africa's iconic family restaurant brands, such as Spur Steak Ranches.

Following the first Spur Drive Thru that opened in 2021 two RocoMamas Drive Thrus were opened during the year.

The virtual kitchen (VK) brands launched in 2020 are now integrated into the brand offerings. The Spur brand recently launched a new VK offering, Just Wingz.

R7.7 billion
Restaurant sales
(2021: R6.0 billion)

418
Spur Corporation employees
(2021: 409)

21 959
Franchisee employees
(2021: 19 615)

South Africa

547
Restaurants

R7 billion
Restaurant sales

R2.4 billion
Revenue

R197 million
Profit before tax

International

84
Restaurants

R736 million
Restaurant sales

R48 million
Revenue

R12 million
Profit before tax

OUR REACH

We currently trade in 15 countries, with our main presence in Africa. We trade in 631 restaurants globally, with 547 in South Africa and 84 in international countries.

Contribution to group revenue

Local **98%**

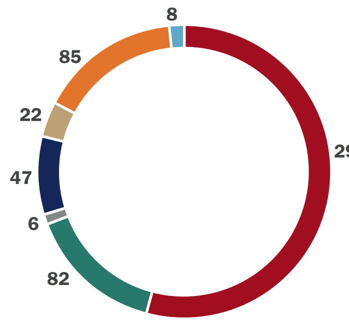
International **2%**

Contribution to group profit

Local **94%**

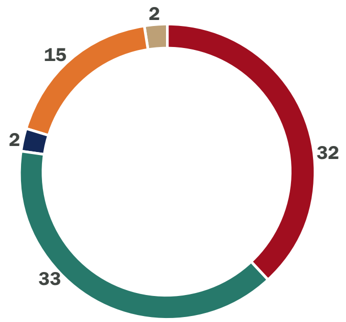
International **6%**

LOCAL FRANCHISED RESTAURANTS PER BRAND



- SPUR
- PANAROTTIS
- JOHN DORY'S
- THE HUSSAR GRILL
- ROCOMAMAS
- CASA BELLA
- NIKOS

INTERNATIONAL FRANCHISED RESTAURANTS PER BRAND



- SPUR
- PANAROTTIS
- JOHN DORY'S
- ROCOMAMAS
- THE HUSSAR GRILL

^ Closed after year end

OUR OPERATING MODEL

Spur Corporation has a franchise-based operating model, with individual restaurants owned and managed by independent, entrepreneurial franchisees.

The group builds meaningful relationships with its franchisees that involve the sharing of intellectual property, experience, skills, support services and infrastructure. Franchisees fund the development costs of new restaurants, as well as relocations and refurbishments, a requirement of their franchisee agreements at pre-determined timeframes.

Activities	**Franchised restaurants**			**Company-owned restaurants**	**Central procurement**	**Manufacturing**	**Group services**
	Franchise activities		**Marketing**				
Countries	**South Africa**	**International**	**All regions**	**South Africa**	**South Africa**	**South Africa**	**South Africa Netherlands**
Main brands	Spur, Panarottis, John Dory's, RocoMamas, The Hussar Grill, Casa Bella, Nikos	Spur, Panarottis, John Dory's, RocoMamas, The Hussar Grill	Spur, Panarottis, John Dory's, RocoMamas, The Hussar Grill, Casa Bella, Nikos	RocoMamas, The Hussar Grill	Spur, Panarottis, John Dory's, RocoMamas	Spur, Panarottis, John Dory's, RocoMamas	Support services to all brands in all regions
Virtual Kitchen brands	Just Wingz, Pizza Pug, Reel Sushi, Bento, Char Grill Chicken *Virtual brands*						
Nature of revenue generated by the group	Franchise fee income Licence fee income	Franchise fee income Licence fee income	Marketing contributions for the use and benefit of franchisees	Restaurant sales	Sales of centrally-procured goods to franchisee network	Revenue from the sale of manufactured sauces and décor to franchised restaurants Revenue from the sale of sauces sold to the retail market	
Basis of revenue generated by the group	**5%** of monthly restaurant gross turnover paid by franchisees on main brands	**5%** of monthly restaurant gross turnover paid by franchisees	**4%** of restaurant turnover for Spur, Panarottis and John Dory's **3%** of restaurant turnover for RocoMamas with effect from F2023 (previously 2%) **2%** of restaurant turnover for The Hussar Grill, Casa Bella and Nikos	Sales to customers	Sales of centrally-procured goods distributed through the group's outsourced distribution network	Sales from brand-specific sauces sold to franchisees and to retail restaurants Sales from décor provided to franchised restaurants Sales from brand-specific sauces sold to retail market	
Services provided	The group supports franchisees through: – Managing the new franchisee process, including break-even and feasibility studies and site selection and project management – Providing required product and standards on décor – Induction and training – Financial model guidance in line with best brand standards – Advice on business management and compliance – Lease negotiation and renewal – Regular audits to ensure the maintenance of standards – Training franchisee employees to ensure consistent food quality and health and safety standards International restaurants are provided with additional support, such as restaurant development and logistics.		In South Africa, tailored marketing plans are implemented for each restaurant. Where local marketing spend is required internationally, the group provides guidance and direction on spend.	Speciality and fast casual dining in mainly the Western Cape, with one restaurant in Gauteng.	In South Africa, procurement is centralised, which enables the group to negotiate more competitive prices. Centralised procurement also supports food safety, consistent quality, competitive pricing and stable supply. The group manages the relationship between the outsourced distributor, suppliers and franchisees.	The group's sauce manufacturing facility supplies franchisees with signature sauces. The offering also includes specialised brand-specific sauces for in-home use. The décor manufacturing facility designs and produces fixtures and fittings for the group's restaurants.	Centralised corporate services, such as finance, information technology, business intelligence, research and development, legal and governance, human resources and the customer contact centre. The Netherlands provides operational and support services to the group's international outlets.

OUR KEY STRENGTHS

The group has grown from humble beginnings 55 years ago to a leading R7.7 billion restaurant group with world-class brands and people.

Diverse management and board

The executive team has successfully transformed in less than two years to **50%** female and **50%** black. The board has **50%** black and **60%** female members.

Extensive and expanding restaurant base

The group has an extensive and continuously expanding restaurant base of **631** outlets across seven well-established and diverse brands. Black franchisees increased from 22% to 28% this year. The significant footprint in South Africa is a major barrier to entry for potential competitors.

Innovation

We remain responsive to global food and restaurant trends. Examples include the launch of virtual brands to meet the increased demand for online ordering platforms and Drive Thru restaurants offer convenience, as well as the launch of vegan-friendly and plant-based products and a dedicated restaurant concept to increase our environmental responsibility.

Competitive margins and return metrics

We constantly improve efficiencies, drive franchisee profitability, enhance centralised distribution and strive for operational excellence to maintain the healthy operating margins generated by the brands.

Powerful team with entrenched company knowledge and new talent

The group has a very low staff turnover at our senior level, with the majority of our senior operational team with more than ten years' service at the group. This, combined with the continuous attraction of new talent, has resulted in a powerful combination of intimate company-specific knowledge and broader industry experience.

Exposure to international markets

The group operates in **15** countries. Our international growth strategy was repositioned last year to focus on areas in Africa where the brands resonate with local consumers. Key countries outside of South Africa remain Zambia, Namibia, Kenya and Mauritius. Eight restaurants opened internationally in the year, with four Panarottis and two RocoMamas in Zambia and a RocoMamas in Namibia and India. The group has only three restaurants in Australia and New Zealand. Subsequent to year-end, the New Zealand restaurant closed.

Organic and acquisitive growth

The organic growth of internally-developed brands has been complemented with select acquisitions over the years to extend the customer offering. The group has a proven track record of expanding the restaurant footprints of brands.

Entrenched stakeholder relationships

The group has long-term relationships in place, with anchor shareholders, an extensive network of property owners and intermediaries, value-adding relationships with key suppliers across product categories, a loyal customer base established over several years and a resilient franchisee network. The partnerships with franchisees are valuable assets.

Our close collaboration creates a winning combination of entrepreneurship, supported by our systems and intellectual capital. We have recently created new forums and franchisee councils, elected by the franchisee network.

Market-leading brand portfolio

Our portfolio of market-leading brands has a broad consumer appeal, providing South Africa's growing middle-income market with casual dining restaurant experience through our family sit-down and fast-casual restaurants, as well as higher-income customers through the speciality dining restaurants.

Brand and customer loyalty

High levels of brand and customer loyalty, with the Spur Family Club, Panarottis Rewards and John's Club loyalty programme membership totalling **3.9 million**, with **1.7 million** active customers (2021: 1.2 million).

The second Kantar market research the group commissioned confirms that the Spur brand resonates with customers, with a consistent power score.

Ungeared balance sheet and effective capital management

The group's ungeared balance sheet and strong cash generation enabled the business to withstand the COVID-19 trading restrictions without the requirement to access external funding.

Strong focus on internal culture

During the last two years, we have focused on enhancing our employee experience, creating a leading organisation and becoming an employer of choice.

We defined new leadership behaviours and created an employee strategy that concentrates on employee talent acquisition, career progression and retention through short- and long-term incentive schemes. This investment in our employees builds on an already strong foundation of passion and ownership created over several decades.

During this year, national workshops with employees delivered new corporate values. This consultative approach resulted in values that resonate with our teams and employees that are committed to the group's strategy.

People First
We support our people with compassion and acceptance because we believe we are better together.

United by Purpose
We prioritise inclusivity, mutual respect and open communication as the foundation for living out our shared purpose with integrity.

Lead Innovation
We challenge ourselves to exceed expectations through bold innovation and a consistent passion for quality.

Empower Excellence
We create opportunities to empower the best in our people through generous teaching, constructive feedback and inspirational leadership.

What we can do better

Although we are proud of our key strengths, we continuously evaluate where we can enhance.

- Ongoing repositioning of John Dory's and Panarottis
- Managing overheads and the rate of spend relative to our trading performance
- Appropriate acquisition strategy to ensure optimal deployment of capital
- Transformation of our network, including our supply chain and accelerating black franchise ownership
- Increased digitisation to remain competitive
- Formalise our environmental, social and governance (ESG) strategy

OUR VALUE-CREATING BUSINESS MODEL

Our business model is designed to deliver on our purpose, Leading for the Greater Good. We aim to create sustainable value through consumer-led innovations to build franchised brands that lead the experience. We focus on effectively managing the resources and relationships available to our business.

What we use and rely on

Financial capital
We have a strong capital base, supported by long-term shareholders and financial partners.

Manufacturing capital
We rely on our assets and products to provide a quality offering.

Social and relationship capital
The quality of our relationships with a diverse group of stakeholders creates trust.

Human capital
We rely on a high calibre of talented employees to deliver on our strategy.

Intellectual capital
Our brands and reputation are crucial to succeed.

Natural capital
We use natural resources responsibly to deliver our services and products.

OUR PURPOSE
Leading for the Greater Good

OUR STRATEGY
To lead in casual dining hospitality in the markets we operate in. We do this by leveraging our portfolio of market-leading brands and working closely with our franchise partners and our manufacturing and supply chain businesses to generate sustainable value.

OUR PRODUCTS AND SERVICES
Spur Corporation operates a franchised business model, with individual restaurants owned and managed by independent franchise entrepreneurs.

We offer a range of dining experiences, ranging from speciality dining to takeaway meals.

We support our franchisees with operations, marketing and supply chain services.

What are we deeply passionate about?
Family hospitality

What drives our economic engine?
Increased revenue** generated from profitable franchised restaurants, driven by customer loyalty

What can we be best in?
Leaders in casual dining in each category/market we select to trade in

OUR OUTCOMES
Our outcomes are the services and products we deliver to stakeholders

HOW WE CREATE VALUE
We create value by anticipating and promptly responding to ever-changing customer requirements to remain appealing and relevant

Our values underpin how we conduct our business and allocate our resources

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** *Franchisee income, company restaurants and supply chain*

HOW WE MANAGE OUR CAPITAL

Financial capital

We have a strong capital base, supported by long-term shareholders and financial partners.

Key inputs

R1.9 billion market capitalisation at year-end	**Strong balance sheet** with no debt	**R13 million** interest income earned
R686 million total equity at year-end	**R291 million** Cash and cash equivalents	

Activities to preserve value

- Focused and redirected expenditure on core marketing spend
- Executive director focus on allocation of capital
- Tight levels of authority in place, which includes executive approval for certain spend, such as filling vacant roles, new appointments and salary increases
- Discretionary costs reduced where possible

Outcomes of our activities

R2.4 billion Revenue	**R210 million** Operating profit before taxation	**R306 million** Cash generated from operations	Headline earnings per share up 31% to **144.2 cents**
127 Dividend per share (cents)	**8.30** Net asset value per share (Rand)	**20.55** Closing share price at year-end (Rand)	

Our trade-offs

The investment of financial capital requires a careful balance between short-term financial preservation and the long-term development of the group.

Manufactured capital

We rely on our assets and products to provide a quality offering.

Key inputs

R1.3 million Spend on capex projects in our central kitchen (R1.8 million refurbishment expensed in F2021).	**3 800 tonnes** of products supplied by our central kitchens**

Central kitchens*

4.4 million litres of sauces	**21** Production employees

Activities to preserve value

- The consolidation of supply chain and manufacturing services improved capacity and buying power
- Partnered with supply chain specialists

Outcomes of our activities

Successful manufacturing during the year, with no supply interruptions to customers	Revenue in the manufacturing and distribution division increased by 31% and profit by 29%

Our trade-offs

Investing in our manufacturing facility requires financial capital and appropriate levels of human and intellectual capital, as well as certain natural capital inputs. We continue to focus on increasing efficiencies and reducing environmental impacts.

* *Not all of the group's procurement is centralised, with certain products sourced by franchisees*
** *Supplied to third-party logistics provider*

Social and relationship capital

The quality of our relationships with a diverse group of stakeholders creates trust.

Key inputs

Meaningful supplier and franchisee relationships	Meetings with regulators	Investor meetings	**R1.6 million** in socio-economic development funding

Effective community engagement through the Spur Foundation and community programmes at brand level

We sponsor the schooling of **52** children of corporate employees

The Spur Full Tummy fund feeds **1 120** children every school day

Activities to preserve value

- New forums and franchise alliance councils created and R8 Network Development model implemented
- Active management of compliance with regulators
- Increased engagement with investors
- Investment in market research and product innovation
- Donations to community projects and increased enterprise development partnerships

Outcomes of our activities

Good progress with **31** new restaurants opened	**R75.8 million** taxation payments	Ongoing support from investors
Second Kantar research confirms that Spur remains solid with high awareness and usage scores		Effective community engagement through the Spur Foundation and community programmes in each brand

Our trade-offs

Maintaining constructive relationships across all stakeholders may require trade-offs in certain relationships as we have to carefully balance interests.

Investing in social capital requires financial capital and creates positive impacts in most capitals due to effective engagement with the company's stakeholders.

Human capital

We rely on a high calibre of talented employees to deliver on our strategy.

Key inputs

21 959 franchisee employees.	**418** Spur Corporation employees.	Experienced and skilled board and leadership

SA Operations

73% black Spur Corporation employees	**51%** female Spur Corporation employees

Activities to preserve value

- New values process launched to ensure fulfilled, engaged and productive employees
- Refocused remuneration structures and new key performance indicators
- Ongoing investment in training and development, with new programmes implemented, including Rising Leaders and IGNITE to develop new leaders.
- Employee Culture Survey completed in November 2021

Outcomes of our activities

88% of our Ignite attendees are black and **38%** female	**76%** of our Rising Leaders are black and **41%** female

Employment spend of **R222 million**	**60%** of the CEO's on-target compensation is linked to performance-based rewards and **40%** is guaranteed	**50%** of the on-target compensation of the CFO and COO is linked to performance-based rewards, with **50%** guaranteed

Two internal senior management promotions as part of ongoing career development	Executive committee members **50%** black and **50%** female	Employee participation in survey **92%**	No fatalities

Our trade-offs

Investing in attracting, retaining and developing talented employees has a short-term cost. As people are the key drivers of business and strategy delivery, they create returns for all the capitals over the medium- to long-term.

Intellectual capital

Our brands and reputation are crucial to succeed.

Key inputs

11 723 franchisee employees trained	**390** courses completed		**R230 million** Marketing fund contribution by franchisees
18% Total media investment increase	**7%** Digital media spend increase	**69%** Research and development spend	**496%** Billboard advertising increase

Activities to preserve value

- New engagement forums created for franchisees
- Stringent operating standards and ongoing training
- Monitoring our value proposition with customers
- Ensuring that restaurants and branding remain current

Outcomes of our activities

Restaurant turnover increased by **28.2%**.	Partnerships with the majority of our franchisees for longer than **ten** years, with some as long as **35** years

Natural capital

We use natural resources responsibly to deliver our services and products.

Key inputs

950 MWh electricity consumed	**5 930 kilolitres** water consumed	**288 kg** Liquefied petroleum gas (LPG)

Central kitchens*

515 792 Oil (litres)	**495** Brown sugar (tonnes)	**191** Tomato paste (tonnes)	**216** Tomato pulp (tonnes)
397 653 Carton boxes (units)	**1 987 752** Plastic bottles (units)	**48 001** Paraffin (litre)	**1 688 L** Diesel (litre)

- Electricity, water-saving and waste management initiatives
- Annual Green Ops Reports reinstituted to monitor environmental practices across the group and franchised restaurants
- Educational campaigns resumed to reignite awareness
- As a founding member of the SA Plastics Pact, we recently completed our input for the annual report, which reflects the group's progress on the Pact's 2025 targets

Outcomes of our activities

60% of waste at facilities and regional offices diverted from landfill	**85%** of packaging was produced from renewable resources
Paper bag usage increased from 213 tonnes to **307 tonnes**	Greenhouse gas emissions (metric tonnes CO_2e) • Scope 1: **241** • Scope 2: **1 882** • Scope 3: **6 559**

Our trade-offs

Using natural resources is a key trade-off for generating value across the other capitals. We are continuously focusing on how we can minimise our impact.

* *Not all of the group's procurement is centralised, with certain products sourced by franchised restaurants*

HOW WE ENGAGE WITH OUR STAKEHOLDERS

The group has categorised its main stakeholder groups, with a strategy for each audience. The four key stakeholder groups are outlined in this section.

Refer to stakeholder engagement in the supplementary section of the integrated annual report for additional information.

Employee experience

Key focus areas	What we want to achieve
• Define and implement an employee climate survey, roll out company values and create a performance-focused culture • Implement formal career development processes, which will include fast-tracking quality candidates and the creation of a future leaders' academy • Improve employment equity through talent acquisition and internal development • Visible and measurable transformation • Introduce a new short-term and long-term incentive scheme	• Ensure a cohesive and engaged team that focuses on delivery • Effective succession planning through the development of employees • An employee base that represents our country and the markets we serve • Develop and execute a deliberate and societal transformation strategy with our franchisees and partners • Improve Spur Corporation's broad-based black economic empowerment (B-BBEE) rating • Focus on meaningful B-BBEE supplier, enterprise and franchisee development • Amplify Spur Foundation's impact in local communities • Ensure outcomes-focused employees who feel rewarded for their commitment

Our progress this year

- Following our culture survey, we concentrated on the areas requiring improvement, with facilitated feedback sessions and action plans in place
- Our revised values were successfully identified through workshops that included 96% of Spur Corporation employees. These values were included in employees' key performance areas
- We further enhanced our performance scorecards as a key enabler of our business performance and results
- Our succession planning is in place and candidates for critical roles were identified
- The shareholder-approved incentive scheme was successfully introduced and linked to performance measures in scorecards for eligible Spur Corporation employees. Where employees are not participants of the scheme, they are considered for discretionary annual incentive structures, based on performance scores

Actions for the coming year

- Invest in additional change leadership sessions and increasing levels of communication with the team
- Continued focus on employee support structures, such as wellness and work/life offerings
- Roll out additional learning and development programmes and succession plans
- Integrate the newly-defined values
- Improve transformation through talent acquisition, internal learning and development and franchisee and partner strategies
- Improve scores in the next culture survey in November 2022
- Address areas for improvement in the group's B-BBEE rating

Customer experience

Key focus areas	What we want to achieve
• An unwavering focus on product, marketing and innovation • Expand the brand presence • Upgrade restaurants where required and open new restaurants • Reposition and turn around low-margin brands, such as John Dory's and Panarottis, and grow other brands through a defined product focus	• Brand relevance and customer satisfaction and loyalty • Market share • Customer loyalty, growth and appeal • Regain or grow market share and improve franchised restaurant profitability

Our progress this year

- Appointed a new chief marketing officer
- Targeted marketing strategy and allocation of funds
- Introduced a new brand, Just Wingz
- Rolled out value-added campaigns
- 59 restaurants revamped
- Active Family Club members across Spur, Panarottis and John Dory's grew from 1.2 million to 1.7 million
- Conducted focus groups
- Reviewed overhead structures and reduced costs through restructuring
- Introduced a revamped Panarottis concept, with positive feedback from customers and increased trade

Actions for the coming year

- Accelerate leadership position for Spur and RocoMamas brands, revitalise and reposition Panarottis and John Dory's and expand and increase visibility of the group's speciality brands of The Hussar Grill, Casa Bella and Nikos
- Broaden customer base through everyday value and a targeted customer strategy
- Ongoing Drive Thru roll out and testing of new formats
- Scale VK brands and grow Just Wingz
- Continue to execute on our R8 model with restaurant revamps, relocation and revival of restaurants

Franchisee experience

Key focus areas	What we want to achieve
• Reduce set-up costs • Ensure optimal return on marketing spend • Increase black-owned restaurants • Improve profitability of key products, food cost percentage and the franchised restaurant business model • Improve reporting processes, such as sales reports and key benchmarks	• Assist in improving franchised restaurant profitability • Increase the appeal for new franchisees • Improve return on marketing investment • Transformation through the growth of black entrepreneurs

Our progress this year

- Introduced supply change initiatives to manage food costs
- Targeted marketing strategy and allocation of funds
- New franchisee forums created to improve collaboration
- Black-owned restaurants increased from 22% to 28%
- Rolled out key metrics to track progress and ensure standardised reporting

Actions for the coming year

- Improve supply chain costs and efficiencies
- Increase black ownership, transformation and cultural awareness
- Increase marketing effectiveness
- Equipment enhancements to improve efficiencies and cost savings, as well as decrease set-up costs
- Improve trend and customer insights and analysis

Investor experience

Key focus areas	What we want to achieve
• Develop a focused growth strategy to remain relevant in tough conditions • Identify efficiency improvement opportunities • Correct capital allocation	• Sustained growth and profitability • Expanded footprint • Enhanced brand positioning • Improved processes and structures to maximise margins and returns • Optimal return on investment
Our progress this year	
• Strong results achieved, with profit before income tax up 41.9% • Continued reduction or exit in underperforming markets. New Zealand restaurant closed after year-end • Targeted international expansion strategy with strategic partnerships created	

Actions for the coming year

- Broaden customer focus to achieve pre-COVID-19 trading levels
- Ongoing focus on growing our brands and presence
- Explore new revenue streams for the group, with a focus on appropriate allocation of capital and sustainable return on investment
- Managing costs and overheads to eliminate negative operating leverage

OUR OPERATING CONTEXT

02

OUR MARKETS

Our main market of South Africa has faced numerous challenges this year, including the weaker global environment weighing on export potential, a tightening of domestic monetary policy, increased electricity loadshedding, and the adverse impact of local and foreign factors on business supply chains.

PWC's baseline scenario forecasts real GDP growth of 1.8% in 2022 compared to an estimate of 2.5% at the start of the year. According to the 17th World Economic Forum Global Risks Report, South Africa was identified as one of 31 countries with high risks around the erosion of social cohesion. Extended prolonged economic stagnation, unemployment, failure of public infrastructure, corruption and crime have severely impacted the social fabric of the country.

	2020	2021	**2022f**	2023f
Baseline				
ZAR/USD	16.46	14.78	**16.20**	16.70
Consumer price inflation (%)	3.3	4.6	**6.6**	5.4
Repo rate (end-of-period)	3.50	3.75	**6.75**	7.00
Real GDP rate (%)	(6.4)	4.9	**1.8**	1.6
Unemployment rate (%)	29.6	35.3	**36.7**	35.6
Probability weighted average				
ZAR/USD	16.46	14.78	**16.24**	16.85
Consumer price inflation (%)	3.3	4.6	**6.7**	5.5
Repo rate (end-of-period)	3.50	3.75	**6.78**	7.15
Real GDP growth (%)	(6.4)	4.9	**1.7**	1.5
Unemployment rate (%)	29.6	35.3	**36.8**	35.7

PWC South Africa Economic Outlook September 2022

Economic and trading environment impacted by war in Ukraine

Russia and Ukraine account for more than 25% of the world's trade in wheat and 60% of global sunflower oil and 30% of global barley exports*.

During the year, the price of sunflower and canola oil surged by as high as 55% and 40% over two months due to the war.**

By August 2022, supplies of canola and sunflower oil from Ukraine started stabilising.

Russia is also a major global exporter of fertiliser, which means any supply shortages, or restricted access, could impact crop yields globally.

In addition, due to the 1000% escalation in fertiliser and all-time high feed prices, meat prices have increased. Higher feed and fertiliser costs will also reduce agricultural yields and result in higher food costs over the medium-term.

Food prices in South Africa continue to soar, with Stats SA indicating that food prices in August 2022 had increased by 11.3% from the year before.

Petrol increased by 41% from a year ago.

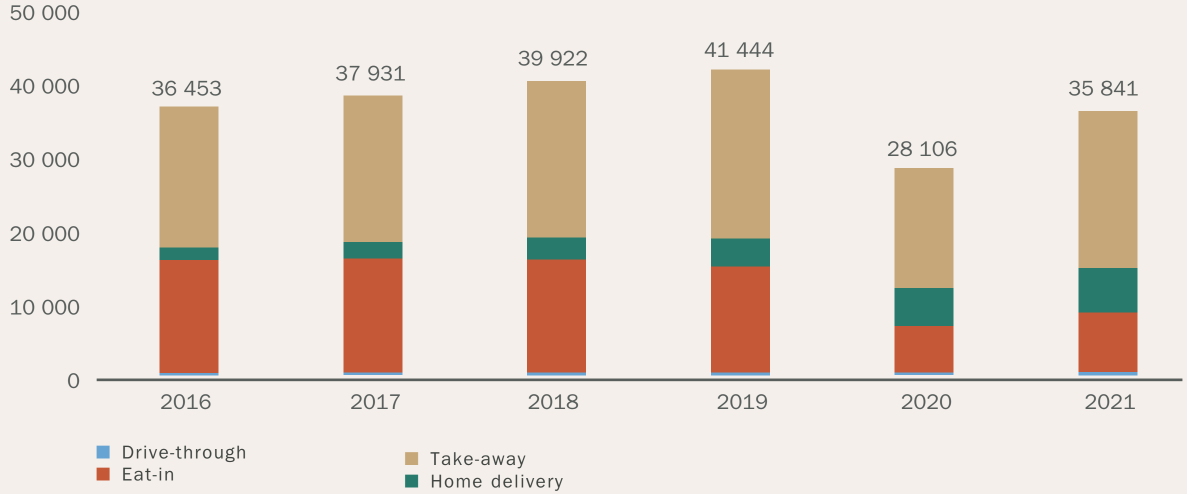
* *Food and Agriculture Organisation of the United Nations*
** *Business Insider August 2022*

The restaurant market

Eat-in, delivery and takeaway sales experienced a significant drop to R28.1 billion as a result of the COVID-19 pandemic.

Based on food service type, the values of the total sit-down, delivery and takeaway markets were estimated at approximately R35.8 billion in 2021. The takeaway segment dominated, with a revenue share of 59.4%, while the sit-down segment witnessed a decline in revenue share to 22.5% in 2021. Although much smaller, the online ordering segment gained significant momentum over the same period to approximately R6.4 billion in 2021.

VALUE OF SA LIMITED-SERVICE RESTAURANT MARKET: EAT-IN VS DELIVERY AND TO-GO FOR 2016-2021 (R MILLION)



The consumer market

The Deloitte Global State of the Consumer Tracker indicates that there might be a reversal of a multi-decade trend. Post-pandemic activity, when benchmarked against pre-pandemic behaviour, is expanding in:

Cook at home +42%

Buy fresh food +29%

Takeaway or delivery +20%

Eat-in at restaurants declined by 12% due to a few factors:

1. **Structural:** Consumers are working more from home (+20%) and travelling less
2. **Economic:** Consumers are concerned about disposable income. In February 2022, only 6% of South African household income was spent on restaurants/takeaways. Amongst the older age group (55yrs+), this was 7% of household income
3. **Preference:** Consumers have learnt to cook, are avoiding large crowds, are using delivery services more and some are still concerned about the possibility of contracting the virus. In South Africa, only 67% of adults across all ages believe that it is safe to eat out at restaurants

(Deloitte, February 2022)

The consumer market

The consumer is spending less of their strained household income on eating out.

Share of wallet split

Global study average

65/35

Less discretionary | **More discretionary**

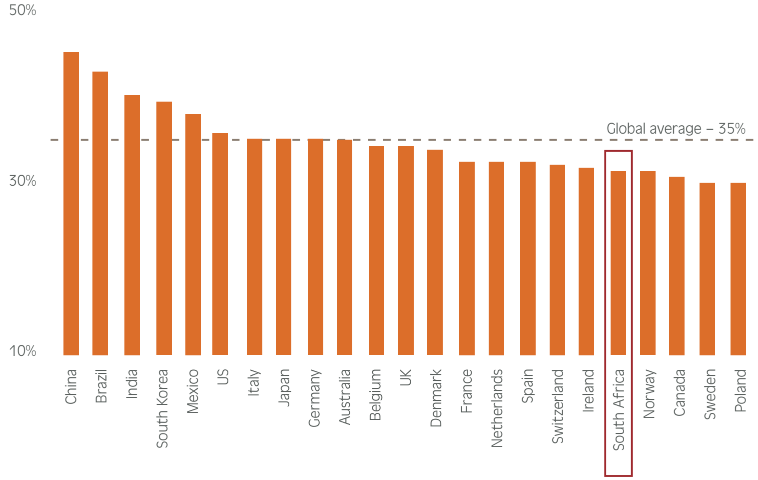
South African average

68/32

Less discretionary	More discretionary
Housing	Recreation and entertainment
Groceries	Leisure travel
Healthcare	Restaurants and takeout food
Transportation	Electronics
Clothing	Saving and investing
Everyday HH goods	Home furnishings
Internet and data	
Personal care	
Education	

When compared to global averages, South Africans have 3% less discretionary spend than the world average.

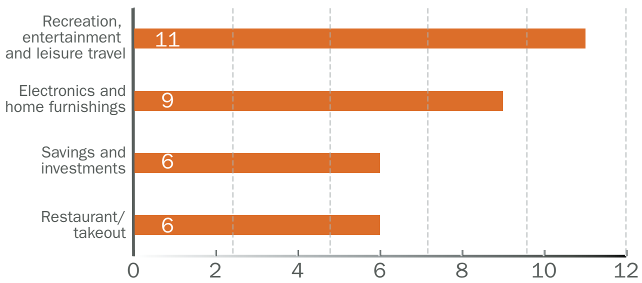
DISCRETIONARY SHARE-OF-WALLET



Competition is high to attract disposable income in restaurants. The restaurant and hospitality industries still remain below pre-pandemic levels compared to other industries, which have reached or passed 2019 levels.

Share of wallet

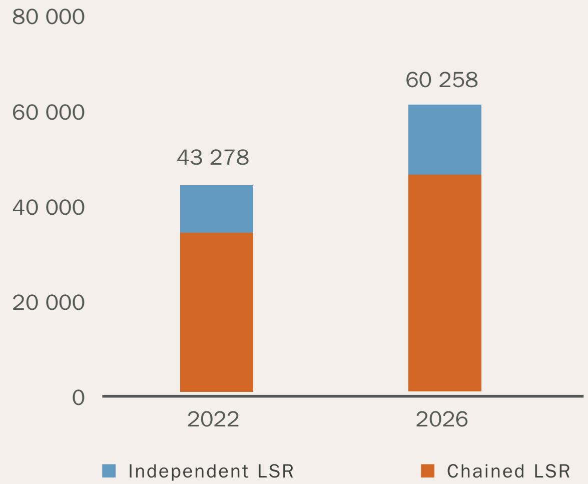
MORE DISCRETIONARY CATEGORIES (%)



What can be expected going forward?

Euromonitor's 2022–2026 forecast for the market size of limited service restaurants (LSR) in South Africa was published in August 2022. **The value of the LSR market is expected to increase at current prices from ± R43.3 billion in 2022 to ± R60.2 billion in 2026.** The market is expected to grow at a CAGR of 8.6% for the forecast period of 2022 to 2026.

VALUE OF SA LIMITED-SERVICE RESTAURANT MARKET: 2022 & 2026 (R MILLION)



Online sales are expected to increase from a low base, which confirm consumers' use of more convenient home delivery services.

KEY TRENDS

E-commerce and on-demand delivery increased in recent years due to the pandemic and various lockdowns, which interrupted traditional purchasing behaviour and diverted consumers online.

A growing trend with South African consumers is the opportunity to make specific requests and customise their meals. Higher demand is also expected for nostalgic meals, driven by increased focus on family, culture, and heritage. This could result in more family or sharing meals.

Plant-based eating is an ongoing global and local trend that is gaining momentum in the local market, with more brands adding plant-based and vegan options to their menus. There is an increased focus on ethical and clean dining, resulting in growing demand for gluten-free and reduced sugar meals.

Cautious spending
Consumers have become cautious with their discretionary spend, seeking value-added products and a focus on known value.

Call for convenience
The requirement for finished meal solutions and new alternative options and online shopping will continue. Mr D has reported a 140% increase in usage since the onset of the pandemic and the number of restaurants doing food deliveries is at 14% globally and expected to grow to 21% by 2025*. Improving the dining experience will be key to make sit-down appealing again.

Product innovation
Demand for local flavours is increasing. The growth in requests for hot and extra hot sauces on Uber Eats indicates a call to satisfy the local palate. Consumers also want to support small and local businesses.

Technology and automation
The pandemic has accelerated digital adoption and technology developments to improve the overall customer experience.

Flexible spaces
Public and private spaces must maximise the capabilities they offer to match consumers' fluid lifestyles. Brands have to inspire and optimise at every touch point.

Plant-based offerings
Dairy and meat alternatives are prevalent on menus, as consumers demand healthier alternatives. Uber Eats experienced a 45% rise in its vegan restaurant listings in 2021.

Health and wellness offering
Healthier food items will continue to be included in menus. Young people are willing to pay a premium for healthier options. New trends in restaurants, specific to health-conscious eaters, include marking menu items that are additive-free or made with all-natural ingredients.

Responsible companies
Consumers want to see measurable progress on all aspects of responsible and sustainable operations, with a growing focus on eco-friendly disposable products.

Drive-in culinary
Brands are offering consumers distinct and safe experiences by evolving dining into drive-in formats.

Call for value and reward
Consumers are seeking value-added products and experiences. They will focus on known value items and trusted brands. Loyalty propositions such as double points, cash back and product bundles are adding value.

* *Morgan Stanley*

OUR MATERIAL ISSUES AND RISKS

As outlined on page 2, we established our material issues and risks through a rigorous process.

The board is risk averse and operates on a collaborative basis. Any action that exceeds the group's materiality limit that may potentially expose the group to material adverse financial or other consequences will only be taken after consultation and approval from all board members.

The risk committee of the group assists the board in carrying out its risk responsibilities. The committee has delegated the responsibility for the design, implementation and monitoring of the risk management plan to the leadership team. Implementation of effective risk management, including compliance with the risk management policy and the risk management plan, is delegated by the chief executive officer to the head of legal, risk and compliance as the designated risk officer.

Risk management methodology

Risks are identified and assessed using a sound enterprise risk management process, which includes the following:

- Continuous assessment and update of the risks by the assigned business process owner for each business process' risks
- Amended contingency plans for extreme events
- Increased frequency and methodology to identify and monitor material issues and risks. We conduct a bi-annual formal review of material matters that could impact our operations
- The updated risk register and risk feedback documents are assessed and discussed at bi-annual risk committee meetings, with a report produced for the board
- Internal audit utilises the risk process to plan their audits, and provides objective, independent feedback on the individual business process owners' risk assessments to management and the board
- Interrogation of developing matters that could have a material impact on the business as soon as it is identified. Once a possible material risk is identified, an executive management team meeting is immediately convened to determine tracking measures, mitigating actions and to allocate responsibility for implementation

Key risks

The key risks are ranked in terms of their impact and likelihood.

		Page references
1	Social and economic risks facing South Africa	18 – 20 & 24
2	Fluctuations in food prices, including Increases in oil prices and seafood	18 & 24
3	Food contamination/food safety	24
4	Safety incidents at restaurants	24
5	Wide-reaching negative social media feedback	24
6	Over-reliance on third party aggregators as our primary route to takeaway	24
7	Franchisee relationships	24
8	Cyber crime	24

Material issues

The material issues management focused on during the year included:

		Page references
1	Current socio-economic climate, including pressure on consumer spending and increased input costs	18 – 20
2	Effective collaboration and productive working relationships with franchisees	15, 49
3	Evaluation of trends and market developments to ensure ongoing brand relevance.	21
4	Ongoing transformation of our group and franchisee network to reflect the markets we serve	15, 37
5	Sustained growth at pre-pandemic levels, with a focus on appropriate deployment of capital	47, 53
6	Amended contingency plans and risk management processes to result in proactive action plans for extreme events, such as those created by COVID-19 and violent unrest	22

Risks	Mitigating actions
1. Social and economic risks facing South Africa The ability to deal with the impact of social and economic risks facing the country on our business, including local and global political unrest	Group: • Ongoing insurance reviews to ensure adequacy of cover • Hedging of exchange rate where required • Transacting with reputable financial institutions • Adequate capital allocation and cash preservation, with minimum cash balances • Force majeure and exit clauses in all new contracts • Critical assessment of committed cost and key interventions • Continued franchisee support, including o Concessions where required o The review of insurance policies, including annual evaluation of the overall insurance cover for adequacy o Ongoing international diversification • Engagement with public sector to ensure effective collaboration • Building relationships at a restaurant level with franchisees, restaurant employees, and the larger community in which restaurants are located • Targeted marketing spend
2. Fluctuations in food prices, including increases in oil prices and seafood Driven by pressure on supply chain and imports, including economic and trading impact following the war in Ukraine	• A price level benchmarking was conducted, with a price adjustment protocol in place • Collaboration with suppliers, strategic forecasting and forward purchasing to ensure the most stable pricing • Working closely with our operations teams to identify solutions to the fluctuating foreign exchange • Ongoing menu reviews to maintain food costs without passing costs to the consumer • Assessing suppliers and sourcing local alternatives • Ensuring that contracted suppliers have business continuity plans in place
3. Food contamination or food safety issues	• Strict supplier protocols are in place and monitored • Development of an internal supplier auditing standard that will be reviewed by an external accredited body • Central kitchens and procurement have defined standards and certification levels • Operations monitor the compliance monthly, with quality and food standard agreements with the franchisee, including certifications

Risks	Mitigating actions
4. Safety incidents at restaurants	• Play areas are checked on an ongoing basis • Introduced sensor tags for children's safety in 61% of restaurants. 100% compliance targeted by March 2023 • Indemnities are in place and all restaurants have trained child minders • First Aid personnel at each restaurant • Criminal checks performed before employee appointments • Personal injury matters are covered by insurance • Data protection policies have been implemented
5. Wide-reaching negative social media feedback	• We have a dedicated customer care centre in place, with continual monitoring • Crisis management processes have been improved
6. Over-reliance on third-party aggregators as our primary route to takeaway	• Utilise all third-party providers to ensure diversification of providers • Promote click and collect • Ensure pricing mechanism caters for appropriate profitability for franchisees • Re-invention project to address other potential means of delivery • Grow overall casual dining • Deliver effective own branded apps
7. Franchisee relationships	• We have a Franchise Alliance Council in place for the four main brands and informal meeting structures for the smaller brands. This ensures effective collaboration • Regular communication takes place with the group COO and brand COOs • The COO and CEO also meet with key franchisees and operations teams conduct regular restaurant visits • The team continues to increase support to franchisees. For example, we recently implemented central procurement enhancements and revised cost structures applied to the marketing funds
8. Cyber crime	• Enhanced processes put in place during the year following consultation with external assurance providers

OUR PROGRESS

03

HOW WE CREATED VALUE

Franchised restaurant turnover
up 28.2% to
R7.741 billion

Revenue
up 32.5% to
R2 391.2 million

Profit before income tax
up 41.9% to
R209.7 million

Earnings per share
up 30.9% to
144.33 cents

Diluted earnings per share
up 30.9% to
143.80 cents

Headline earnings per share
up 31.0% to
144.22 cents

Diluted headline earnings per share
up 30.9% to
143.68 cents

Dividend per share#
127 cents
(2021: Nil cents)

Unrestricted cash and cash equivalents for the year
up R29.8 million to
R290.7 million

Net gearing
Nil

Black franchisees increased from 22% to
28%

8
enterprise development partnerships for the supply of products, including fresh vegetables, chicken, meat and clothing

R1.6 million
spent on socio-economic development programmes

Almost R3 million spent on learning and development

R222 million
Employment costs

96%
of employees received a salary increase

62%
waste at regional offices diverted from landfill

Paper bag usage increased by 44%

85%
packaging from renewable resources

95%
restaurants have generators

No dividend was declared in the prior year. The interim 2020 dividend was settled in cash during the current year

HOW OUR STRATEGY ALLOWED US TO PERFORM

Strategic focus areas – group

Objectives	Key actions	Reference pages
Best-in-class casual dining experiences	• Focus on a robust growth strategy and a new customer experience (CX), which will include an assessment of how our brands and restaurants have to evolve to remain competitive	15
Consumer-focused marketing and innovation	• Develop a marketing and CX strategy focused on differentiated positioning • Interrogate our brand identities and focus our marketing spend on clear outcomes • Commission research to inform consumer-focused decisions and the tracking of our brand positioning • Create a centralised innovation and new product development function in the group	15, 21, 38
Visible and measurable transformation	• Embark on an employee experience (EX) strategy • Develop and execute a deliberate and societal transformation strategy with our franchisees and partners • Improve Spur Corporation's broad-based black economic empowerment (B-BBEE) rating • Focus on meaningful B-BBEE supplier, enterprise and franchisee development • Amplify Spur Foundation's impact in local communities	12 – 14
Operational excellence and supply chain strategic competency	• Refine the approach for organisational optimisation and processes • Consolidate supply chain and manufacturing services to improve capacity and buying power • Create strategic alliances with key suppliers for sourcing, supply and distribution to increase share of basket and revenue contribution • Identify key strategic product lines for improved group and franchisee profitability	28, 30, 37, 48
Profitable international expansion	• Our international growth strategy was repositioned to focus on areas where the brands resonate with local consumers, where we have strong operating partners and where we can achieve an acceptable return on investment	8, 61
Financial and information technology excellence to drive profit extraction	• Improve organisational processes to ensure faster turnaround times and value-adding information to facilitate decision-making and reduce the cost of support • Scrutinise cost centres and assets for optimal profit extraction • Improve our competency to meet technological requirements for online ordering	9, 11, 28, 37, 49, 53
Best-practice corporate governance	• Enhance governance structures and processes, while supporting the entrepreneurial characteristics that remain fundamental to the success of the group	46 – 47, Governance review

What we can do better

- Speed up delivery of strategies addressing consumer requirements
- Increase black-owned restaurants, talent acquisition and internal learning and development
- Manage supply costs to limit price increases for consumers
  Increased franchisee participation in our central supply chain
  Enhance central manufacturing and address retail product supply
- Work with alliance partners to fast-track expansion into Africa within targeted countries
- Improve consumer-facing technology and use of data
- Overhead spend relative to trading growth, with additional disclosure on the return on investment

During the last two years, the group's strategy has increasingly considered matters relating to environmental, social and governance (ESG).

Environmental
Resource management, waste management, responsible consumption and production climate action

Social
Community, employee experience, diversity, employment equity and inclusion, health and safety

Governance
Responsible and accountable compliance and oversight of the group's social, legal, financial and environmental operational activities

Certain elements of ESG have been embedded in the group's processes for several years, with a particular focus on managing environmental impacts and reporting measures.

More recently, the new leadership team has enhanced its focus on social and governance aspects as part of its change management process of delivering on its purpose of **Leading for the Greater Good**.

Clear action plans have been put in place to drive the impact the group can make through equity, inclusivity, opportunity and diversity. These activities are underpinned by robust internal structures and controls to ensure effective governance.

Refer to the supplementary section of the integrated annual report.

Strategic focus areas – group

Our approach to ESG

As a board and leadership, we are conscious of improving our reporting and maturing how we integrate ESG matters into our decision-making and strategy formulation. The social, ethics and environmental sustainability committee will oversee the formalisation of the group's ESG strategy in conjunction with the leadership and senior management team.

The group constantly evaluates guidance requirements and has utilised the Global Reporting Indicators (GRI) for environmental reporting since 2011 and the United Nations Sustainable Development Goals (SDGs) since 2020.

This year we also consulted the Task Force on Climate-related Financial Disclosures and the newly-released JSE Sustainability Disclosure Guidance and Climate Disclosure Guidance for our reporting.

Our GRI disclosure focuses on specific environmental matters related to materials, energy, water, biodiversity, emissions and waste, products and services, compliance and transport. We have a policy in place related to our commitment and our environmental sustainability team's key performance indicators reflect the GRI reporting framework.

We align with nine of the 17 SDG goals. During the year, we added two additional goals, Goal 5: Gender Equality and Goal 8: Decent Work and Economic Growth, following our progress with transformation.

Our summarised response to the United Nations Sustainable Development Goals

UNSDG	Our initiatives	Reference sections

1 No poverty	• We have policies in place to ensure fair remuneration, just wages and benefits for full-time employees
	• We also assist employees with initiatives including:
	  ○ School bursaries
	  ○ Meals, wellness programmes and access to medical aid
	• Development programmes to upskill employees
		Social

2 Zero hunger	• Spur Corporation's Foundation is actively involved in projects that provide access to nutrition nationally through the group's family brands • In compliance with health and nutritional guidelines, the group's brands include healthy "better-for-you" options, as well as plant-based produce	Social Environmental
4 Quality education	• The Foundation actively supports education through early childhood development programmes • The group provides training and incentives for learning programmes for Spur Corporation and restaurant employees	Social
NEW: 2022 5 Gender equality	• Our transformation journey focuses on playing a role in addressing discrimination against women by providing equal opportunities in leadership and decision-making roles • The group's policies also support diversity in the workplace and promote work/life balance through flexible hours for parents to support family care	Social
NEW: 2022 8 Decent work and economic growth	• We have implemented a detailed employee strategy of *People First*, which focuses on employee experience, rewarding working opportunities, fair income and development benefits	Social
10 Reduced inequalities	• We have an inclusive wage policy, comply with minimum wage legislation and offer career advancement opportunities	Social
12 Responsible consumption and production	• We engage with suppliers to ensure sustainable management of natural resources • We have detailed recycling programmes in place and adhere to Extended Producer Responsibility regulations • The procurement team is working with local farmers to ensure sustainable and humane food production systems	Environmental
13 Climate action	• We have several programmes and policies in place to ensure the active management of the environment	Environmental
14 Life below water	• We comply with the WWF South African Sustainable Seafood Initiative and are a founding member of the South African Plastics Pact	Environmental

15 Life on land	• Our programmes include:
	  ○ Reducing our reliance on palm oil. When used, to only procure certified Roundtable on Sustainable Palm Oil
	  ○ We have committed to exclusively source cage-free eggs throughout our supply chain by 2025
	  ○ Sourcing packaging from suppliers that are FSC-certified
	  ○ Effective waste management to curb leakage into the environment
	  ○ Eradicating single-use plastic consumption
		Environmental

17 Partnerships for the goals	• We are committed to working with local partners to enhance sustainability goals and to actively support local supplier networks and develop the South African market • We support the economy and enterprise development through procuring predominantly from local suppliers	Social

Our summarised response to the Task Force on Climate-related Financial Disclosures

Green Feather Awards

The group introduced annual Green Feather awards in 2016 to recognise franchisees that are dedicated to environmental sustainability. The award evaluates energy consumption, water conservation, waste management and eco procurement of non-centralised produce of more than 500 restaurants in the group's portfolio. Winners receive a financial contribution towards additional sustainability enhancements.

Even with the devastating impact of COVID-19 on our industry, 86% of our franchises participated in the recent evaluation and award process, with the winners announced in March 2022. Refer to https://www.spurcorporation.com/spur-corporation-re-introduces-sustainability-recognition-after-delay-due-to-covid-19/

Governance

The Spur Corporation board has oversight of the management of all risks and opportunities.

The social, ethics and environmental sustainability board committee works with the group's environmental sustainability committee (ESC) when finalising the strategy and risk processes.

We conduct a bi-annual carbon footprint report to monitor the group's impact on climate change and to determine organisational boundary.

Within the Greenhouse Gas Protocol (GHG), accounting and reporting are guided by five principles – relevance, completeness, consistency, transparency, and accuracy – to ensure that reported information represents a true and fair account of emissions.

The group's Carbon Footprint Reports are conducted by an external party to ensure compliance with the above principles.

Strategy

Energy consumption, population growth and an increased demand for animal protein are impacting climate change, causing extreme weather events that are projected to negatively affect food production over the medium- to long-term.

The group created green operational (GO) reports in 2014 to capture environmental sustainability practices at franchised restaurant level. The data guides input into future projects, strategy and risks, which the ESC evaluates and addresses.

During the current year, heavy rainfall and frost affected agricultural crops. The potato industry was particularly badly affected by an El Nini cycle at the end of 2021.

This increased the price of potatoes and contributed to supply chain interruptions.

Our group strategy development processes include careful risk analysis, including the factors impacting product cost and availability.

Our strategy also involves working with suppliers who share the group's commitment to best practice for product security.

Supplier assessments are conducted to ensure alignment to the group's strategies and commitments. These include green procurement and ethical sourcing considerations.

Understanding potential unlocked value within the supply chain remains a long-term project that will inform the potential for circular opportunities.

Risk management

Rising food prices and food security are high-risk priorities that require constant evaluation and action from the team.

Our network of franchised restaurants purchase significant quantities of raw materials. The availability of specific base products and fluctuations in food prices due to extreme weather events and social impacts are closely monitored by the group's procurement team.

The team prioritises raw material supply, with specific drivers being seafood and beef.

The team also evaluates risks and opportunities and the potential for second- and third-tier suppliers, collaboration and procurement themes to underpin our environmental strategies.

The GO reports capture data relating to energy and water consumption, waste management and procurement through an online survey, as well as restaurant visits. These are followed by a restaurant walk-through as verification and an interview with the franchisee, operator or restaurant manager to determine risks and progress on improvement areas identified in the previous year's reports.

The GO Report includes questions specific to climate change and the potential impact on business sustainability to evaluate environmental commitment and knowledge.

90% of restaurants indicated this year that climate change is impacting on operational cost.

Metrics and targets

In accordance with the GHG Protocol, clear organisational and operational boundaries have been defined and agreed to by Spur Corporation, with the relevant activity data supplied as part of its Carbon Footprint Report.

The group completed its third Carbon Footprint Report this year, with a broadening of the scope to include the group-owned restaurants. We will evaluate the outcomes to determine strategic considerations for the next reporting period.

Our carbon footprint report covers emissions from the business activities of Spur Corporation in their regional offices (in Cape Town, Johannesburg, and Durban), Spur Central Kitchen and the décor, call centre and training facility.

All restaurants, excluding five company-owned ones, are franchised restaurants.

Spur Carbon Footprint Report 2022

Scope 1

Owned/controlled by reporting company

- 228 tCO_2e Stationary fuels
- 4 tCO_2e Fugitive emissions
- 9 tCO_2e Mobile fuels
- n/a tCO_2e On-site renewable energy

Total Scope 1 **241 tCO_2e**

Scope 2

- 1 882 tCO_2e Purchased electricity

Total Scope 2 **2 123 tCO_2e**

Scope 3

- 2 667 tCO_2e Purchased goods and services
- 616 tCO_2e Fuel and energy related activities
- 1 392 tCO_2e Upstream transportation and distribution
- 411 tCO_2e Waste
- 290 tCO_2e Air travel
- 106 tCO_2e Road travel
- 111 tCO_2e Accommodation
- 401 tCO_2e Employee commuting
- 566 tCO_2e Upstream leased assets

Total Scope 3 **6 559 tCO_2e**

Intensity metrics Scope 1 and Scope 2

Company metrics

8 297 ZARm Revenue	8 297 Area m²	398 FTE
0.256 tCO_2e/ZARm	0.256 tCO_2e/m^2	5.333 tCO_2e/FTE

JSE Sustainability Disclosure Guidance and Climate Disclosure Guidance

What we can do better

- Accelerate our ESG strategy and improve our sustainability reporting
- Set clear science-based targets to add credibility and accountability to the group's sustainability efforts
- Consider and fully unpack downstream emissions generated by the group's operations
- Tap into green energy and low carbon materials and reduce travel through using technology

Strategic focus areas – brands

The group continues to roll out a new network development strategy, the R8 model, that focuses on revamps, relocation and revival of restaurants to evolve the brand networks into leading experiences for customers.

Innovations are being developed around customer requirements to ensure we are on trend with global and local lifestyle changes.

Spur Steak Ranches	Panarottis	John Dory's	RocoMamas	The Hussar Grill, Casa Bella, Nikos	Virtual Brands
Accelerate leadership position	Revitalise and reposition	Revitalise and reposition	Maintain the lead through growth	Grow restaurant footprint	Increased awareness and trade of the successful brands

Objectives	Our progress
Ensuring brand visibility	• 31 new restaurants opened across all brands • Heightened level of marketing, with an increase in digital and broadcast presence • Focused on loyal customers and successfully increased active membership • 59 restaurants revamped
Improving the experience for customers	• Customer experience focus in all brands • New restaurant design concept launched for Panarottis • Improved the sourcing of seafood in John Dory's for consistent quality and efficient pricing • Enhanced children's birthday experience at Spur
Offering a range of price points	• Focus on value proposition across all brands. For example, RocoMamas launched revised burger offerings at good entry price points
Responding to key trends	• Continued focus on VK brands and the launch of Just Wingz • Two new RocoMamas Drive Thru's launched this year • The launch of the plant-based fast food MODROCKERS restaurant
Continued improvement in franchised restaurant profitability	• Ongoing assessment through using data aggregated from restaurants on a monthly basis. This enables the proactive management of underperforming restaurants with franchisees

What we can do better

- Improve restaurant employee training for enhanced hospitality and customer experience
- Continue to develop our societal transformation strategy with franchisees
- Address underperforming restaurants, with a particular focus on John Dory's and Panarottis
- Re-engineer our menus to enable customer ease of ordering and improve franchisee profitability

HOW WE MEASURE OUR PROGRESS

The key measures we use to monitor progress of our group

	F2022	F2021^
FINANCIAL MEASURES		
Total group restaurant turnover (R'm)	**7 742**	6 038
Operating profit margin* (%)	**9.5**	7.6
Return on equity** (%)	**18.2**	12.1
Total local restaurants	**547**	539
Total international restaurants	**84**	85
International revenue to total group revenue (excluding marketing funds) (%)	**2.0**	2.0
International profits to total group profit before income tax (excluding marketing funds) (%)	**5.9**	4.3
NON-FINANCIAL MEASURES		
Investment in employee training (R'm)	**2.9**	0.3
Group employee turnover# (%)	**15.3**	21.8
Black employees (%)	**73.2**	71.9
Female employees (%)	**51.2**	50.4
Black directors of SpurCorp (%)	**50.0**	50.0
Female directors of SpurCorp (%)	**60.0**	60.0
Black senior management# (%)	**55.5**	20.0
Black middle management# (%)	**37.5**	48.1
Community investment (R'000)	**1 573**	1 184
Active loyalty club members ('000)	**1 465**	1 171
Spur loyalty club spend (R'm)	**2.1**	1.1
Customer compliments (number)	**2 092**	1 717
Customer complaints (number)	**3 248**	3 194
Electricity consumption (MWh)	**950**	908
Water consumption (kl)	**5 930**	3 514
Waste recycled includes head office and regional offices only (%)	**62**	nm

^ F2021 restated to account for, in line with IFRS 15, the sales and cost of sales executed by the group's outsourced distributor as well as to account for marketing activities over a period of time on the input method of measurement
** Includes share of profit/loss of equity-accounted investee (net of income tax), divided by revenue (excludes marketing funds)*
*** Profit for the year adjusted for headline earnings adjustments and foreign exchange gain/loss, divided by equity (excluding marketing funds)*
 # Corporate employees only (excluding retail restaurant employees). Includes head office and regional offices only
nm Not measured in F2021

The key measures we use to monitor progress of our team

Refer to the remuneration review for additional information

CEO – VAL NICHAS

Val joined the group on 1 January 2021

Personal scorecard measure	F2022 Weighting	F2022 Delivery	F2023 Weighting
Corporate strategy and financial performance	**40%**	**3.4**	40%
Network development and franchisee relationships	**20%**	**3.2**	20%
Transformation	**10%**	**3.3**	10%
Employee experience	**10%**	**3.2**	10%
Supply chain	**15%**	**3.4**	15%
Leadership behaviours	**5%**	**3.6**	5%

How Val was measured and rewarded this year

The formal measurement against key performance indicators commenced this year.

Based on a performance review with the chairman, which was ratified by the nominations and remuneration committee, it was agreed that Val met her ipersonal scorecard measures.

Val was awarded a short-term incentive (STI) of R4.2 million*. This was settled in cash in September 2022.

At the same time, 28 065 bonus-matching forfeitable shares, calculated with reference to the actual STI payment, were presented to Val. These remain subject to the terms of the group's forfeitable shares plan (FSP) scheme rules.

A performance bonus payment of R1.5 million was approved and paid to Val in December 2021 in respect of the 2021 financial year when no incentive schemes were implemented during the COVID-19 period.

The committee approved a 6.5% increase for Val for F2023. This is in line with the average increases received by employees.

Delivery rating scale

1 = unacceptable performance
2 = performance needs improvement
3 = meets performance expectations
4 = exceeds performance expectations
5 = outstanding performance

CFO – CRISTINA TEIXEIRA

Cristina joined the group on 1 February 2021

Personal scorecard measure	F2022 Weighting	F2022 Delivery	F2023 Weighting
Corporate strategy and financial performance	**40%**	**3.3**	40%
Financial governance and reporting	**15%**	**3.4**	15%
Organisational governance	**10%**	**3.1**	10%
Risk management	**5%**	**3.1**	5%
Stakeholder relationships	**10%**	**3.2**	10%
Information technology and legal	**5%**	**3.1**	5%
Transformation	**5%**	**3.0**	5%
Leadership behaviours	**10%**	**3.6**	10%

How Cristina was measured and rewarded this year

The formal measurement against key performance indicators commenced this year.

Based on a performance review with the CEO, which was ratified by the nominations and remuneration committee, it was agreed that Cristina met her personal scorecard measures.

Cristina was awarded an STI of R2.1 million* in cash in September 2022.

At the same time, 23 387 bonus-matching forfeitable shares, calculated with reference to the actual STI payment, were presented to Cristina. These remain subject to the terms of the group's FSP scheme rules.

A performance bonus payment of R750 000 was approved and paid to Cristina in December 2021 in respect of the 2021 financial year in light of the fact that no incentive schemes were implemented during the COVID-19 period.

The committee approved a 6.5% increase for Cristina for F2023. This increase is in line with the average increases received by employees.

* *Relating to the 2022 financial year*

COO – KEVIN ROBERTSON

Kevin has been with the group for over 30 years, and was promoted to his current position as group COO in October 2020

Personal scorecard measure	F2022 Weighting	F2022 Delivery	F2023 Weighting
Turnover and profit	**40%**	**3.8**	40%
Restaurant growth and development	**10%**	**2.7**	10%
Ensuring best-in-class dining experiences	**10%**	**2.8**	10%
Product development and innovation	**5%**	**3.0**	5%
Growth in new formats and channels	**10%**	**2.6**	10%
Franchisee profitability and operational excellence	**10%**	**2.9**	10%
Transformation	**5%**	**2.8**	5%
Leadership behaviours	**10%**	**3.4**	10%

How Kevin was measured and rewarded this year

The formal measurement against key performance indicators commenced this year.

Based on a performance review with the CEO, which was ratified by the nominations and remuneration committee, it was agreed that Kevin met his personal scorecard measures.

Kevin was awarded an STI of R1.6 million*. This was settled in cash in September 2022. At the same time, 17 812 bonus-matching forfeitable shares, calculated with reference to the actual STI payment, were presented to Kevin. These remain subject to the terms of the group's FSP scheme rules.

A performance bonus payment of R571 000 was approved and paid to Kevin in December 2021 in respect of the 2021 financial year in light of the fact that no incentive schemes were implemented during the COVID-19 period.

Kevin also received a long service award of R286 000 for his 30 years at the group.

The committee approved a 6.5% increase for Kevin for F2023. This increase is in line with the average increases received by employees.

Assurance

The group is independently assured by external assurance providers on a variety of measures that monitor our progress. The table outlines certain material ones.

Discipline	Name of provider	Assurance provided	Assurance report
Financial	PwC	Fair presentation of financial results	Audit opinion
	Moore Risk Services	Assessment of control environment	Internal audit report
Governance	Questco Corporate Advisory Proprietary Limited	Confirms that reports submitted to the JSE comply with the listing requirements	Compliance reports
IT Governance	Moore Risk Services	Assessment of control environment	Internal audit report
	iOCO	Assessment of IT strategic approach	Report to exco
Food Safety (SCK)	SGC South Africa (Pty) Ltd	Requirements of HACCP, a food safety system (SANS 10330:2020)	Certification and audit report
Human Resources	REMeasure	Assistance in fair job evaluations processes	Job evaluation report
	REMchannel	Provision of current market salary benchmarking information	Benchmarking report

Discipline	Name of provider	Assurance provided	Assurance report
Environmental sustainability	Moore Risk Services	Operational assessment of completeness and accuracy of the current environmental sustainability risks	Internal audit report
	Carbon Calculated	Organisational carbon accounting, carbon footprint verification, carbon disclosure submissions and science-based targets	Carbon footprint report
	WWF SASSI	Assessment on progress made towards commitments related to sustainably procured seafood	SASSI Participation report
	Polyco	Reporting on extended producer responsibility	Producer Responsible Organisation partner report
	GreenCape	Delivery on SA Plastics Pact goals	SA Plastic Pact annual report
	PowerStar	Energy performance	Energy Performance Certification

WHERE WE ARE GOING

04

STRATEGIC FOCUS AREAS – GROUP

Broaden our customer base

Exceed our pre-pandemic customer count

Improve customer sentiment by brand

Increase loyalty customer members

Build leadership capability

Build a succession pipeline and continue to invest in the development of future leaders

Introduce operational management development programme

Entrench company ethos through enhanced employee engagement

Learning and development planned investment for 2023 of R3.3 million

Establish a reinvention mindset

To ensure a leadership position and thrive in a fast-changing environment

Establish a customer insights centre of excellence

Reinvent and innovate to grow core food categories, such as chicken

Enter new categories and new revenue streams aligned with the group strategy

Amplify the supply chain to improve profit

Deliver greater product price savings on strategic categories

Grow our retail range

Increase supply chain participation

Increase enterprise development and ESG initiatives

Drive our R8 model globally

Monitor key indicators to ensure a profitable and sustainable network

Accelerate the revamp of restaurants

Pilot new innovative trading platforms

Transformation and technology

Embark on customer-facing technology innovations

Monitor transformation adoption at restaurant level

Accelerate black-owned restaurants

Drive ESG deliverables

STRATEGIC FOCUS AREAS – BRANDS

Spur Steak Ranches
A taste for life

Keep the lead and launch new-generation Spur

PANAROTTIS®
PIZZA & PASTA

Roll out the new Panarotti's strategy: New restaurant concept and positioning

John Dory's®
FISH • GRILL • SUSHI

Reposition the brand in the consumer's mind as a destination for a quality seafood feast

RocoMamas
WE'RE NOT NORMAL

Reinforce leadership position through a robust growth strategy and increased awareness

THE HUSSAR GRILL
EST 1964
Casa Bella
NIKOΣ
COALGRILL GREEK

Expand our portfolio of Speciality Brands: The Hussar Grill, Casa Bella, Nikos

OUR LEADERSHIP MESSAGES

05

OUR BOARD

Mike Bosman (61)

Independent non-executive chairman

BCom (Hons), LLM, AMP (Harvard), CA(SA)

Appointed 2018

Member of the nominations and remuneration committee

Mike was appointed chairman of the board on 1 March 2019. He is an independent non-executive director of AVI, MTN South Africa and EOH Holdings, and serves on the audit and risk committees of these companies.

He is non-executive chairman of Vinimark, the largest independent wine distribution company in South Africa. Mike has a background in advertising and in corporate and project finance. He served as CEO of communications groups FCB and TBWA, as well as CEO and later chairman of One Digital Media.

Dr Shirley Zinn (61)

Lead independent non-executive

BA, HDipEd, BEd (Hons), MEd, EdM and EdD (Harvard)

Appointed 2019 and as lead independent in August 2022

Chair of the nominations and remuneration committee

Member of the social, ethics and environmental sustainability committee

Shirley is an acclaimed human resources practitioner who has held senior positions in the corporate and public sectors. She holds a doctorate from Harvard University and was formerly the head of human resources at Woolworths Holdings, Standard Bank South Africa, Nedbank Group and the South African Revenue Service. She currently provides consulting and advisory services in human resources, transformation, leadership and education. Shirley serves on the boards of Sanlam, MTN South Africa, BCG-SA, WWF and V&A Waterfront, where she is the chairman.

Val Nichas (60)

Chief executive officer

Oxford Strategic Leadership Programme - Said Business School - University of Oxford

Diploma in Public Relations and Franchise Management

Appointed January 2021

Val is a highly experienced strategist and leader with extensive experience in the restaurant sector. She served as marketing director of Edgars, senior vice president of multinational food company, Rich Products Corporation, and managing director of Tequila Advertising. Val joined Famous Brands in 1999 as marketing director of Debonairs Pizza and later served as managing executive of Wimpy (then 506 restaurants) and Steers (then 492 restaurants) before her appointment as head of the quick-service restaurant brands. Val ran her own consultancy for the last eight years, specialising in business strategy and planning, before joining the group.

Cristina Teixeira (49)

Chief financial officer

BCom, BCompt (Hons), CA(SA), AMP (Insead)

Appointed February 2021

Cristina has 14 years' experience as a CFO in listed companies and was voted Businesswoman of the Year (corporate category) by the Businesswomen's Association of South Africa in 2013. After qualifying as a chartered accountant, she joined Group Five and was appointed as CFO in 2008. Cristina has led finance teams that have been consistently recognised in the Investment Analysts Society annual awards for reporting and disclosure, and in the Institute of Chartered Secretaries/JSE reporting awards.

Kevin Robertson (56)

Chief operating officer

Appointed as a director in October 2020

Member of the risk committee

Member of the social, ethics and environmental sustainability committee

Kevin has been with the group for 30 years. He started as an operational manager at Spur Steak Ranches (Spur), and was soon promoted to regional manager of KwaZulu-Natal.

Kevin assisted the group with the building the international business in Mauritius, Australia and the United Kingdom. Kevin was appointed managing director of Panarottis in 1999. In 2011 he was appointed as the national franchise restaurant executive and became chief operating officer (COO) of Spur in 2018 before becoming group COO on 15 October 2020.

Jesmane Boggenpoel (49)
Independent non-executive

BCom, BAcc, MPub Admin (Harvard), CA(SA)

Appointed October 2020

Member of the audit committee

Member of the social, ethics and environmental sustainability committee

Jesmane is a chartered accountant with private equity, high technology and entrepreneurial experience. She is a Managing Partner of private equity firm AIH Capital and was head of business engagement for Africa for the World Economic Forum (WEF) in Switzerland. She currently serves on the boards of EOH Holdings and Murray & Roberts and is chairman of Dubai-based ETG Inputs Holdco. Jesmane is the author of a book on diversity and inclusion, *My Blood Divides and Unites*. She is the creator of the online Udemy course: *Dealing with the Heart of Race* and *Gender Inequality in the Workplace*. Jesmane was nominated as a Young Global Leader of the WEF in 2013.

Cora Fernandez (49)
Independent non-executive

BCompt (Hons), Chartered Accountant

Appointed 2019

Chair of the audit committee

Member of the risk committee

Member of the nominations and remuneration committee

Cora is a chartered accountant with extensive board experience. She is a non-executive director of Tiger Brands, Capitec Bank and Sphere Holdings, and serves as an independent trustee on retirement funds in the Allan Gray stable. She serves on the investment committees of 27Four Black Business Growth Fund and the National Empowerment Fund. Cora previously served as managing director of Sanlam Investment Management and CEO of Sanlam Private Equity.

Lerato Molebatsi (53)
Independent non-executive

Senior Executive Leadership Prog. for Africa (Harvard Business School), Senior Management Development Programme (USB), PG Diploma in Rural Development and Management (Wits), BA (Psych) University of the Johannesburg

Appointed October 2020

Chair of the social, ethics and environmental sustainability committee

Member of the risk committee

Lerato is the lead independent director of the SA Reserve Bank, acting chair of the Cross-Border Road Transport Agency and member of the remuneration committee of the Financial Sector Conduct Authority. Over the past 25 years, she attained extensive experience across functional areas such as strategy formulation, communications, marketing corporate social investments, stakeholder relations, black economic empowerment, administration, governance and policy development and upliftment of the broader African continent. She was formerly CEO of General Electric South Africa, executive vice president of Lonmin plc and held senior positions in corporate communications, public affairs and corporate social investment, and worked in the Departments of Labour and Transport, Old Mutual and Sanlam.

André Parker (71)
Independent non-executive

MCom

Appointed October 2020

Chair of the risk committee

Member of the audit committee

André spent most of his career with the SAB/SAB Miller group and was managing director of SAB Miller's Africa and Asia portfolio for ten years. He is currently a non-executive director of Distell (lead independent director). He previously served as chairman of Tiger Brands and Remgro's TSB, and on the boards of SAB plc, SAB Ltd, AECI, Standard Bank and Carozzi SARL.

Sandile Phillip (40)
Independent non-executive

BCom, BCompt (Hons), CA(SA)

Appointed October 2020

Member of the audit committee

Member of the risk committee

Sandile is a non-executive director of the SAICA Enterprise Development and previously served as a board member of the SA Institute of Chartered Accountants and the South African Post Office. His business experience is mainly in the areas of general banking, structured funding and leveraged finance in business banking at First National Bank, private banking at Investec and financial management at British American Tobacco and Peninsula Beverages.

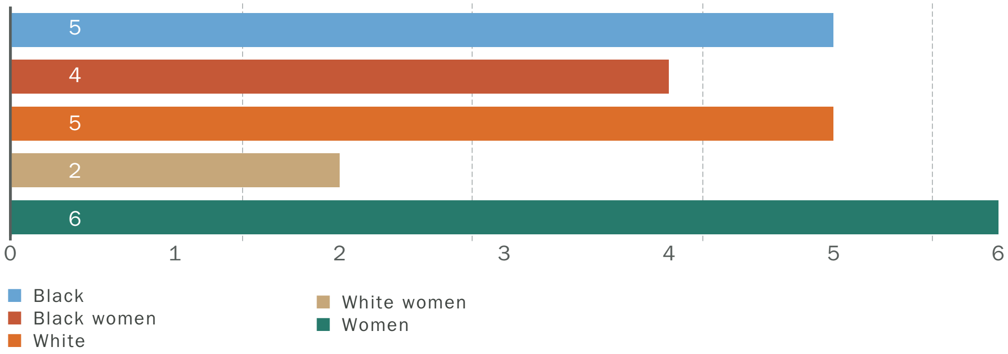
BOARD COMPETENCE

We have an active and diverse board, consisting of ten members with significant experience. This provides valuable support to the executive leadership.

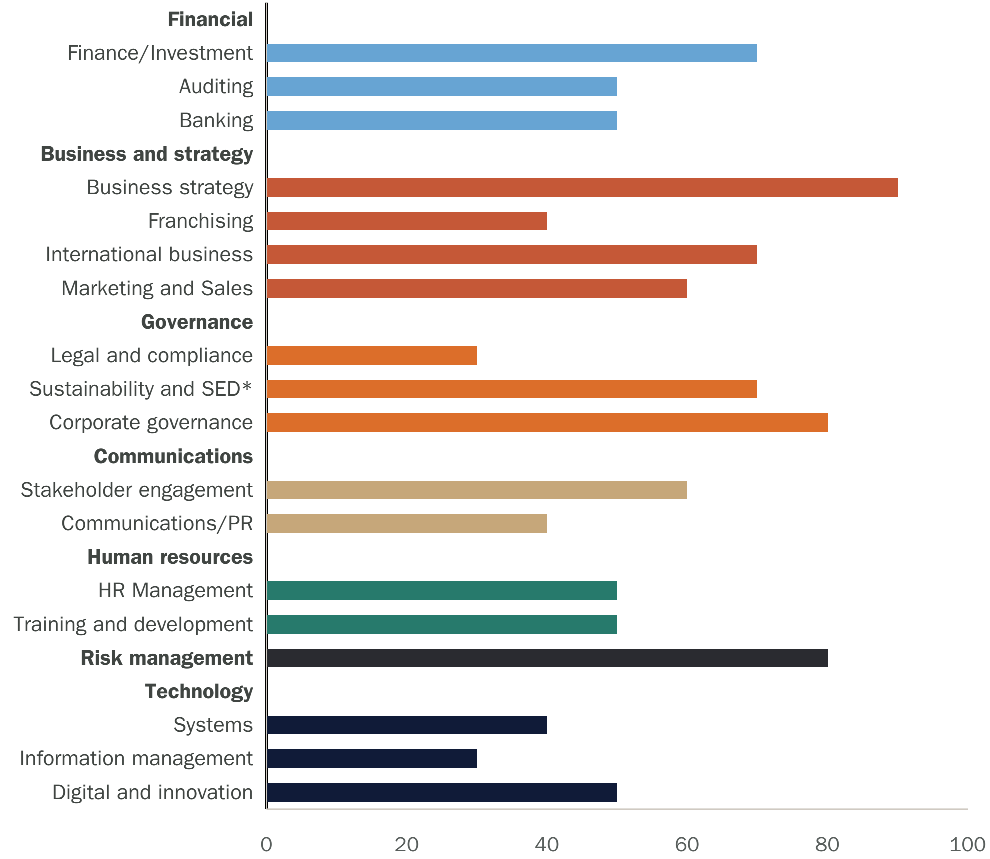
Diversity

The board exceeds its internal targets of 25% black board members and 20% female members.

RACE (NUMBER)

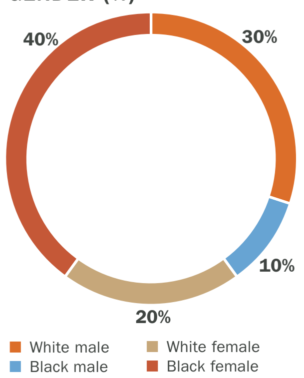


Skills and experience (%)

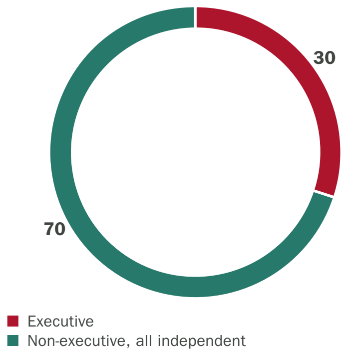


* *Socio-economic development*

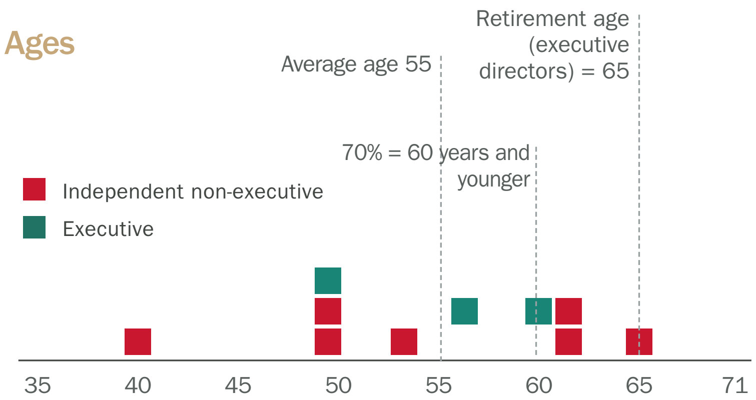
GENDER (%)



INDEPENDENCE (%)



Ages



Tenure

All ten members of the board have been appointed in the last four years.

1 – 4 years

OUR EXECUTIVE COMMITTEE

Val Nichas (60)
Chief executive officer

Spur employment – 22 months

For the CV of the CEO, please refer to the board spread on page 40.

Cristina Teixeira (49)
Chief financial officer

Spur employment – 21 months

For the CV of the CFO, please refer to the board spread on page 40.

Kevin Robertson (56)
Chief operations officer

Spur employment – 31 years

For the CV of the COO, please refer to the board spread on page 40.

Moshe Apleni (42)
Transformation and corporate communications executive

Spur employment – five years

Chairman of Spur Foundation Trust

Moshe has a background in communications and marketing, with a strong focus on building effective stakeholder relationships. He is closely involved in the ongoing development of an inclusive culture across the organisation. This track record resulted in him becoming one of only 20 African leaders chosen to attend an ethics leadership conference in Germany in 2018. Moshe completed the UCT Graduate School of Business' Executive Development Programme in November 2021. His passion for effective change has resulted in his role being expanded to include transformation, as well as the chairmanship of the Spur Foundation Trust.

He assumed an executive role with effect from 1 July 2022.

Colleen Carr (55)
People leadership and culture executive

Spur employment – 17 months

Colleen has a strong track record in successful change management. Her transformational leadership abilities have allowed her to significantly shift the culture of organisations and create agile companies that remain relevant in a fast-changing world. These skills are crucial to the group in its strategic journey of making a meaningful impact on its employees and the broader market.

Robin Charles (48)
Group supply chain executive

Spur employment – 14 years

As a food technologist, Robin understands food and successful product development. He has more than 20 years' experience in quality assurance roles, food safety systems and legislative requirements. He has particular skills in creating production efficiencies and product re-engineering initiatives. These are particularly important skills in a franchised model offering, especially in the current volatile market conditions.

He was promoted to the position of supply chain executive from 1 July 2022.

Vuyokazi Henda (36)
Chief marketing officer

Spur employment – six months

Vuyokazi (Vuyo) has more than ten years' business experience, with her most recent role leading the Foods business for Southern Africa at Unilever. She joined Unilever in 2009 and has worked in various positions across customer development and marketing. She also spent some time abroad working on the biggest Unilever Food brand, Knorr.

Since her return from London, Vuyo has built her expertise in Foods within FMCG, including developing a plant-based strategy. In 2020 she became one of 20 Dalai Lama Fellows and is part of the founding exco team for the Durban branch of the DreamGirls Academy.

Her in-depth understanding of the industry and key market trends have already added significant value in her first few months at the group.

Derick Koekemoer (52)
Franchise executive – international

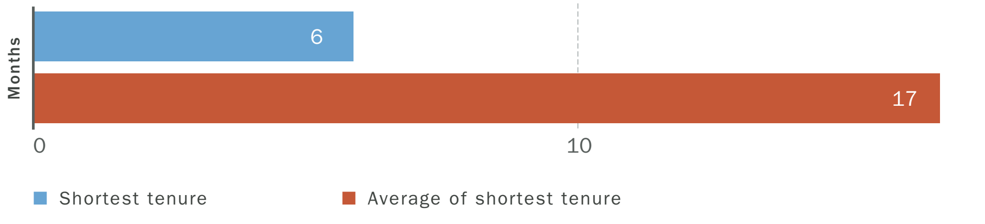
Spur employment – 26 years

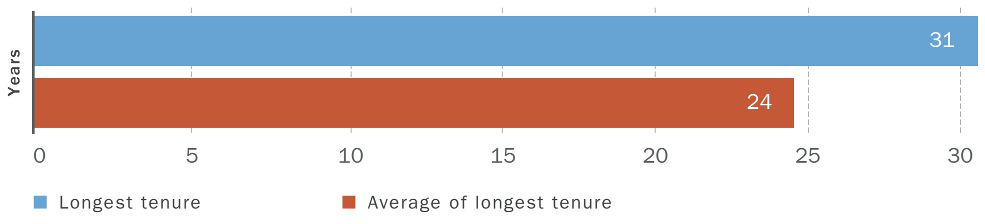
Derick is a seasoned senior operator in the restaurant sector. His more than 20 years of knowledge of the group's operations through various roles adds particular value. He has more than ten years' track record in the international division, with a clear understanding of the dynamics of different global markets. His guidance has resulted in a footprint of 84 international restaurants.

EXECUTIVE COMMITTEE COMPETENCE

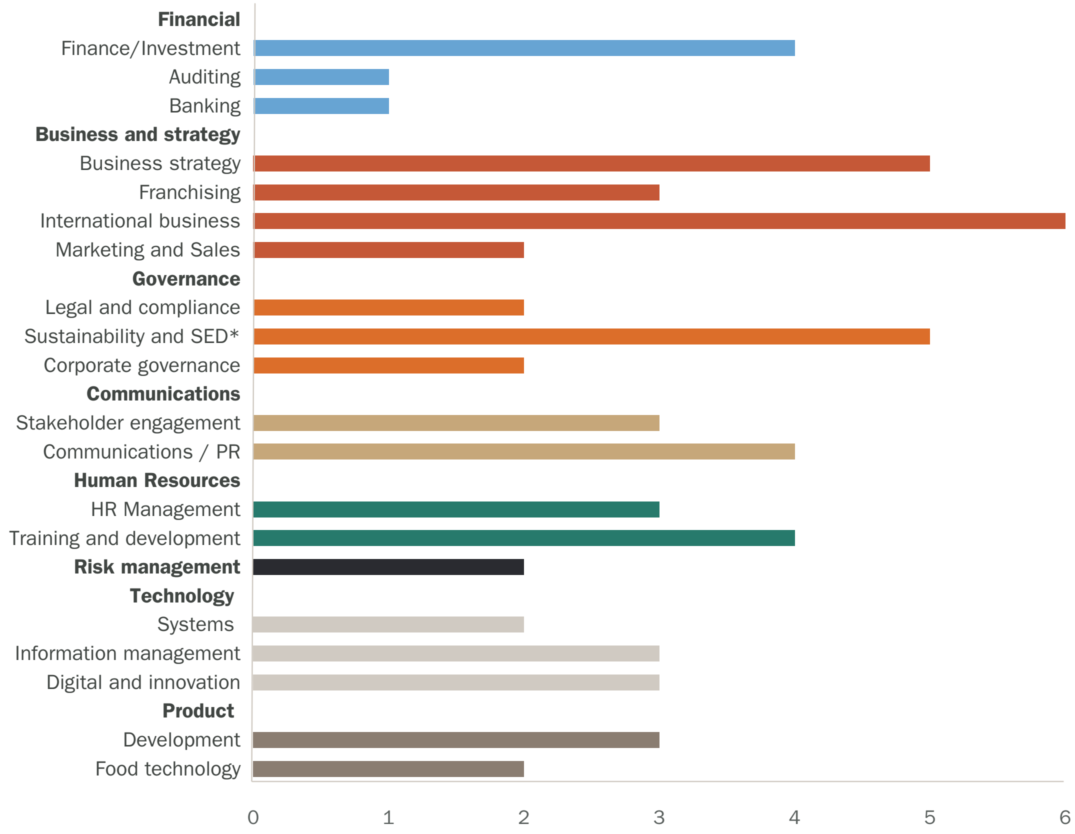
The executive committee was strengthened this year, with the appointment of a chief marketing officer. The committee consists of individuals with a powerful combination of broader industry experience and intimate company-specific knowledge.

TENURE



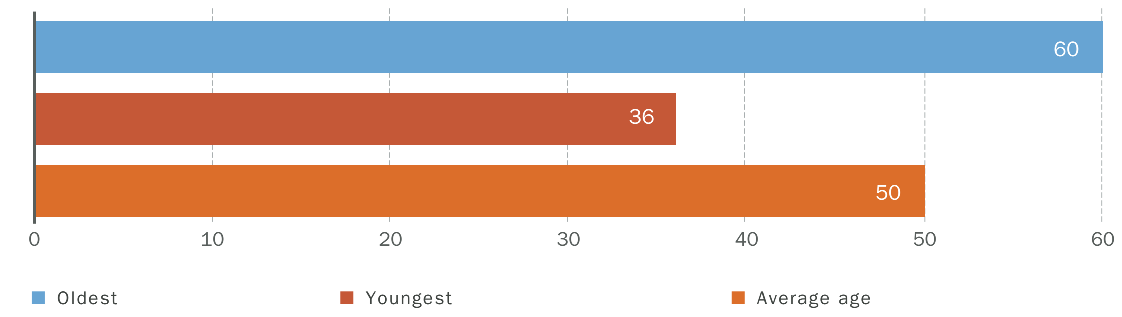


Skills and experience (number)

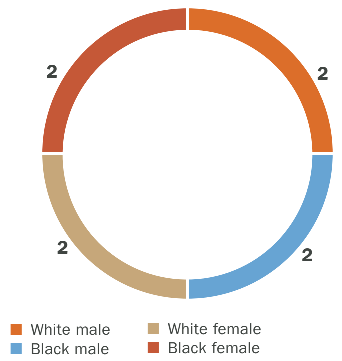


* Socio-economic development

AGE



DIVERSITY (NUMBER)



CHAIRMAN'S REVIEW

Mike Bosman

"The success of our brands and franchise network remained our most significant imperative this year. Although the period was marked by volatile trading conditions and low economic growth, the Spur Corporation team has delivered admirably through cohesion, vision and grit."

Macro-economic conditions

The Deloitte Global State of the Consumer Tracker* indicates a reversal of a multi-decade trend. Post-pandemic activity, when benchmarked against pre-pandemic behaviour, is showing a 12% contraction in dining at restaurants.

The restaurant franchise sector has also faced steep increases in operating costs. With the decline in sales, the sector has had to adjust staffing levels, tailor menus, introduce more value offerings and simplify operations to manage increases.

These challenges have provided a dynamic backdrop for our board, which has sharpened our focus on supporting the executive team in the effective delivery of the group's strategy. We are extremely proud of the group's performance in these conditions, which has once again proven that our strategy, brands and franchise network are robust. The partnerships with franchisees are our most valued assets.

Our close collaboration creates a winning combination of entrepreneurship, supported by our systems and intellectual capital. We have recently created new forums and franchisee councils, elected by the franchisee network. Refer to the leadership reviews for additional information on our performance.

Key board focus areas

We have an effective board with members who are valuable and active participants. Our board and leadership continued to engage regularly to ensure effective strategy implementation. As board members we truly believe in the group's strategy, the quality of the leadership and the impressive South African brands in the stable. We are especially proud to be part of an iconic South African Spur brand, with the 300th restaurant, Tulsa Spur, opening in Morningside Gauteng in October 2022.

During the year, we have increasingly focused on crystalising our approach to environmental, social and governance (ESG) aspects of the business. Our comprehensive risk management analysis ensures that our sustainability risks are integrated with group risks and our strategy, with appropriate action plans in place. We continuously appraise whether our mitigating actions and controls are sufficient and anticipating future projections.

Certain elements of our ESG strategy have been imprinted in the group's processes for several years, with a particular focus on managing environmental impact. Refer to pages 29 – 31.

More recently, the new leadership team has enhanced its focus on social and governance aspects as part of its change management process of delivering on its purpose Leading for the Greater Good. Clear action plans have been put in place to drive the impact the group can make through equity, inclusivity, opportunity and diversity. These activities are underpinned by robust internal structures and controls to ensure effective governance.

As chairman, I am proud to lead a board that had a clear vision over the last few years of how to support the group in terms of leadership changes, gender and diversity inclusivity and the development of talent.

Transformation has been prioritised across the board and at executive level. We are proud of our success in rolling out this imperative and remain committed to continuing to doing so. We have transformed the board of directors to 50% black and 60% female and the executive committee to 50% black and 50% female in less than two years. More than 90% of our employees are South African and 81% black.

As a board, we also prioritise transparent and ongoing stakeholder engagement. The group has long-term relationships in place, with anchor shareholders, an extensive network of property owners and intermediaries, value-adding relationships with key suppliers across product categories, a loyal customer base established over several years and a resilient franchisee network. As a board, we consider the interests of our key stakeholders, with a strong focus on not compromising the rights of any of the stakeholder groups. This will continue to be a priority moving forward. Refer to our stakeholder engagement reviews in the main section and the supplementary section of the integrated annual report for information on our approach this year.

The group subscribes to the laws of the countries where it operates, relevant standards, and its own codes of conduct and policies. During the year, we conducted a comprehensive compliance review, with assessments on key legislation in our home country of South Africa that are pertinent to the sector in which we operate. I am proud to announce that the analysis confirmed compliance with these laws and regulations.

Group policies are also reviewed regularly to ensure alignment with best practice and corporate governance. For example, the historic policy relating to employee interests in group franchises was amended last year to reduce the risk of a conflict of interest.

Ensuring effective remuneration practices and alignment with shareholders

As a board we are responsible to align management remuneration with shareholders through fair and equitable processes. Our leadership has stringent targets in place to link remuneration to outcomes. As a board and leadership, we have expanded our leadership scorecards to include ESG measures. Refer to the remuneration report.

We finalised the appropriate implementation plan for the short- and long-term incentive schemes and critically assessed the first allocations to ensure adherence to rules and stakeholder expectations.

Looking forward

2022 has marked a definitive turning point in restaurant history following the extremely challenging last few years. Effectively managing the way forward will require ongoing understanding of our changing market. We have endorsed the group's F2023 business strategy which contains a strong focus on innovation, broadening the customer base, building leadership capability and accelerating the journey of transformation.

The allocation of the group's available capital remains a key focus area for the board, with board approval a requirement before implementation. The new board executives have concentrated on improving the analysis of return on capital to demonstrate the effective deployment of capital.

Appreciation

The hard work and commitment of our employees – our most valuable asset – must be acknowledged.

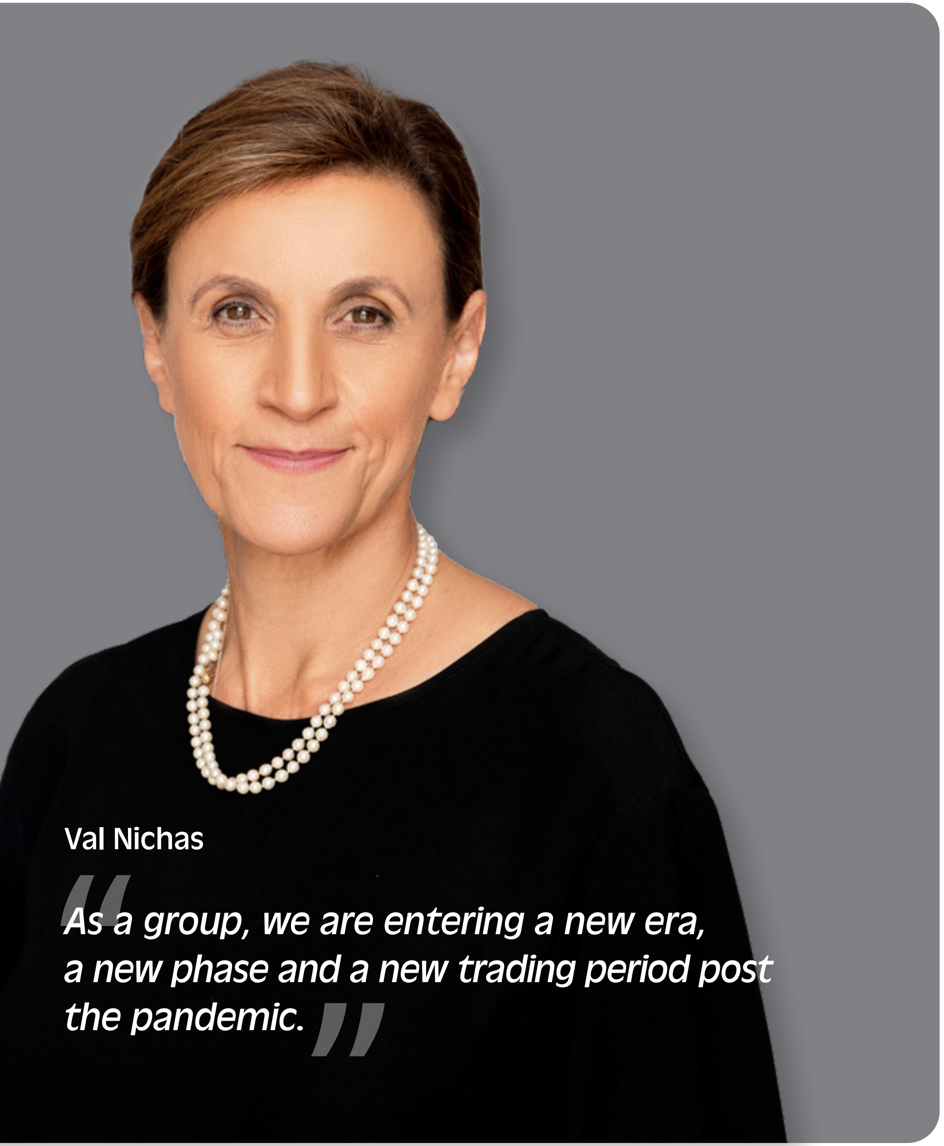
We also extend our appreciation to the CEO and executive management for leading the organisation to an improved position. I thank the entire board for their ongoing commitment and adding value this year.

To our external stakeholders, we are grateful for your belief in the group's strategy and team. We look forward to ongoing strong relationships with our partners, especially our franchisees, shareholders and financial providers.

Mike Bosman

27 October 2022

CHIEF EXECUTIVE OFFICER'S REVIEW



The dawn of a new era

Our core focus remains building brands that lead the experience. Our team is fully aligned and continues to rally behind the purpose of Leading for the Greater Good to make a difference to our customers, our franchisees, our people, our communities and the countries we trade in.

A resilient performance

The 2022 financial year for us commenced with a black swan event in the guise of the KwaZulu-Natal civil unrest. This had a strikingly negative impact of R14.6 million on group turnover and R11.5 million on profitability for the month of July 2021.

However, as the first half of the financial year unfolded and market conditions improved with the relaxation of the COVID-19 regulations, we saw pleasing upturns. Trading conditions improved from August 2021 with franchised restaurant sales in the first half of the period growing by 28.3% compared to December 2020. This robust growth continued into the second half, with a 28.5% increase in local restaurant sales and a 24.7% increase in international restaurant sales.

Economic headwinds remain formidable and are biting into consumer purchasing power, but our business model continues to demonstrate its resilience.

Although new trading patterns are emerging with erratic levels, we have increased customer foot traffic to the group's restaurants. Our focus on core brand categories has ensured that strategic product lines have gained market share. In the Spur brand, breakfast sales increased by 31% and the popular Spur ribs trebled in sales volumes. Lunch remains the most dominant day part for the mainstream brands, and speciality brands still enjoy a solid evening trade. Take-away sales of more than R1 billion have confirmed that consumers are continuing to seek out their favourite products and tastes through a more convenient channel.

Bolstering sustainability

In the current economic reality of rising food inflation, we have implemented a new supply chain strategy aimed at increasing volume in strategic categories to improve franchisee profitability, while offering consumers a quality product at the best price. The product price savings for the franchisees during this year was in excess of R39 million. This was made possible through new volume negotiations, innovative packaging configurations and enhanced marketing activity on key categories.

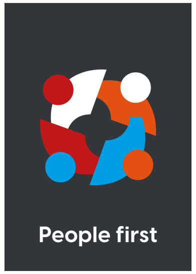
On the sustainability front, we remain fervently committed to our vision and purpose of eliminating single-use packaging and forging partnerships with ethical and environmentally aware suppliers to ensure responsible procurement. This supply chain strategy will be amplified in the forthcoming financial year.

In addition to sustainable seafood procurement, the group has prioritised the use of cage-free eggs, which are currently purchased by 40% of our restaurants. Although we remain committed to eliminating the use of palm oil, we have temporarily amended this strategy due to the impact of the Russia–Ukraine war on oil prices.

A values-based group

This year, we made strong inroads into cementing our vision of transforming Spur Corporation into an industry leader and an employer of choice across all levels of the franchise network.

A value-surfacing initiative rolled out by our own people yielded insightful outcomes. Middle managers were identified as values influencers to facilitate workshops. Each member of the corporate team was encouraged to share, express and decide on the values they envisage for the organisation. This was an enormously rewarding process that resulted in the crafting of meaningful values that truly resonate with our people.



Our commitment toward cultivating a culture of engaged and motivated teams remains a priority. We are dedicated to building a network that attracts talented people to grow with us, encourages franchisees to align with our vision and creates dining spaces that serve and satisfy our customers.

Even under present economic conditions, with extreme pressure on consumer spending, loyalty to our brands remains solid, with 1.7 million active Family Club members in the group.

Our franchise partners remain pivotal in our ability to deliver exceptional experiences to customers. The creation of new forums and franchise alliance councils, elected by the franchisee network, highlights the value of loyalty, collaboration and support.

In addition, national roadshows for Spur in November 2021 and October 2022 offered the opportunity for face-to-face franchisee engagement and feedback, as well as a review of business performance and sharing of future growth plans.

Employee wellbeing

Our employees are now working with a hybrid model launched as Worklife 3.2. This involves dividing the work week into three days in the office and two days at home. After some time to adjust to this new work model, our employees have adapted admirably.

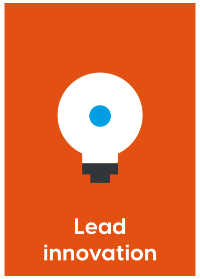
To remain in touch with employee sentiment, an independent culture survey was conducted with 240 corporate employees. High scores were achieved on management, vision and strategic alignment, and values and behaviours. The survey results also highlighted the need for a greater focus on communication, diversity and inclusion, and reward and recognition. A further culture survey is scheduled for November 2022 to track our progress.

We continue to implement actions to improve the quality of our network and ensure a united team dynamic that creates value for our franchisees, employees and customers.

A focus on change management and employee wellness is taking precedence in the organisation. We are driving workplace transformation that prioritises inclusivity, mutual respect and open communication.

Throughout the year, regional transformation round table discussions were held on aspects such as employment equity, ESG, enterprise development and broad-based black economic empowerment.

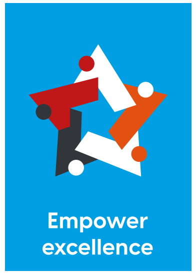
Our commitment to our people and our communities is evident in our contribution to socio-economic development of R1.6 million, double last year's figure. Our Spur Foundation Full Tummy Fund feeds 1 120 children every school day, and we have donated almost R500 000 for 100 children to attend school for a year. We have also provided school bursaries to several employees' children.



In a rapidly changing environment, we have embraced innovation to improve our processes and management methods. Our brands have responded to current market trends and introduced value-added campaigns, menu innovations and restaurant formats to attract customers who are seeking convenient meal solutions and everyday value to manage their limited disposable income.

This year, some of these innovations have included the launch of the RocoMamas Drive Thru, the plant-based proof of concept MODROCKERS, the new Panarottis restaurant concept and the new VK brand Just Wingz.

IGNITE67, a new reinvention process, has been introduced by the group to accelerate innovation and drive strategic projects that attract new customers and increase market share on core categories.



We remain focused on improving our systems and processes to deliver with excellence. Our teams have achieved pleasing progress on reporting timeframes and increased real-time data tracking across our group. Key business metrics are closely monitored to keep track of franchisee operating margins and profitability.

Outlook

Despite the current market conditions of economic downturn, infrastructural challenges, power outages and rising food inflation, we remain positive as we navigate our way through these challenging times.

We are dedicated to ensuring that our brands remain relevant and appealing with their distinct and differentiated value propositions. We endeavour to maintain quality relationships with our customer base and invest in robust marketing to increase foot count in our restaurants.

It is our intention to seize every micro marketing moment, enhance our customer experience and continue to leverage our strategic competency in casual dining and fast casual formats.

Appreciation

I acknowledge my fellow board executives and the rest of the executive team for the manner in which they have responded and adapted to the changing operating landscape. Their resilience, passion and dedication are admirable. We are truly fortunate to have such a vast range of skills on our executive leadership team and, above all, such exemplary people. A special welcome to our newest executive, our new CMO Vuyo Henda, whose marketing expertise is positively influencing the future growth plans of our brand portfolio.

I also thank Mike, our main board chairman, for his inspiring leadership, wisdom and guidance, and all the board members for their valuable contribution and ongoing support.

Finally, my thanks extend to the franchisees for their ongoing partnership, our shareholders for their belief in the group, and, of course, our employees for their dedication and input in crafting the values that we envisage will see us through to a bright new dawn.

Val Nichas

27 October 2022

CHIEF FINANCIAL OFFICER'S REVIEW

Financial performance

In South Africa, volume growth was driven mainly by the Spur brand, which increased restaurant sales by 30.1%. Panarottis increased restaurant sales by a third, with John Dory's and RocoMamas increasing by 27.0% and 25.3% respectively. The Speciality brands increased sales by 52.0%, driven by a strong performance from The Hussar Grill brand.

International franchised restaurant sales increased by 10.3% following improved trading conditions in the rest of Africa. The rest of Africa represents 67% of the international portfolio, with solid performances in Zambia, Namibia, Zimbabwe and Kenya.

	External revenue			Profit/(loss) before income tax		
R'000	**2022**	2021*	% change	**2022**	2021*	% change
South Africa						
Franchise	**333 395**	230 539	44.6	**258 933**	156 816	65.1
Spur	**232 167**	158 978	46.0	**194 990**	120 049	62.4
Panarottis	**31 267**	21 575	44.9	**17 794**	9 665	104.8
John Dory's	**17 948**	12 322	45.7	**6 641**	1 808	267.3
RocoMamas	**38 573**	29 475	30.9	**27 876**	21 278	31.0
Speciality brands	**13 440**	8 189	64.1	**9 632**	4 016	139.8
Manufacturing and distribution	**1 710 414**	1 310 807	30.5	**73 612**	56 884	29.4
Retail company stores	**62 907**	41 376	52.0	**(1 185)**	11 725	(110.1)
Marketing	**199 538**	164 410	21.4	**2 410**	23 223	(89.6)
Other segments	**36 759**	20 037	83.5	**(3 981)**	(7 074)	43.7
Total South African segments	**2 343 013**	1 767 169	32.6	**329 789**	241 574	36.5
Shared services	**211**	907	(76.7)	**(132 328)**	(99 150)	(33.5)
Total South Africa	**2 343 224**	1 768 076	32.5	**197 461**	142 424	38.6
International						
Australasia	**645**	1 709	(62.3)	**(119)**	(1 543)	92.3
Rest of Africa and Middle East	**42 362**	31 051	36.4	**18 938**	12 376	53.0
Marketing	**4 961**	4 109	20.7	**–**	–	–
Total International segments	**47 968**	36 869	30.1	**18 819**	10 833	73.7
Shared services	**–**	–	–	**(6 612)**	(5 455)	(21.2)
Total international	**47 968**	36 869	30.1	**12 207**	5 378	127.0
Total	**2 391 192**	1 804 945	32.5	**209 668**	147 802	41.9

* *Restated to account for, in line with IFRS 15, the sales and cost of sales executed by the group's outsourced distributor as well as to account for marketing activities over a period of time on the input method of measurement, refer AFS note 4 for the restatement note.*

We achieved a strong recovery in both group revenue and profit due to improved trading performance, a focus on expanding margins, and to a lesser extent the reduced level of financial support in discounted franchise and marketing fund fees required by franchisees post pandemic.

The revenue was supported by higher sales in retail company stores (+52.0%), increased sales from the manufacturing and distribution division (+30.5%) and improved restaurant turnover.

The higher trading volumes contributed to marketing revenue increasing from R168.5 million to R204.5 million. Group revenue was therefore R2.4 billion, an increase of 32.5% (2021: R1.8 billion). Group profit before income tax increased by 41.9% to R209.7 million (2021: R147.8 million).

Profit before income tax in the South African operations includes a marketing fund surplus of R2.4 million (2021: R23.2 million). The prior year includes an amount of R14.8 million in COVID-19 business interruption insurance claims due to the retail company stores, with the proceeds received in the first half of the current financial year.

The prior year was also impacted by costs of R3.9 million related to a voluntary retrenchment programme and the present value of a once-off employee benefit liability of R8.5 million.

The most material once-off item in the current period is a charge against earnings of R22.0 million, previously paid to the South African Revenue Service (SARS), as reported on SENS on 18 October 2021. Of this charge, R14.0 million is reflected as an income tax expense and R8.0 million as an interest expense.

The current period's results include a fair value loss charged against earnings of R2.5 million relating to the contingent consideration receivable due on the purchase of 51% of the Nikos business. The group extended the period of the purchase price determination by 12 months.

The allowance for expected credit losses increased in the current period. This was primarily due to the group's exposure to franchisees in Saudi Arabia which were unable to adhere to their payment obligations. This contributed to a net charge against earnings of R2.5 million (2021: net credit of R3.0 million).

A net finance income of R0.7 million is reported, which includes the charge of R8.0 million on the SARS matter referred to above. Interest increased with higher cash generated by the group and increased interest rates.

In the international operations, profit before income tax increased to R12.2 million (2021: R5.4 million) following reduced losses in Australia and improved trading in the rest of Africa.

Headline earnings increased by 31.0% to R121.1 million, with diluted headline earnings per share up by 30.9% at 143.68 cents. Earnings increased by 31.0% to R121.2 million, with diluted earnings per share up by 30.9% at 143.80 cents.

	Group comparable profit analysis – R'000	**F2022**	F2021*	% change
	Profit before income tax	**209 668**	147 802	41.9
A	Exclude: Market funds surplus	**(2 410)**	(23 223)	
	Profit before tax excluding marketing funds	**207 258**	124 579	66.4
B	IFRS9 Expected credit reversals/losses	**2 554**	(2 991)	
C	Interest on tax dispute and other SARS interest	**8 161**	–	
D	Legal costs	**1 500**	–	
E	John Dory's marketing contribution	**1 000**	–	
F	Employee benefit obligations	**496**	8 804	
G	Additional NED fees	**178**	2 757	
	Spur development costs	**–**	4 088	
	Retrenchment costs	**–**	3 914	
H	Nikos contingent consideration FV adjustment	**2 453**	(1 081)	
	Spur Foundation	**67**	343	
	Business interruption insurance claims (net of rental refunds)	**–**	(14 190)	
	Foreign exchange (gain)/loss	**(462)**	728	
	Australia lease	**–**	665	
	Comparable profit before tax	**223 205**	127 616	74.9

* *Restated to account for, in line with IFRS 15, the sales and cost of sales executed by the group's outsourced distributor as well as to account for marketing activities over a period of time on the input method of measurement, refer AFS note 4 for the restatement note.*

A The marketing surplus or deficit in any period recognised in profit or loss is not attributable to the group's owners. Any surplus will not, in the ordinary course of business, be distributable to shareholders

B Allowances for expected credit losses relate to trade and loan receivables, as well as a finance lease receivable

C Interest, previously paid to the South African Revenue Service (SARS) in prior years. The matter was awarded against the group in the current year and the interest, previously shown as a receivable, now impaired

D Legal costs with regards to the same SARS taxation matter awarded against the group

E Contribution by the group to the John Dory's marketing fund to amplify marketing activities for the brand

F Final adjustment to the settlement of guaranteed remuneration, paid to the previous CEO in terms of a mutual separation agreement

G Additional fees for director services

H The fair value adjustment relates to the variable contingent consideration for the purchase of Nikos

Financial position

The most significant assets on the group's balance sheet, as would be expected from the nature of the business, are the group's intangible assets and goodwill of R360 million. The Spur trademark and intellectual property represent 64.0% and the RocoMamas trademark, intellectual property and goodwill represent 13.9% of these balances. Refer to note 15 of the audited annual financial statements for information on impairment testing performed. The equity value inherent in these assets is directly impacted by the appeal, relevance and sustainability of our brands in the future.

Inventory now includes stock held by the group's outsourced distributor for sale to the group's franchisees. This follows an assessment that the group acts as a principal in relation to the sales of inventory to franchisees. The group recognises this inventory with a corresponding payable to the outsourced distributor.

The improved trading conditions resulted in an increase in net trade receivables from R72.1 million to R94.9 million.

As the group's revenue is predominantly derived from franchised restaurant fees (which have no directly associated input costs), the increase in trade payables should be substantially less than the increase in trade receivables. The higher trade and other payables relative to the prior year is mainly based on an increase in the payable due to the outsourced distributor, referred to earlier, as well as an accrual for short-term bonuses of R22 million in the current period.

Contract liabilities also include an amount of deferred marketing fund contributions, with a value of R51.5 million. This essentially represents income received in advance (2021: R3.5 million).

The group's liquidity ratio remained unchanged at 2.1 from the prior year.

The balance sheet remains ungeared, with unrestricted cash of R290.7 million at 30 June 2022.

The allocation of the group's available capital remains a key focus area for the board, with board approval a requirement before implementation.

Cash flow

The group generated R305 million in cash from operating activities, with the most material non-cash items within profit before tax being:

1. deprecation of R19.7 million
2. an increase in bonus, leave pay and short-term incentive accruals of R25.4 million
3. an increase in contract liabilities of R46.6 million (representing deferred marketing contributions received in the year not yet spent)

With stronger trading performance in the period, taxation payments increased to R75.8 million (2021: R41.1 million), generated mainly by the group's two largest South African trading entities.

Dividends of R113.5 million were paid in the year.

During the year, the group repurchased 1 475 000 of the company's shares at an average cost of R20.16 per share, totalling R29.7 million.

Dividends

The interim 2020 dividend of R70.978 million was declared on 26 February 2020 and was due to be paid on 6 April 2020. Following the outbreak of COVID-19 and the potential impact of long-term trading restrictions on the group's cash reserves, the board resolved, in compliance with the Companies Act and the directors' fiduciary duties, to defer the payment of the dividend until future cash flows could be predicted with greater confidence.

At its meeting on 22 September 2021, the board resolved to proceed with the payment of the interim 2020 dividend on 25 October 2021.

At its meeting on 22 February 2022, the board of directors declared an interim dividend of 49 cents per share in respect of the 2022 financial year.

At its meeting on 18 August 2022, the board declared a final gross cash dividend for the year ended 30 June 2022 of R70.954 million, representing 78 cents per share to be paid in cash on 19 September 2022.

The total gross dividend declared relating to the 2022 financial year was R115.528 million, representing 127 cents per share.

External audit

During the year, the company appointed PricewaterhouseCoopers Inc. as the external auditor of the group from the 2022 financial year.

Internal audit

BDO Advisory Services (Pty) Ltd was appointed to provide internal audit services with effect from 1 July 2022.

As a finance team, we have implemented changes in the finance function in line with the focus of our newly-defined corporate values.

People first

We have saved significant time following improved processes and systems.

This has allowed us to increasingly focus on employee development, with targeted programmes in place to develop our junior team members to take on new responsibilities.

United by purpose

The finance team is committed to the group's transformation initiatives and is assisting the group with processes to monitor progress. During the year, the team implemented the tracking of broad-based black economic empowerment data.

Empower excellence

We have reduced reporting timelines this year and managed to produce audited financial results within seven weeks after the year-end, even with a new external audit team.

We continue to refine the appropriate deployment of capital in combination with the required level of cost and overhead allocation in support of the business.

We are improving the use of data for decision-making in the finance and operational space, which increases real-time tracking and monitoring.

With an increasing demand for online engagement and digital transformation, we will continue to leverage our recently developed systems and enhance the use of data. This will involve a further strengthening of our controls to prevent any cybercrime attacks on our systems.

Lead innovation

The finance function has innovated from traditional finance-only services without additional resource requirements. These have included assuming operational administrative roles on behalf of brands, which have reduced the requirement for external recruitment. An example during the year was assisting the transformation executive with administrative services relating to broad-based black economic empowerment process implementation.

Appreciation

Thank you to the board for their ongoing guidance and support. I also wish to thank our CEO and the rest of the executives who are such a talented team to work with. A special note of thanks to the finance team and our external auditors who successfully delivered on the shorter timeframe to deliver our results.

Lastly, but very importantly, thank you to our shareholders who continue to support us.

Cristina Teixeira
27 October 2022

OPERATIONAL OVERVIEWS

FRANCHISED OPERATIONS SOUTH AFRICA: SPUR

Restaurant performance

R4.7 billion
Restaurant sales

30.1%*
Growth in sales

3.63% May 2022 **2.82%** November 2021

Menu price increases

Franchise network

297
Restaurants at year-end

13 753
Employees in franchise network

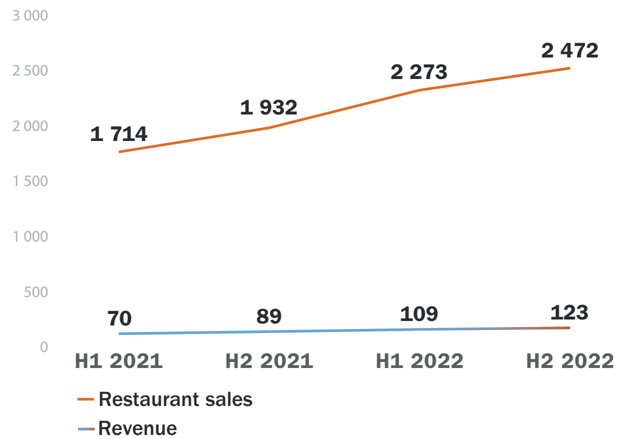
F2022 restaurant changes

5	4	40	4
New	Closed	Revamps	Relocations

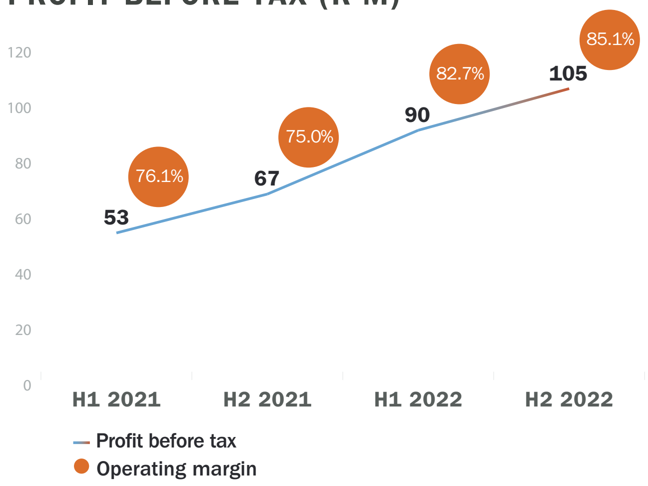
* F2022 vs F2021

Brand performance

RESTAURANT SALES AND REVENUE (R'M)



PROFIT BEFORE TAX (R'M)



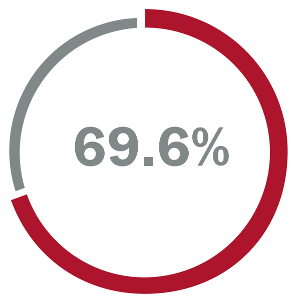
The Spur brand represents 68% of the group's South African dining restaurant sales. It remains the leading casual dining chain in South Africa#.

Following the growth trend of chicken in South Africa**, Spur has recently launched a new VK brand, Just Wingz.

The VK offering allows full-service restaurants to leverage their existing infrastructure to enjoy increased market share of the online food business.

\# *Kantar Research (February 2022)*
** *Euromonitor forecasts a 36.9% growth in chicken in limited-service restaurants by 2026*

% OF SA FRANCHISE REVENUE F2022



FRANCHISED OPERATIONS SOUTH AFRICA: PANAROTTIS

Restaurant performance

R698 million
Restaurant sales

31.4%*
Growth in sales

4.69% April 2022 **5.92%** July 2021
Menu price increases

Franchise network

82
Restaurants at year-end

1 962
Employees in franchise network

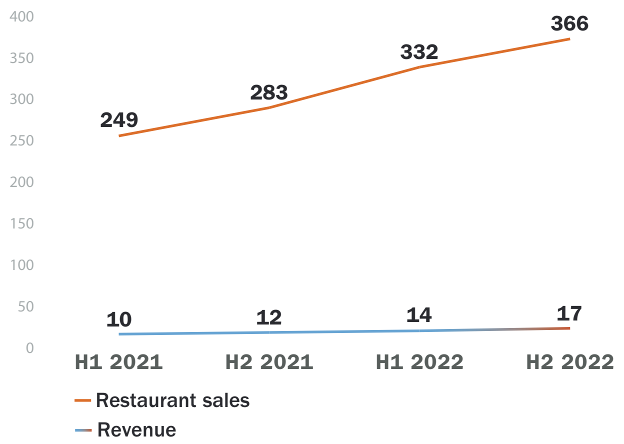
F2022 restaurant changes

4	6	7	2
New	Closed	Revamps	Relocations

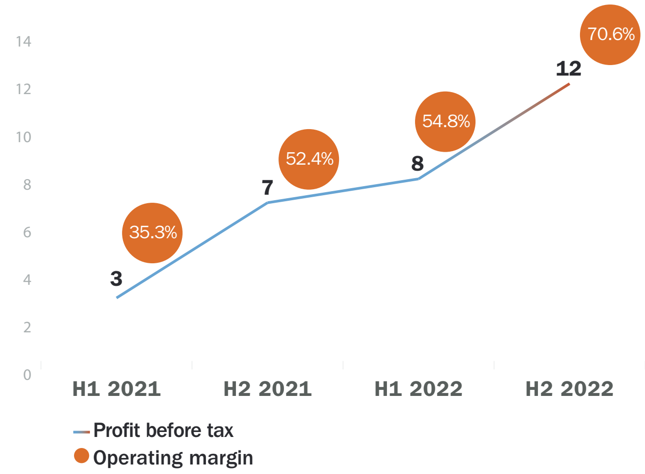
* F2022 vs F2021

Brand performance

RESTAURANT SALES AND REVENUE (R'M)



PROFIT BEFORE TAX (R'M)



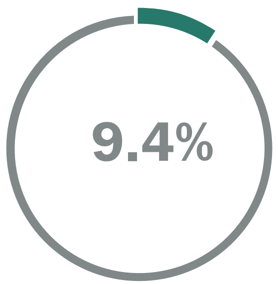
Restated for reallocation of Casa Bella to Speciality brands

As part of the group's strategy to reposition the Panarottis brand, a refreshed restaurant concept was launched in May 2022, with a revamp pilot of a test site. This has been very successful so far, with 40% growth in turnover since conversion. An additional 12 revamps are planned in the new financial year.

Panarottis is the second highest contributing brand as a percentage of takeaways to total sales at 39%.

Pizzas remain the most popular product line for takeaway and delivery.

% OF SA FRANCHISE REVENUE F2022



FRANCHISED OPERATIONS SOUTH AFRICA: JOHN DORYS

Restaurant performance

R413 million
Restaurant sales

27.0%*
Growth in sales

4.42% April 2022 **4.16%** September 2021

Menu price increases

Franchise network

47
Restaurants at year-end

1 277
Employees in franchise network

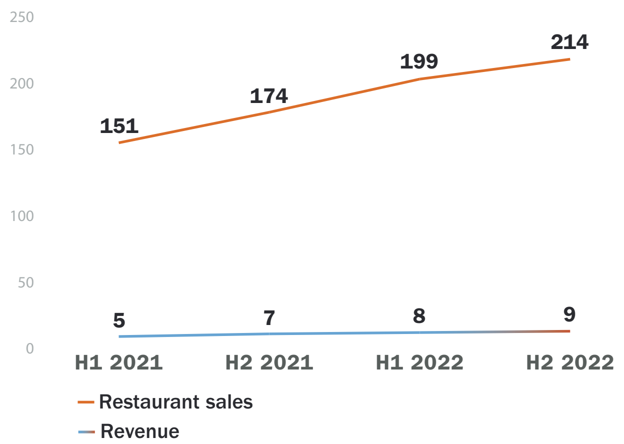
F2022 restaurant changes

–	2	3	–
New	Closed	Revamps	Relocations

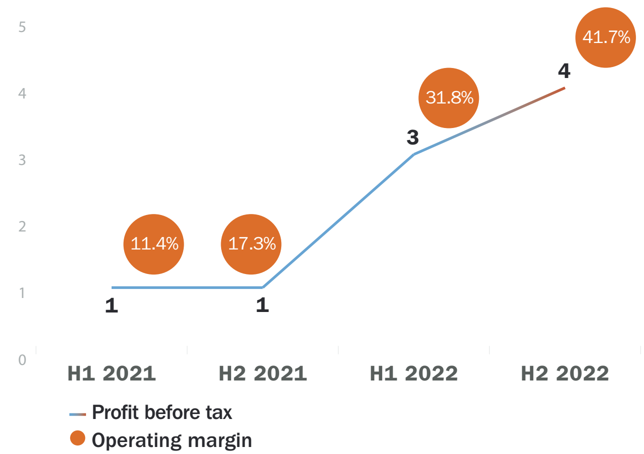
* *F2022 vs F2021*

Brand performance

RESTAURANT SALES AND REVENUE (R'M)



PROFIT BEFORE TAX (R'M)

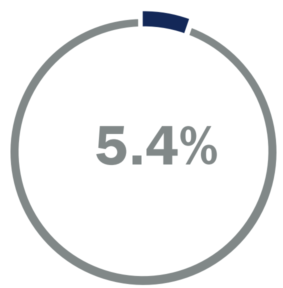


Sushi sales represent 23% of John Dory's turnover.

Sustainable seafood procurement remains key to the John Dory's product offering.

The team continues to concentrate on repositioning the brand and enhancing margins. Prior to the year-end, a restructure was implemented, with benefits to flow in F2023.

% OF SA FRANCHISE REVENUE F2022



FRANCHISED OPERATIONS SOUTH AFRICA: ROCOMAMAS

Restaurant performance

R789 million
Restaurant sales

25.3%*
Growth in sales

2.02% May 2022 **3.32%** December 2021
Menu price increases

Franchise network

85
Restaurants at year-end

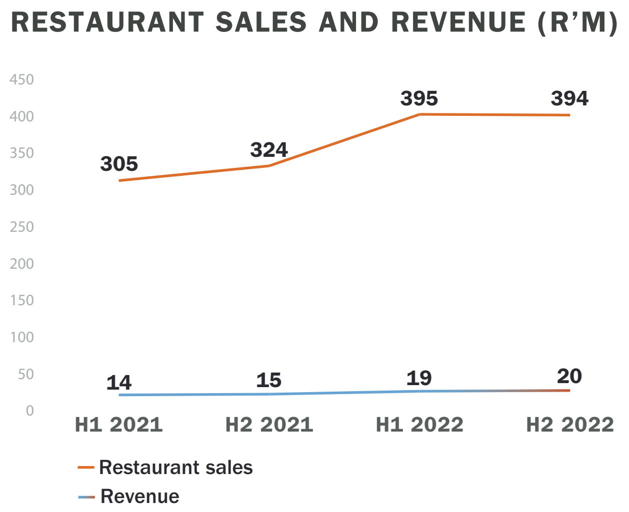
1 735
Employees in franchise network

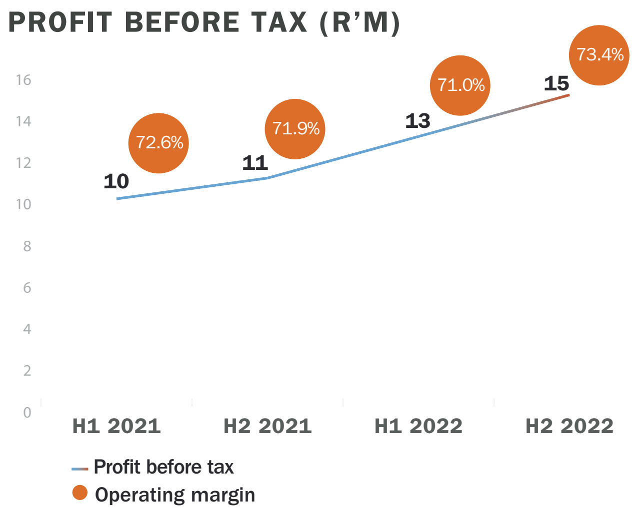
F2022 restaurant changes

9	2	6	1
New	Closed	Revamps	Relocation

* F2022 vs F2021

Brand performance



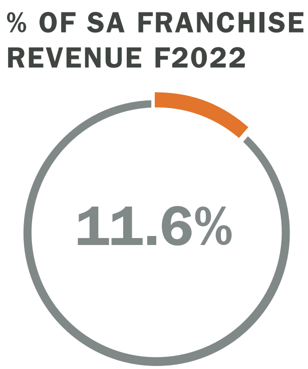


The first RocoMamas Drive Thru was opened in June 2022 and the second at the end of August 2022.

This lucrative channel meets the customer's requirement for convenience.

The top contributing brand in terms of percentage of takeaways to total sales is RocoMamas at 57%.

Burgers are the most popular product lines for takeaways and delivery.



FRANCHISED OPERATIONS SOUTH AFRICA: SPECIALITY BRANDS

THE HUSSAR GRILL EST 1964 | Casa Bella WoodFired Pizza • Pasta • Grills | NIKOΣ COALGRILL GREEK

Restaurant performance

R360 million
Restaurant sales

52.0%*
Growth in sales

Nikos **8%** October 2021

The Hussar Grill **6.3%** April 2022

Menu price increases

Franchise network

36
Restaurants at year-end

967
Employees in franchise network

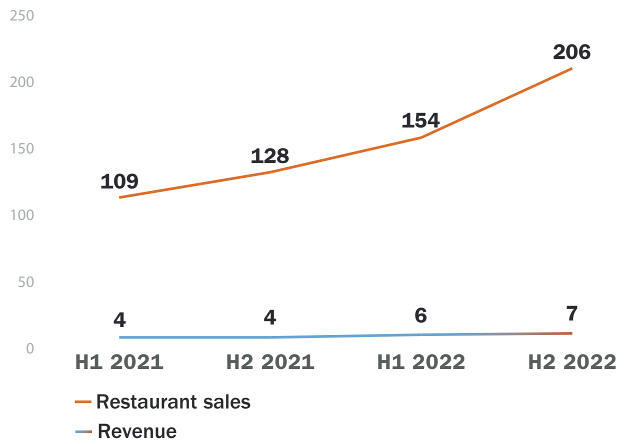
F2022 restaurant changes

5	1	2	–
New	Closed	Revamps	Relocations

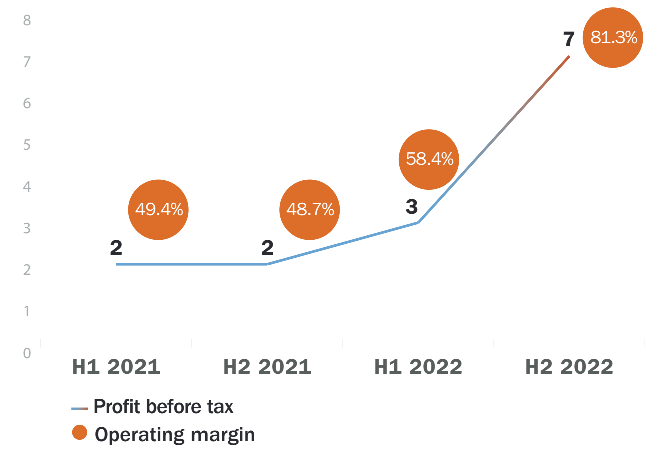
* F2022 vs F2021

Brand performance

RESTAURANT SALES AND REVENUE (R'M)



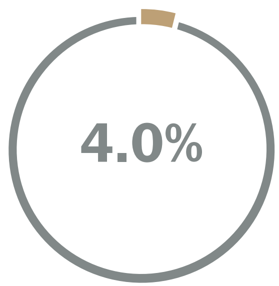
PROFIT BEFORE TAX (R'M)



Speciality restaurants have the highest dinner day part of sales in the group at 68%.

The Speciality brands increased sales by 52%, driven by a strong performance from The Hussar Grill brand.

% OF SA FRANCHISE REVENUE F2022



OPERATIONS SOUTH AFRICA: MANUFACTURING AND DISTRIBUTION

Segment performance

R1.7 billion
Revenue

30.5%*
Growth in revenue

7.60% May 2022 **5.36%** November 2021
Price increases

32 Employees

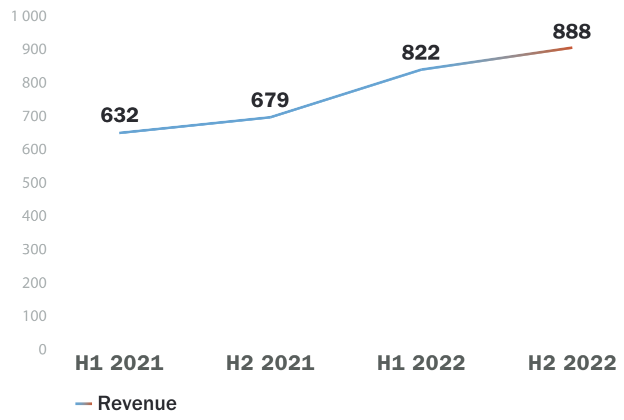
The group has seen good traction on its new supply chain strategy. This is aimed at increasing volume in strategic categories to improve franchisee profitability, while offering consumers a quality product at the best price.

Supply chain initiatives include eliminating single-use packaging, phasing out avoidable packaging and working with ethical and environmentally-aware suppliers to procure responsibly. This supply chain strategy will be amplified in the new financial year.

* *F2022 vs F2021*

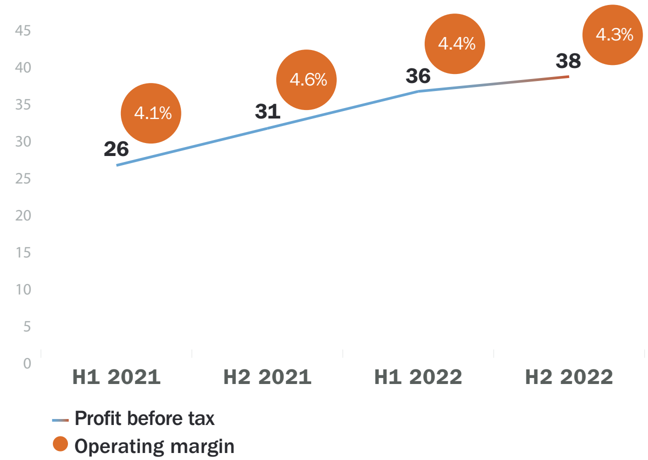
Segment performance

REVENUE (R'M)



Restated to account for, in line with IFRS 15, the sales and cost of sales executed by the group's outsourced distributor

PROFIT BEFORE TAX (R'M)



Restated for reallocation of procurement department expenses from Shared Services to Manufacturing and Distribution

OPERATIONS SOUTH AFRICA: COMPANY-OWNED STORES

Store performance

R63 million
Restaurant sales

52.0%*
Growth in sales

5^
Restaurants at year-end

161
Employees

The Hussar Grill Morningside, Gauteng, was revamped during the year.

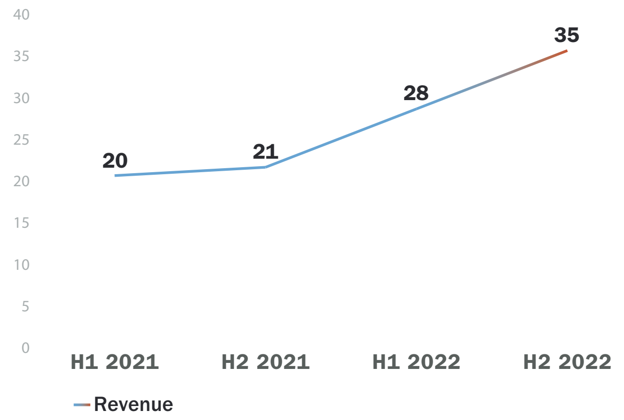
The group's newest proof-of-concept, MODROCKERS, is an innovative, plant-based quick-service restaurant. Based in Johannesburg, it aims to capitalise on the growth and awareness of consumers who seek environmentally conscious and ethical options when it comes to their food choices.

The group will continue to grow the plant-based, environmentally-conscious meal options at MODROCKERS and other major brands.

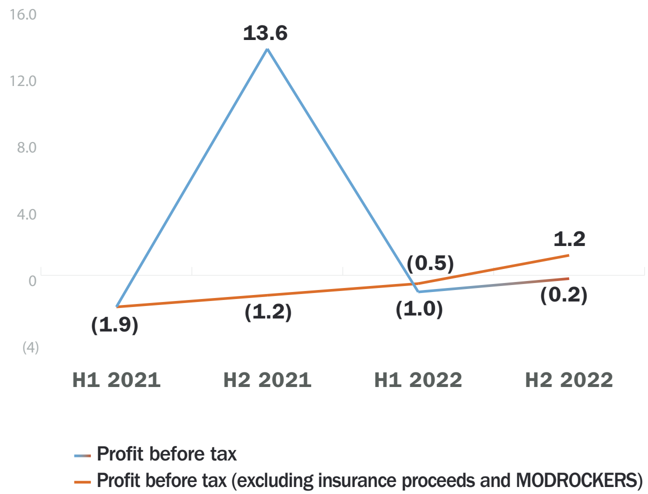
* F2022 vs F2021
^ Six when the proof-of-concept pilot MODROCKERS is included

Segment performance

REVENUE (R'M)



PROFIT BEFORE TAX (R'M)



FRANCHISED OPERATIONS: INTERNATIONAL

Restaurant performance

R737 million
Restaurant sales

Franchise network

84
Restaurants at year-end

10.3%*
Growth in sales

2 265
Employees in franchise network

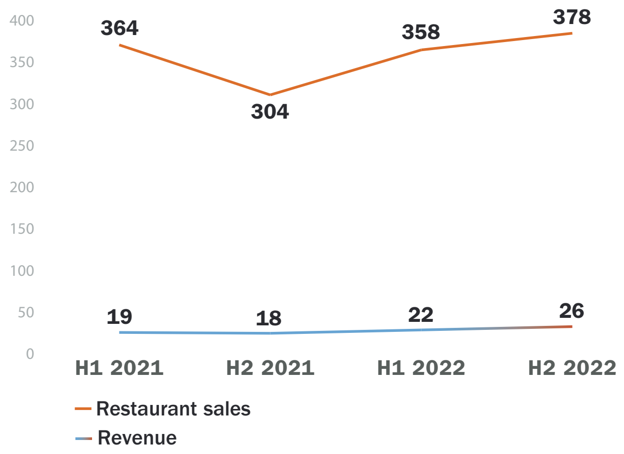
F2022 restaurant changes

8	9	1	–
New	Closed	Revamp	Relocations

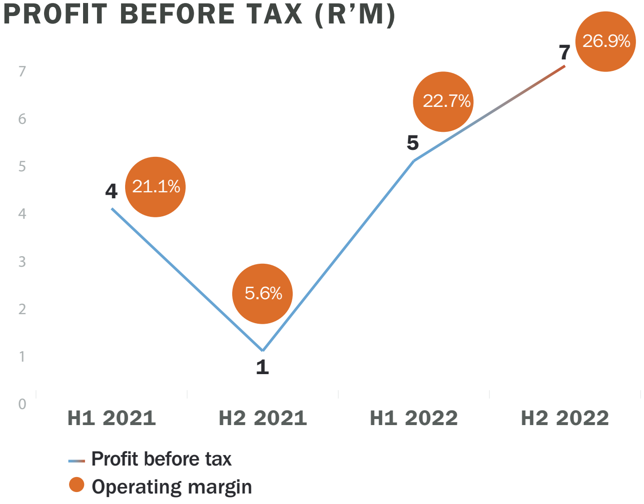
* F2022 vs F2021

Brand performance

RESTAURANT SALES AND REVENUE (R'M)



PROFIT BEFORE TAX (R'M)



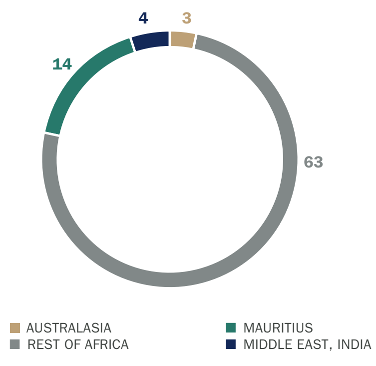
Restated to account for, in line with IFRS 15, the sales and cost of sales executed by the group's outsourced distributor and as to account for marketing activities over a period of time on the input method of measurement

International franchised restaurant sales increased, with improved trading conditions in the rest of Africa.

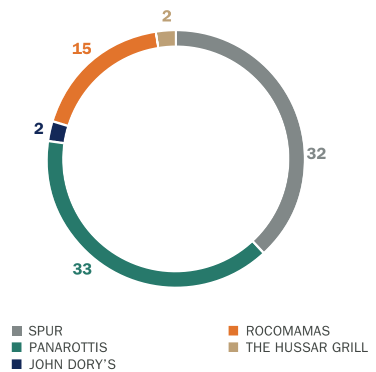
Africa represents 67% of the international portfolio, with solid performances in Zambia, Namibia, Zimbabwe and Kenya.

The group's international growth strategy gained momentum and eight restaurants opened internationally, with four Panarottis and two RocoMamas in Zambia and a RocoMamas in both Namibia and India.

RESTAURANTS PER REGION



RESTAURANTS PER BRAND



OUR REMUNERATION

06

REMUNERATION POLICY

This remuneration policy's overall objective is to articulate and effect fair and equitable, responsible and transparent organisation-wide remuneration. Spur Corporation Limited ("Spur" or "the Company") aims to:

- remunerate all employees in such a way so as not only to attract and retain talented individuals, but also to motivate all employees to contribute continuously to the success of the Company;
- promote the achievement of strategic objectives within its risk appetite;
- ensure that good corporate governance is observed in relation to all remuneration practices;
- promote positive outcomes across the economic, social and environmental context in which the Company operates; and
- promote an ethical culture and responsible corporate citizenship.

Spur's remuneration strategy and philosophy contained in this remuneration policy, are the cornerstones in achieving these objectives.

GLOSSARY

In this remuneration policy, unless inconsistent with the context, the following words and expressions shall have the following meanings:

BOARD	The directors of the Company from time to time
CTC	Cost-to-company or guaranteed remuneration
ESG	Environmental, Social and Governance
KPA	Key performance areas
FSP 2016	2016 Forfeitable Share Plan
PLC	People Leadership & Culture (Human resources)
LTIs	Long-term incentives
NED	Non-executive director
REMCO	The nominations and remuneration committee as appointed by the Board from time to time
RSP 2020	2020 Restricted Share Plan
SAR 2016	2016 Share Appreciation Rights Plan
SAR 2020	2020 Share Appreciation Rights Plan
STI	Short-term incentive
TR or total remuneration	CTC or guaranteed remuneration plus variable pay (13th cheque, STI and LTI as applicable per grade)

1. SPUR'S REMUNERATION STRATEGY AND PHILOSOPHY

By implementing this remuneration policy, we aim to have and maintain a positive, high-quality, motivated workforce which operates responsibly within an ethical culture. Spur's remuneration strategy is underpinned by the overall business objective, namely, maximising value to shareholders, and is informed by our risk framework regarding human capital, our PLC strategy, stakeholder dialogue and by comparative industry practices.

KEY REMUNERATION PRINCIPLES

In support of Spur's remuneration strategy and philosophy, the following objectives have been established:

- attract the appropriate people to key positions by means of appropriate remuneration
- manage the workforce to realise their full potential in terms of performance
- retain key knowledge by identifying and retaining key people

To achieve the objectives, the remuneration policy is based fundamentally on the following principles:

- adherence to principles of good corporate governance and regulatory frameworks;
- alignment to the overall business strategy, objectives and values of the Company;
- "horizontal fairness" is applied, i.e. equal pay for work of equal value
  - employees performing similar job requirements at the same or similar level of performance in the organisation receive the same or similar levels of remuneration;
- "vertical fairness" is applied, i.e. differences in total remuneration between different job levels can be explained and justified on a consistent basis;
- this remuneration policy contains arrangements which ensure that executive management's remuneration is fair and responsible within the context of overall, organisation-wide employee remuneration;
- Spur aims to strike a balance between CTC, STIs and LTIs for executive and senior management;
- total remuneration packages are structured in such a way so as to ensure that the interests of employees and shareholders are aligned;
- Spur applies performance measures aimed at driving positive outcomes across the social, environmental and economic context over the long term;
- Spur's performance appraisal process and day-by-day informal performance assessments aim to, *inter alia*, identify and reward individual performance; and
- the remuneration policy should ensure an appropriate balance between risk management and the achievement of shareholder returns by key decision-makers.

2. RESPONSIBILITIES OF THE REMCO

The Remco is responsible for oversight of Spur's remuneration philosophy and remuneration practices. The Remco is appointed by the Board as a subcommittee with delegated powers to set the direction for how remuneration should be approached and addressed on an organisation-wide basis. Its responsibilities include the evaluation, review and decision making regarding the Company's remuneration policy and the implementation and execution thereof.

Included below is a brief non-exhaustive list of responsibilities of the Remco:

Remuneration policy:

- oversee the development and annual review of the remuneration policy, to recommend for approval to the Board, for all levels of employees, with a focus on executive directors and prescribed officers;
- ensure that the remuneration policy is aligned with the Company's strategy and creates value for Spur over the long term;
- monitor the implementation and administration of the remuneration policy;
- establish formal and transparent procedures for developing, reviewing and amending the policy on executive remuneration;

Remuneration packages and performance:

- determine remuneration packages for executive directors and prescribed officers including annual increases;
- consider criteria to measure the performance of executive directors and prescribed officers in discharging their functions and responsibilities;
- approve annual increase parameters which are then applied by the executive directors;

Incentive schemes:

- approve the award of LTIs to executives and other participants;
- review and approve all STI and LTI targets and vesting outcomes and the terms thereof;
- regularly review incentive schemes to ensure continued contribution to shareholder value;
- ensure that appropriate principles, policies and practices are in place as a foundation for fair and responsible remuneration;

Fair pay:

- recommend to the Board a fair and responsible organisation-wide remuneration policy which promotes the creation of value in a sustainable manner;

NED fees:

- provide guidance to the Board for the setting of NED fees;

Remuneration reporting and engagement:

- approve the remuneration report on an annual basis;
- undertake shareholder engagement; and

Remuneration governance:

- review and approve any other remuneration governance matters (e.g. the application of the malus and clawback policy).

On a secondary level, the social ethics and environmental sustainability committee collaborates with the Remco and assist with the governance of remuneration-related matters as well as setting and assessing appropriate ESG KPAs for inclusion in the leadership team's performance scorecards. Such collaboration may be requested from time to time by either the Remco or the Board and may include undertaking reviews of Spur's remuneration practices to ensure the effectiveness of the remuneration policy to achieve ethical outcomes.

The Remco operates under formal Board-approved terms of reference which contain the full duties of the Remco and are reviewed each year.

The Remco actively engages with independent advisors to ensure that all matters and decisions relating to remuneration are in line with the market.

Related recommendations made by the Remco are ultimately approved by the Board and tabled for endorsement by the shareholders at the AGM.

In line with good corporate governance practices, the members of the Remco are independent NEDs.

The Remco meets at least twice annually.

3. FAIR AND RESPONSIBLE REMUNERATION

Spur gives due consideration to the principle of fair and responsible remuneration, which Spur recognises as a living, ever-evolving concept for which there is no ultimate "one-size-fits-all" approach. Spur is committed to identifying instances of unfairness, taking appropriate actions and tracking progress made to rectify instances of unfairness so identified, bearing in mind Spur's strategic objectives and long-term goals.

In setting and administering its remuneration policy, the Company is also committed to observing its obligations in terms of the Employment Equity Act 55 of 1998 (as amended) (the Employment Equity Act) and the Regulations in terms thereof, specifically the principle of equal pay for work of equal value.

When considering the principle of fair and responsible remuneration, the Remco will take into account the following realities:

- remuneration requirements for each skill level and employment type may differ insofar as the differentiation is fair and responsible;
- unified job structures are required within the Company in order to effectively determine the existence and reasons for differentiation in remuneration; and
- certain ethical and moral considerations stemming from a societal imbalance may weigh in on the necessity to adjust remuneration levels.

The Remco remains responsible for ensuring that executive remuneration (including the remuneration of prescribed officers) is justifiable in the context of overall employee remuneration. The Board and/or the Remco and/or executive management may take any appropriate actions in ensuring fair and responsible remuneration, including:

- continuously investigating and assessing the internal pay disparities within Spur;
- examining the underlying reasons for pay disparities, if any;
- calculating the Company's internal Gini coefficient to assess the level of income disparity in Spur;
- conducting an assessment of pay conditions between employees at the same level/job, in line with the principle of equal pay for work of equal value;
- regularly performing benchmarking or salary survey exercises to compare remuneration levels against the market; and
- tracking year-on-year progress made in terms of any initiatives in support of implementing the principle of fair and responsible remuneration.

In addition, Spur may adopt any other progressive measures to identify and address remuneration disparities as may be required from time to time.

Spur commits to developing this principle of fair and responsible remuneration in the Company to improve the employment conditions of all employees while maintaining high standards of corporate citizenship and the Company's duty towards its other stakeholders.

4. REMUNERATION FRAMEWORK OVERVIEW

Spur's remuneration structure is as follows:

Paterson Grade	Eligible participant	Guaranteed remuneration CTC	Thirteenth cheque	STI	LTI
D Upper and above	Executives	Yes	n/a	Yes	Yes
	Senior Management	Yes	n/a	Yes	Yes
	Middle management	Yes	n/a	Yes	Yes
D lower and below	Other employees below middle management	Yes	Yes	n/a	n/a

Employees either participate in the Company's STI and LTI schemes or the Thirteenth cheque scheme.

The table above serves as a guide for determining participation in the various incentive schemes. Where considered appropriate, the Remco may include as participants of the STI and LTI schemes employees at role grades lower than those specified and, conversely, exclude as participants of the STI and LTI schemes employees at role grades who would ordinarily be eligible for participation.

Spur's remuneration structure for executives and employees in senior management positions comprises both guaranteed (including benefits) and variable remuneration (together referred to as the "pay mix"). A different set of rules and guidelines is applicable to each component of remuneration.

Variable remuneration includes an STI and an LTI for employees where applicable as indicated above. The remuneration structure is reviewed by the Remco and the Board from time to time, considering the business cycle of the Company and to ensure that it remains fit for purpose and achieves Spur's strategic objectives and long-term goals.

The appropriate pay mix may vary throughout the Company as a result of, for example, employee position, seniority, etc. The pay mix should take into account both the Company's strategy as well as an employee's line of sight and ability to drive the execution of the strategy.

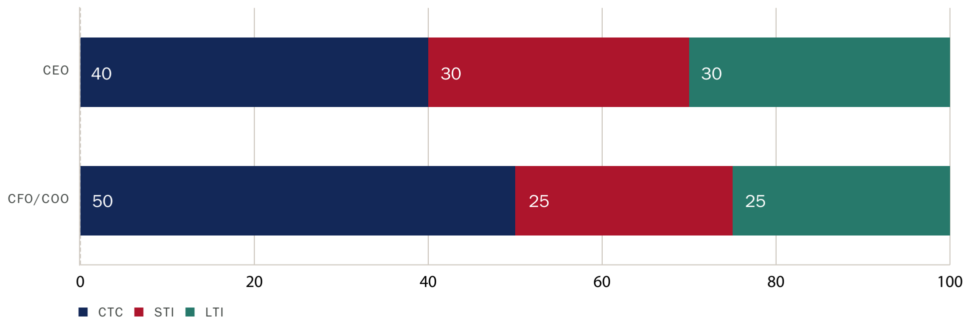
The Company targets total remuneration at the median of benchmarked remuneration levels for each individual's area of expertise and responsibility. At lower levels, the pay mix is weighted in favour of guaranteed remuneration with the possibility of participating in the STI and LTI or receiving a thirteenth cheque.

4.1 PAY MIX

Spur aims to align its on-target pay mix according to market norms considering factors such as the Company strategy, stakeholder input, benchmarking outcomes and other extenuating circumstances as the Remco sees fit. The pay mix is organic and certain variables may influence the actual pay mix outcomes which may result in a differentiation from the on-target pay mix. Should the actual pay mix outcomes vary drastically from the on-target pay mix, the Remco may reconsider the pay mix and, if necessary, approve a process to rectify and align the pay mix for future awards.

The standard policy on-target pay mix for the group chief executive officer (CEO), group chief financial officer (CFO) and group chief operations officer (COO) is presented below:

ON TARGET PAY MIX (%) PER STANDARD POLICY



5. GUARANTEED REMUNERATION AND BENEFITS

Guaranteed remuneration includes a basic CTC package consisting of a base salary and benefits which include a medical aid contribution and a provident fund contribution.

The basic CTC package is provided to all employees, excluding NEDs.

To ensure that Spur is able to attract and retain executives and key talent in a competitive job market, total remuneration is positioned at the median of the market, with guaranteed remuneration being positioned between the median and the upper quartile of the market.

The Remco will reassess the positioning of remuneration on an annual basis to ensure that it aligns with the Company's strategy and may work to amend the positioning of guaranteed remuneration to the median of the market and increasing total remuneration to the upper quartile to further enhance a pay for performance culture over time as required.

In determining the appropriate CTC package and increases thereon, the following factors are to be considered:

- "Horizontal fairness" is considered and applied, taking into consideration the following:
  - seniority or length of service;
  - qualifications, experience, ability, competence, potential;
  - employee demotions due to restructuring or legitimate reason without a reduction in pay or remuneration;
  - shortage of relevant skill in a particular job classification; and
  - work performance.
- "Vertical fairness" is considered and applied.
- The results of the latest benchmarking or salary survey exercise is considered to ensure market competitiveness.
- Inflation and cost of living expenses.
- Company affordability.

Cognisant of the need to attract and retain skilled talent, in instances where there is a shortage of skilled talent for critical jobs, Spur may adjust the standard remuneration level for the position to include an additional premium of 10% to 15% of the guaranteed package payable for the position.

5.1 BENCHMARKING METHODOLOGY

Spur will undertake organisation-wide competitive benchmarking at least every two to three years. On an *ad hoc* basis, remuneration information on market-related remuneration packages is specifically requested from reputable service providers to perform a comparison.

In performing benchmarking exercises and determining an appropriate peer group, Spur will consider factors such as sector, size and market capitalisation, turnover, number of employees, operations, geographic location and similarity to Spur.

5.2 INCREASES TO GUARANTEED REMUNERATION

The basic CTC package is fixed for a period of 12 months and is subject to an annual review with effect from 1 July each year. Increases are based on inflation, outcome of any benchmarking exercise performed, core skills, changes in responsibilities and Spur's financial performance measures, underpinned by individual performance. Subject to the parameters approved by the Remco, increases are proposed by the relevant line managers, reviewed and recommended by the group PLC executive, CFO and COO and reviewed and approved by the CEO.

Executive directors' increases are recommended by the CEO and the Remco to the Board, who approves the remuneration. The Remco makes a recommendation pertaining to the CEO's remuneration, which is ultimately to be approved by the Board.

As it relates to the CEO's remuneration, he/she formally recuses him/herself from the Remco's discussion on his/her remuneration.

5.3 BENEFITS

All employees are required to be covered by medical aid, the cost of which is to be borne by the employee. All local corporate employees are required to be a member of the group's provident fund, which is administered externally to the group. Employees must contribute a minimum of 15% of their CTC (net of travel allowance, and provident fund contribution) to the fund but may voluntarily increase this to 20%. The contribution includes group life cover as well as income protection cover in the event of incapacity.

In certain instances where employees are regularly and routinely required to travel for business purposes, a travel allowance or company car may be granted to employees.

Travel allowances are included in guaranteed remuneration in 5.2 above.

Company cars are granted at the discretion of the Company. The type of vehicle is at the Company's discretion.

6. VARIABLE REMUNERATION

Variable remuneration (including STIs and LTIs) is designed to encourage and reward superior performance (both individual and Company performance) and to align the interests of the employees with those of the Company's shareholders.

For executives and senior management, multiple metrics are used to determine performance, which are aligned with Spur's strategy and shareholder interests. The Remco and the Board review and approve the performance measures, targets and weightings that are to be applied to STI and LTI awards respectively to drive the achievement of the Company's strategic objectives and long-term goals. The Remco must ensure that the performance measures used support positive outcomes across the economic, social and environmental context in which the Company operates, and/or all the capitals that Spur uses or affects.

For the avoidance of any doubt, NEDs do not participate in any form of variable remuneration.

6.1 SHORT-TERM INCENTIVE

6.1.1 Purpose

The STI is designed to align the interests of eligible employees with those of shareholders in the short term. The STI takes the form of a bottom-up additive plan with the purpose of ensuring transparent remuneration through a measurable incentive and entrenching a pay-for-performance culture.

6.1.2 Eligibility

Subject to the Remco's discretion (as noted above), participants in the STI are *bona fide* full-time eligible employees of Spur who are employed at Paterson Grade D Upper and above, and who have been determined to have sufficient discretionary managerial or executive (depending on the status of the eligible employee) decision-making authority, influence and ability to have a meaningful impact on the financial performance of the Company.

6.1.3 STI structure

The STI operates based on a bottom-up additive structure and is determined using the following formula:

Annual CTC x on-target percentage x [(business performance weighting x business performance score) + (personal performance weighting x personal performance factor)]

6.1.4 STI on-target percentages

The on-target percentages are determined based on employment level.

The following on-target percentages apply, depending on the participant's role grade:

	As a % of Annual CTC
CEO	75%
CFO and COO	50%
Paterson Grade E	25%
Paterson Grade D Upper and below	16.67%

6.1.5 Performance conditions and target setting

Performance conditions and targets are determined at the discretion of the Remco, taking into consideration the principles of this policy, the cost of the incentive to the Company and input from various stakeholders.

6.1.6 Weightings of performance conditions

The on-target bonus is allocated to the following components:

	Personal performance weighting	Business performance weighting	
		Divisional performance	Company performance
CEO	20%	–	80%
CFO	20%	–	80%
COO	20%	–	80%
For all other participants, who are allocated to support services	50%	–	50%
For all other participants, who are allocated to profit-generating business units	50%	35%	15%

6.1.7 Performance score

6.1.7.1 Personal performance

The performance management system will be used and a factor of between 0% and 150% will be assigned depending on the personal performance achieved. Performance below a prescribed minimum level, as determined by the Remco, will disqualify an employee from benefitting from the STI as follows:

Performance level	Performance factor
Meets expectations	100%
Exceeds expectation	150%
Below meets expectations	0%

The minimum threshold may differ from award to award at the Remco's discretion.

6.1.7.2 Business performance

Four performance levels will be used for business performance:

Performance level	Performance score
Below threshold	0%
Threshold	50%
On-target	100%
Stretch	150%

Linear vesting will apply between threshold and on-target, and on-target and stretch performance targets.

6.1.8 Safeguards

A gatekeeper amount is used, ensuring that the aggregate STI is capped and does not exceed the pool of funds available for the annual STI spend. As a further safeguard, to ensure sufficient cash is available to settle STI obligations, a free cash flow condition and solvency and liquidity test is used as a settlement condition. STI payments are capped at 150% of guaranteed remuneration.

6.1.9 Payment

The approval and payment process as set out in the STI plan rules, as updated from time to time, is to be followed.

6.1.10 Termination of employment

Should a participant leave the employment of Spur before an STI has been paid, he/she will forfeit the STI in its entirety.

6.2 THIRTEENTH CHEQUE

The thirteenth cheque is available to all other employees that do not qualify for participation in the STI. Thirteenth cheques are dependent on whether the Company achieves the requisite financial performance parameters set by the Board. If Spur's financial performance parameters are achieved, the thirteenth cheques are then based on each individuals' annual performance and KPA results.

A thirteenth cheque bonus pool calculated as the aggregate of one month's guaranteed remuneration for all participating employees is available to fund the thirteenth cheque payments and allocated to each business unit. While a default position of one month's guaranteed remuneration is allocated to each participant, this may be adjusted upwards or downwards depending on individual performance during the year under review, provided that the total bonus pool allocated to each business unit is not exceeded. Thirteenth cheques are proposed by the relevant line managers, reviewed and recommended by the group PLC executive, CFO and COO, and reviewed and approved by the CEO.

6.3 LONG-TERM INCENTIVES

6.3.1 Overview

Two LTI schemes were approved for the 2021 financial year onwards, namely the SAR 2020 and RSP 2020 (collectively the 2020 LTIs).

The 2020 LTIs provide for three instruments, namely share appreciation rights (SARs), conditional shares and forfeitable shares.

The instruments can be awarded in various ways, namely as appreciation awards, performance awards, retention awards or bonus awards (matching or deferral). No new awards will be made under the previously used SAR 2016 and FSP 2016, but existing awards will run their course.

6.3.2 Award types

6.3.2.1 SAR 2020

Appreciation awards – these awards will take the form of SARs awarded under the SAR 2020. SARs will vest after a predetermined vesting period subject to continued employment and may be subject to forward-looking corporate performance conditions. Vested SARs can be exercised during an exercise period.

6.3.2.2 RSP 2020

Performance awards – performance awards will be granted as conditional rights to shares and will vest after the satisfaction of employment and forward-looking corporate performance conditions. Participants will not receive dividends on unvested awards.

Retention awards – these awards will be granted as forfeitable shares. Participants will therefore be shareholders from the award date and will share in voting and dividend rights. Vesting will be subject to continued employment. Executive management will not receive retention awards.

Bonus awards – bonus awards will also be awarded as forfeitable shares, and the quantum of the bonus award will be determined as a form of bonus deferral or bonus matching (dependent on the STI). As prior performance is used as an award condition, vesting will be subject to continued employment only. This creates a clearer line-of-sight for participants, and ensures a strong performance link (through the link to the STI), but ensures that there is also a link to shareholder value creation through the exposure to the share price over a three-year period, and through settlement in shares.

6.3.3 Eligibility and award levels

Subject to the Remco's discretion, middle management and above are eligible to participate in the LTIs. It is not the intention to use all the instruments for all eligible employees. Middle management and above would be eligible for performance awards, bonus awards and SARS. Retention awards are not available to executive management. Award levels will be aligned with market benchmarks and awarded on an expected value basis. It is our intention that executive management will receive a mix of SARs and performance awards and/or bonus awards on an annual basis.

6.3.4 Allocation methodology

The annual allocation of LTIs to participants is recommended by the executive directors, but subject to the approval of the Remco and the Board.

For the avoidance of any doubt, NEDs are not eligible to participate in the LTIs.

6.3.5 Performance conditions and performance period

Awards will be subject to a three-year performance period as determined by the Remco and the Board, based on recommendations by the executive directors. The performance conditions relevant to each award will be set out in the award letters.

For awards subject to performance conditions, vesting levels will be calibrated as follows:

Performance level	Vesting
Below threshold	0%
Threshold	30%
On-target	67%
Stretch	100%

Linear vesting will apply between performance levels.

In addition, a participant must achieve a minimum personal performance qualifying criterion, as determined by the Remco, for the duration of the performance period, for the awards to vest.

6.3.6 Vesting periods and holding periods

The instruments will be subject to a three-year vesting period. SARs will have an exercise period of two years post vesting. At the discretion of the Remco, a holding period could apply to any vested shares or exercised SARs. During the holding period, participants will not be allowed to trade the shares but will not lose the shares should they leave the employment of the Company.

6.3.7 Termination of employment

6.3.7.1 Fault terminations

6.3.7.1.1 Unvested awards and unexercised SARs

Participants terminating employment due to resignation or lawful dismissal from the employ of the Company in compliance with the provisions of the Labour Relations Act will be classified as "fault terminations" and will forfeit all unexercised SARs (albeit vested or unvested) and unvested RSP 2020 awards.

6.3.7.1.2 Terminations during the holding period

The holding period will remain in place for participants terminating as "fault terminations".

6.3.7.2 No fault terminations

Participants terminating employment due to retirement, voluntary retirement, redundancy, disability, death, the sale of a subsidiary company or exceptional circumstances designated as such by the Remco will be classified as "no fault terminations".

6.3.7.2.1 Unvested awards

The vesting of the unvested awards will be advanced to a date as soon as practicable after the date of termination of employment. The extent to which the performance condition(s) (if applicable) have been met will determine the number of shares to vest. Such number will further be prorated to reflect the number of months in employment from the award date to the date of termination of employment, relative to the total number of months in the employment period. The portion of the award that does not vest will be forfeited on the date of termination of employment. The relevant SARs can be exercised within a period of 12 months following the date of termination of employment. The SARs will lapse if not exercised during the aforementioned period. The holding period will not apply in these instances.

6.3.7.2.2 Unexercised SARs

The vested but unexercised SARs will lapse if not exercised within a period of 12 months following the date of termination of employment. Awards which are exercised will not be subjected to the holding period.

6.3.7.2.3 Terminations during the holding period

Shares that are subjected to the holding period will be treated as follows:

- in the event of retirement, voluntary retirement and exceptional circumstances designated as such by the Remco, the settled shares will continue to be subject to the holding period until the release date, unless the Remco determines otherwise; and
- in the event of redundancy, sale of an employer company, disability and death, the settled shares will no longer be subject to the holding period and will be released.

6.3.8 Change of control and/or variation of shares

If the Company undergoes a change of control:

- a portion of the unvested awards will vest. The portion to vest will reflect the number of months in employment from the award date to the change of control date, relative to the total number of months in the employment period and the extent to which performance condition(s) (if applicable) have been met;
- the portion of the awards that does not vest will continue to be subject to the terms of the award letter relating thereto, but may be adjusted as the Remco sees fit, provided the participant is not worse off; and
- after the vesting date, any settled shares will not be subject to the holding period.

Awards will not vest because of an internal restructure or similar event which is not a change of control. In this case, the Remco shall make such adjustment to the number of awards or convert awards into awards in respect of shares in one or more other companies, provided the participants are no worse off.

6.3.9 Dilution limits

An aggregate limit of 5% of the issued share capital may be used for the Company's LTIs. An individual limit of 454 985 shares exists. For the avoidance of doubt, this includes the settlement of any award in terms of the SAR 2016, FSP 2016 and 2020 LTIs (SAR 2020 and RSP 2020). The detailed manner in which the limit is determined is contained in the 2020 LTI plan rules.

7. MALUS AND CLAWBACK

In line with market practice, all variable pay will be subject to malus and clawback should a trigger event occur.

7.1 TRIGGER EVENTS

The trigger events have been defined and approved by the Remco. They include, but are not limited to, the following:

7.1.1 Material misstatement of financial statements

An adverse material misstatement of the financial results resulting in an adjustment to the audited consolidated accounts of the Company.

7.1.2 Actions, omissions and conduct of participants

Actions, events or conduct (including omissions) which, in the reasonable opinion of the Board, amount to grounds for termination of employment for (gross) misconduct or negligence, dishonesty or fraud, including breaches in governance practices, laws, regulations and fiduciary duties. This includes conduct that led to, or is likely to lead to, significant reputational or financial harm to the Company, censure of the Company by a regulatory authority, material failure to oversee or supervise other employees, or breach of any material obligations owed to the Company, including the Company's code of conduct, ethics, or risk policies.

7.1.3 Assessment of performance and calculation of variable pay

- The discovery that the assessment of any performance metric or criteria in respect of the determination of any variable pay or the vesting thereof was based on error, or inaccurate or misleading information; and/or
- The discovery that any information used in the decision to grant any variable pay or determine the quantum thereof was erroneous, inaccurate or misleading, or any information emerges that was not considered at the time any variable pay award was made which, in the discretion of the Board (acting reasonably), would have resulted in an inappropriate benefit or would have materially affected the decision to allocate, make or grant the variable pay, whether at all or at the level at which such variable pay was made.

Malus and clawback will be applied in the following manner should a trigger event arise:

7.2 MALUS (PRE-PAYMENT/PRE-VESTING)

Unpaid STI and unvested or unexercised LTIs will be subject to malus provisions. This means the incentives may be reduced or forfeited if a trigger event arises.

7.3 CLAWBACK (POST-PAYMENT/POST-VESTING)

Variable pay will be subjected to clawback if a trigger event arises within a period of three years following payment (in the case of an STI) or settlement in shares (in the case of the LTIs). This means the pre-tax value of the STI will be repaid and LTIs which are subjected to the holding period will be forfeited. If LTIs are not subjected to a holding period, or in instances where the holding period has expired, the pre-tax value of the LTI on vesting will be repaid.

8. SERVICE AGREEMENTS FOR EXECUTIVES

Executive directors have varying notice periods in terms of their employment contracts, ranging between a one-month to a six-month period. No employment agreements provide for any termination benefits, other than those required by law. Termination benefits are not paid, except in circumstances where it is in the Company's interests to do so. The Company does not pay sign-on or attraction awards.

9. NON-EXECUTIVE DIRECTORS' FEES

The Board, based on the recommendations of the Remco, determines the fees to NEDs for their service on the Board and Board committees. The fees for NEDs are to be market-related and commensurate with the time and effort required by the NEDs to undertake and perform their duties.

The fee structure is evaluated on a regular basis based on independent non-executive fee surveys or benchmarking performed against the market for companies of a similar size in a similar sector. Proposed increases in fees for NEDs are considered taking into account surveys and other market information available with regards to trends in NED remuneration applicable to similar-sized companies listed on the JSE Ltd.

Fees comprise an annual retainer of 25% of the approved annual fee, with the remaining 75% being subject to attendance at scheduled ordinary meetings. In addition, NEDs are paid an hourly fee per hour or part thereof for any special assignments or any meetings outside of the scheduled ordinary meetings unless such a meeting exceeds three hours in duration, in which case a fee per meeting is charged.

Proposed fees for NEDs are approved by shareholders by means of a special resolution at the annual general meeting of the Company's shareholders (AGM).

NEDS

- may not participate in any incentive schemes and their remuneration may not be linked to the performance of the Company or its share performance;
- do not have any service agreements with the Company. They are appointed for an indefinite period and are subject to rotation in line with the Company's memorandum of incorporation; and
- are reimbursed for reasonable travel and subsistence expenses in line with the reimbursement policy for employees.

10. STAKEHOLDER ENGAGEMENT

A summary of the remuneration policy (as contained in part 2 of the remuneration report that is available online as a supplementary document to Spur's integrated annual report) as well as the implementation report (as contained in part 3 of the remuneration report) must be tabled for two separate non-binding advisory votes by shareholders at each AGM.

Meaningful stakeholder engagement has always been a primary objective for Spur and the Company places great value on the feedback it receives from stakeholders. To actively promote fair, responsible and transparent remuneration and remuneration reporting, Spur encourages appropriate, frequent and ongoing engagement with shareholders on remuneration-related matters.

At the AGM, should 25% or more of the shareholders vote against either or both the remuneration policy or the implementation report, the Remco must initiate shareholder engagement with dissenting shareholders to ascertain their reasons and legitimate concerns underlying their votes.

In such circumstances, the Remco will extend a notification to dissenting shareholders in the Stock Exchange News Services (SENS) announcement together with the results of the AGM, which:

- invites shareholders to engage with Spur providing details of the manner, date and timing of the engagement; or
- notifies shareholders of Spur's intent to engage with shareholders in the near future (the details of which should be extended to shareholders as soon as is reasonably possible).

Methods of shareholder engagement may include email correspondence, telephone calls, video conferences, one-on-one meetings, investor roadshows and other methods of communication to the relevant contact person at the shareholders. Spur must respond to legitimate shareholder queries explaining, in more detail, the elements of the remuneration policy that caused concern. Where appropriate, the Board may resolve to amend certain elements of the remuneration policy to align the policy to market norms.

11. AUTHORISATION AND REVIEW

This policy has been reviewed and approved by the Remco on 27 October 2022 and the Board on 27 October 2022.

This policy will be reviewed annually, or more frequently should the need arise.

The following persons are administratively responsible to effect and maintain this policy:

Policy manager:	Group PLC Executive
Custodian of this policy:	Chief Financial Officer
Authorisation body:	The Remco and the Board

REMUNERATION REPORT

PART 1: BACKGROUND STATEMENT
PART 2: REMUNERATION POLICY
PART 3: IMPLEMENTATION OF REMUNERATION POLICY

PART 1: BACKGROUND STATEMENT

Dear shareholders

On behalf of the board of directors and the nominations and remuneration committee (the committee), I am pleased to present the remuneration report for the 2022 financial year (the report).

Our committee's focus remains to ensure that the remuneration structure at Spur Corporation drives value creation for our shareholders, provides a motivating remuneration package for all our employees and strives for best-practice corporate governance standards.

Our objective is to increase shareholder alignment, market competitiveness and a performance-driven culture.

As disclosed previously, the group aims for our executive remuneration practices to shift the focus from guaranteed pay towards variable pay by adjusting the current pay mix to enhance the variable pay portion of the total reward package. We have made changes to our remuneration structure and adopted new short (STI) and long-term incentive (LTI) schemes, which were implemented in the 2022 financial year.

We actively engaged with shareholders during the prior year regarding the planned implementation of the new incentive schemes and have implemented and allocated the first tranche in line with the principles agreed with shareholders and the respective scheme rules. These engagements addressed the mix of incentive instruments to be used, the key performance metrics used for the incentives as well as the process of setting targets.

Further details are provided as follows.

THE YEAR IN REVIEW

Our main market of South Africa faced some challenges this year, including the weaker global environment, a tightening of domestic monetary policy, a further rise in electricity loadshedding, and the adverse impact of local and foreign factors on business supply chains.

According to the *17th World Economic Forum Global Risks Report*, South Africa was identified as one of 31 countries with high risks around the erosion of social cohesion. Extended prolonged economic stagnation, unemployment, failure of public infrastructure, corruption and crime have severely impacted the social fabric of the country.

Based on food service type, the values of the total sit-down, delivery and takeaway markets in South Africa were estimated by the *Deloitte Global State of the Consumer Tracker* report (Deloitte Tracker report) at approximately R35.8 billion in 2021 with the sit-down segment experiencing a decline in revenue share to 22.5% in 2021.

The Deloitte Tracker report indicates that when post-pandemic behaviour is benchmarked against pre-pandemic behaviour, there is a 12% contraction in dining at restaurants. The same report indicated that there was an expected reversal of a multi-decade trend with post-pandemic activity, when benchmarked against pre-pandemic behaviour, expanding in *cook at home* (+42%), *buy fresh food* (+29%) and *takeaway or delivery* (+20%). With the group's brands largely providing sit-down casual-dining offerings and experiences, and with an uncertainty on the timing and extent of a "post-COVID-19 recovery of trade", it was anticipated that the 2022 financial year could not reasonably be expected to deliver a pre-COVID-19 performance, even in nominal terms.

The 2022 financial year commenced with extreme civil unrest ravaging parts of KwaZulu-Natal and, to a lesser extent, Gauteng, in July 2021. This had a significant negative impact on the group's turnover resulting in an estimated loss in profit of R11.5 million. However, as the first half of the financial year unfolded and market conditions improved with the relaxation of the COVID-19 regulations, we saw pleasing upturns. Trading conditions improved with franchised restaurant sales in the first half of the year growing by 28.3% compared to the prior comparable period. This robust growth continued into the second half, with a 28.5% increase in local restaurant sales and a 24.7% increase in international restaurant sales.

In the context of an industry under pressure, the group's financial performance for the year is a result of the significant efforts by the leadership team along with their teams and exceeded what were considered to be appropriate growth targets at the commencement of the financial year.

The group's post-COVID-19 recovery trajectory has been quicker than anticipated and the committee and board are of the view that this is attributable to the implementation of nimble response strategies and focussed activities by the leadership team.

As a group, we are entering a new era, a new phase and a new trading period post the pandemic. Economic headwinds remain formidable and are biting into consumer purchasing power, but our business model continues to demonstrate its resilience. We need to be cognisant that the restaurant sector continues to face steep increases in operating costs. With the trend away from sit-down trade referenced above, and consequently pressure on sales growth during the past couple of years, the sector has had to adjust staffing levels, tailor menus, introduce more value offerings and simplify operations to manage increases in other overhead costs.

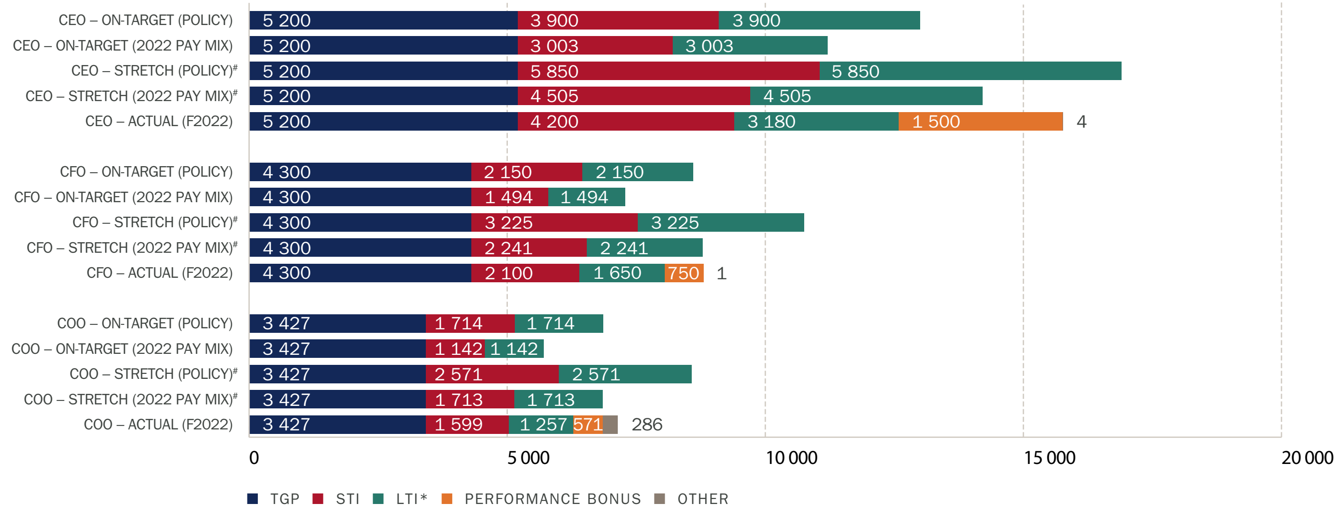
As a committee, we therefore have had to carefully balance the group's financial health with incentivising our teams to ensure ongoing delivery on our strategy and productivity.

Following the improved performance in the second half of the 2021 financial year, and in light of the punitive measures on remuneration that were required to be applied during the 2021 year, as well as the expectation of gradually improving trading conditions, the following actions were approved by the committee during the 2022 financial year:

1. The executive directors were granted a 2% increase (prorated for a portion of the year where the employee was appointed during the 2021 financial year) in total guaranteed pay (TGP), with effect from 1 July 2021. 26% of employees received a 2% increase in TGP and 55% of employees received a 4% increase. Where employees were identified as being paid below the market median for remuneration levels, based on available salary benchmarking data prior to job reprofiling and regrading, higher increases in guaranteed remuneration were applied in an attempt to realign identified gaps to median. 19% of employees (49 employees) thus received increases in excess of 6%.
2. The group's minimum wage for corporate employees increased this year to R8 450 (2021: R7 020) per month, aligned to the principle of a living wage. We have ensured that our company-owned retail restaurants comply with regulations governing statutory minimum pay. We will continue to assess the possibility of addressing shortfalls against the group's policy of targeting the market median for benchmarked remuneration levels over a period of time, with an initial focus on junior-level employees.
3. Following engagement with stakeholders, the group refined its new STI scheme rules and implemented these for the 2022 financial year. STI performance measures were established along with personal performance scorecard targets which, in the opinion of the board and the committee, would deliver value to shareholders if achieved. STI bonuses based on group financial performance were paid at stretch-target level for the 2022 financial year. Notwithstanding that stretch targets were achieved, in light of the fact that lower variable remuneration structures were implemented for the 2022 financial due to affordability concerns (as stakeholders were advised last year), actual STI payments were only slightly ahead of the on-target policy pay mix (as detailed in the graphic that follows). The STI payments were settled in September 2022 (refer to part 3 of this report for details of the STI bonuses paid to the CEO, CFO and COO).
4. Along with the STI, the first tranche of bonus awards (bonus matching forfeitable shares or BM FSPs) was allocated in September 2022, the value of which was determined with reference to the earned STI for the 2022 financial year.
5. On 7 October 2021, the first tranche of share appreciation rights (SARs) was issued in terms of the Share Appreciation Right Plan 2020 (SAR 2020), and was awarded to eligible and participating employees.
6. As the STI and thirteenth cheque bonus schemes had been suspended for the 2021 financial year as part of the group's COVID-19 austerity measures, in recognition of the considerable efforts by management to implement its post-COVID-19 recovery strategy, the committee approved a performance bonus pool relating to the 2021 financial year which was allocated to eligible employees. Employees' eligibility and individual awards were assessed, awarded and settled to participants in December 2021 based on an assessment of personal performance. These awards (other than for executive directors) were proposed by the relevant line managers, reviewed and recommended by the group PLC (People, Leadership and Culture) executive, approved by the executive directors and typically amounted to approximately one month's TGP. In the case of executive directors, the committee approved a bonus equating to approximately 50% of each director's on-target STI bonus for the 2022 financial year. Refer to page 24 of part 3 of this report for details of these performance bonuses paid to the CEO, CFO and COO.

The graph below illustrates how the total remuneration outcomes for executive directors compared against our formal policy and against the lower incentive percentages that were applied for the 2022 financial year. As can be seen, despite the fact that the financial measures of the 2022 STI achieved stretch outcomes, the total remuneration outcomes are marginally higher than at on-target levels of the formal policy.

ACTUAL RELATIVE TO ON-TARGET AND STRETCH PAY OUTCOMES PER POLICY AND F2022 PAY MIX (R'000)



* LTI comprises:
- intrinsic value of BM FSPs in respect of the 2022 financial year, allocated in September 2022 and determined with reference to the STI payment for the 2022 financial year, and
- the intrinsic value of the SARs awarded in the 2022 financial year, assuming on-target performance conditions are achieved over the vesting period.

\# Stretch pay mix assumes both personal and business (group) performance stretch targets achieved.

Subsequent to the 2022 financial year:

1. The group awarded increases in TGP to all employees with effect from 1 July 2022, with certain exceptions. 64% of employees (including the executive directors and leadership team) were awarded an increase of 6.5% in TGP; 21% of employees were awarded between 7% and 10%; and the balance received above 10% increases. The process was guided by the finalised outcomes of a comprehensive job grading review and overhaul conducted during the 2022 financial year and a process of matching each role (based on job grade) to external market benchmark data. An effort was made (subject to affordability) to adjust employees' TGP to approach the targeted median of the benchmarked pay range which resulted in certain of the outliers noted above.
2. The STI and LTI principles applicable to the 2023 financial year are largely unchanged from those applicable to the 2022 financial year, with the exception of the performance targets. In addition, the pay mix applicable to the executive directors for the 2023 financial year (i.e. the ratio of TGP to STI and LTI) will be in line with the remuneration policy previously approved by shareholders. The LTI instruments in question are anticipated to be awarded in November 2022. Further particulars, including details on the performance targets set by the committee, are detailed in part 2 of this report.

SHAREHOLDER ENGAGEMENT AND VOTING

We were pleased that the group's remuneration policy and remuneration implementation report, as tabled at the December 2021 AGM, were endorsed by shareholders representing 76.67% and 81.69% respectively of the shares voted at the meeting.

The committee continues to engage with shareholders where specific concerns or discussion points are raised. The committee will engage with shareholders prior to the AGM of 9 December 2022.

A status update on the areas of focus discussed during shareholder engagements over the past two years, which required further attention, is summarised below:

Total reward and pay mix

Shareholder feedback	Previous year response	Status update
Pay mix is still weighted in favour of guaranteed remuneration rather than variable remuneration, with a particular focus required on the CEO pay mix.	Based on the feedback received from shareholders and our advisors, we rebalanced our total remuneration offering by increasing the performance orientation of our remuneration structures, with a focus on variable remuneration. KPI's with detailed performance targets are in place for all employees including CEO, CFO and COO. With the appointment of executives, their TGP amounts were set at market-related levels and variable pay was calibrated with reference to the TGP. Due to affordability considerations, lower variable pay was set for the 2022 financial year.	The remuneration policy will be fully implemented for the 2023 financial year and remuneration for executives will be aligned to the intended pay mix. The CEO's TGP will comprise 40% of on-target pay mix, while the CFO and COO's TGP will comprise 50%.

The STI scheme

Shareholder feedback	Previous year response	Status update
Personal performance indicators must not be considered in the determination of any STI award.	The board notes that, in respect of executive directors, only 20% of the STI award is subject to personal performance while 80% is awarded on achieving financial performance metrics. Personal performance is measured with reference to bespoke detailed balanced scorecards per participant which are each specifically aligned to the board-approved group strategy and business plan and the committee therefore considers the use of personal performance as a key component of the STI to ensure strategy alignment and execution.	Details of the components included in the personal scorecards for the 2022 financial year together with their weighting and final ratings are disclosed in page 34 of the integrated annual report and page 25 and 26 of this report. The scorecards for the 2023 financial year are also disclosed (refer page 26 of this report). Specific environmental and social metrics have been included in each executive's scorecard as part of the *Transformation* key performance area.

The LTI scheme

Shareholder feedback	Previous year response	Status update
In respect of the LTI awards, the use of performance shares is preferred relative to SARs.	The primary instrument used for the first tranche of LTIs is a SAR. A SAR's value is inherent to the increase of the company's share price appreciation over the performance period and the increase in value is directly aligned with the value realised by shareholders over the same period. The share price incorporates market (and shareholder) sentiment and is underpinned by the group's profitability. Should the group fail to perform in line with shareholder expectations or take decisions and/or allocate capital which fails to meet with shareholder return expectations, this will impact on the share price and therefore directly on the value of the SARs that vest.	The committee deems it appropriate to continue with the same instrument for the 2023 awards as for the 2022 awards. The committee will continue to assess the appropriate mix of instruments to be used for the LTI awards in future years. The RSP 2020 makes provision for the use of performance shares which may be used as an alternative to (or in addition to) SARs in future years.

Malus and Clawback

Shareholder feedback	Previous year response	Status update
Details of Malus and Clawback Policy to be included in the remuneration report.	The Malus and Clawback Policy is in place with trigger events defined. The policy is applicable to both STI and LTI awards.	The Malus and Clawback Policy has been further updated to include material breaches of governance as well as beaches of laws and regulations and fiduciary duties to act as trigger events. Refer also part 2 of this report.

Mandatory shareholding requirements (MSR)

Shareholder feedback	Previous year response	Status update
MSR should be imposed for executives.	The board will implement MSR in due course, following engagement with the impacted executives.	The board has commenced its engagement with executives regarding MSR. A policy will be implemented in due course.

Environmental, social and governance (ESG) requirements

Shareholder feedback	Previous year response	Status update
Inclusion of ESG metrics in determination of awards where these are tangibly defined and measured.	The board has committed to augment existing incentives to accommodate ESG measures in due course.	Specific environmental and social metrics have been considered for each executive as part of their deliverables within the *Transformation* key performance area of their scorecards (refer scorecards for the 2023 financial year disclosed in part 2 of this report on page 26). Potential governance failures have been addressed by augmenting the Malus and Clawback Policy to include these as trigger events (refer part 2 of this report).

REMUNERATION POLICY CHANGES AND KEY AREAS OF FOCUS FOR THE YEAR

No significant changes to the last remuneration policy as tabled, and approved by shareholders, at the December 2021 AGM have been made or are proposed. As referenced above, the on-target pay mix structures per the remuneration policy were not fully implemented for executives in the 2022 financial year due to affordability concerns, but these will be implemented in the 2023 financial year. With the exception of the financial performance targets, no changes are proposed to the STI and LTIs applicable to the 2023 financial year relative to those applied in the 2022 financial year. Details of the STI and LTIs applicable for the 2022 and 2023 financial years are included in part 3 and part 2 of this report respectively.

The Malus and Clawback Policy applicable to all incentive schemes was updated to include breaches in governance as a trigger event (refer part 2 of this report).

EXTERNAL ADVISERS

PwC has been engaged to advise the committee on remuneration matters.

In previous years, PwC assisted the board and committee with the activities leading up to the implementation of the group's new incentive schemes, including:

- the review and update of the remuneration policy;
- the design and implementation of the current STI and LTI schemes;
- developing extensive financial models to assess the financial impact of the group's incentive schemes including affordability gatekeepers and free cash flow settlement conditions for the STI;
- developing the Malus and Clawback Policy;
- determining appropriate performance conditions to be applied to the various incentive schemes and providing recommendations on the target setting process; and
- its engagements with key stakeholders.

The relationship with PwC continued in the current financial year and included:

- assistance with, and making recommendations on, appropriate performance condition setting and the target setting process relative to market best practice and benchmarks;
- reviewing this Remuneration Report and the Remuneration Policy and providing findings and recommendations relative to King IV guidelines and best market practice reporting; and
- reviewing the Malus and Clawback Policy, in particular the amendment to the policy to treat any material governance breach or breach in terms of laws and regulations to act as trigger events in terms of the policy.

The committee is satisfied with the independence and objectivity of PwC.

FUTURE FOCUS AREAS

The committee will regularly assess the appropriateness of the variable pay schemes implemented for the 2023 financial year. While we believe that the affordability gatekeepers and cash settlement conditions will guard against adverse financial consequences for the group, diligent and continuous monitoring and focus will continue.

We recognise the need to entrench a pay-for-performance culture and continuously ensure alignment between executive remuneration and long-term value creation. We have made progress in achieving this through the implementation of the incentive schemes for both the 2022 and 2023 financial years and will continue to focus on ensuring greater alignment over time.

The committee is aware of recent developments in best practice remuneration management which encourage the monitoring and disclosure of fair pay readiness in anticipation of the promulgation of the proposed amendments to the Companies Act. The proposed amendments require the company to report annually on the average remuneration of all employees, median remuneration of all employees and the remuneration gap reflecting the ratio between the total remuneration of the top 5% highest paid employees and the total remuneration of the bottom 5% lowest paid employees of the company. In response to this, we will focus on:

- developing a fair pay charter setting out the principles underpinning fair and responsible pay;
- investigating the feasibility and potential practical implementation of a living wage (as referred to earlier in this report);
- engage employees in this regard; and
- develop appropriate measures to be disclosed to support transparent communication of these issues to all stakeholders.

In response to engagements with stakeholders and in line with best practice, the committee will:

- continue to assess the appropriateness of the instruments used in the LTI and make appropriate changes as the environment evolves;
- further develop and expand upon the social and environmental metrics in the scorecards of executives;
- continue the engagement with executives regarding the development and implementation of an MSR for executives; and
- investigate how best to establish, monitor and disclose fair pay readiness prior to the implementation of the related amendments to the Companies Act.

On behalf of the company, the committee and the board, I thank you for your continued input and support.

Shirley Zinn

27 October 2022

PART 2:
REMUNERATION POLICY

REMUNERATION GOVERNANCE

The committee is mandated by the board to oversee the establishment and implementation of a group-wide remuneration policy. This policy is founded on the principles of fair, responsible and transparent remuneration practices, and seeks to:

- attract and retain talented, high performing individuals, and to motivate all employees to contribute continuously to the success of the group;
- promote the strategic objectives in the short, medium and long term;
- promote positive outcomes; and
- promote an ethical culture and responsible corporate citizenship.

The roles and responsibilities of the committee are available in the online governance review at www.spurcorporation.com/investors/results-centre.

OVERVIEW OF REMUNERATION POLICY

The remuneration policy is available at www.spurcorporation.com/investors/results-centre.

The purpose of the remuneration policy is to provide the group with a framework within which to determine and approve organisation-wide remuneration which will attain the policy's overall objective, namely to articulate and effect fair, responsible and transparent remuneration.

By implementing the remuneration policy, in conjunction with other HR-related policies, the group aims to maintain a positive, quality, motivated workforce which operates responsibly within an ethical culture. This should lead to long-term shareholder value creation.

The remuneration policy is based fundamentally on the following principles:

- Adherence to principles of good corporate governance and regulatory frameworks.
- Alignment to the overall business strategy, objectives and values of the group.
- "Horizontal fairness" is applied. Employees performing similar job requirements at the same or similar level of performance in the organisation receive the same or similar levels of remuneration. The following standardised considerations are taken into account:
  - seniority or length of service;
  - qualifications, ability, competence, potential;
  - shortage of relevant skill in a particular job classification; and
  - work performance.
- "Vertical fairness" is applied. Differences in total remuneration between different job levels can be explained and justified on a consistent basis.
- Ensuring that executive management's remuneration is fair and responsible within the context of overall, organisation-wide employee remuneration.
- Remuneration for executive and senior management is to be balanced between guaranteed remuneration, and STI and LTI schemes which are aligned to positive strategic outcomes and shareholder interests.
- The group targets remuneration at the median of benchmarked remuneration levels.
- Over the medium term, the group intends to assess positive outcomes across the various contexts in which the group operates, namely, people (social), planet (environmental) and profit (economic).
- The group's performance management system aims to, *inter alia*, identify and reward individual performance.

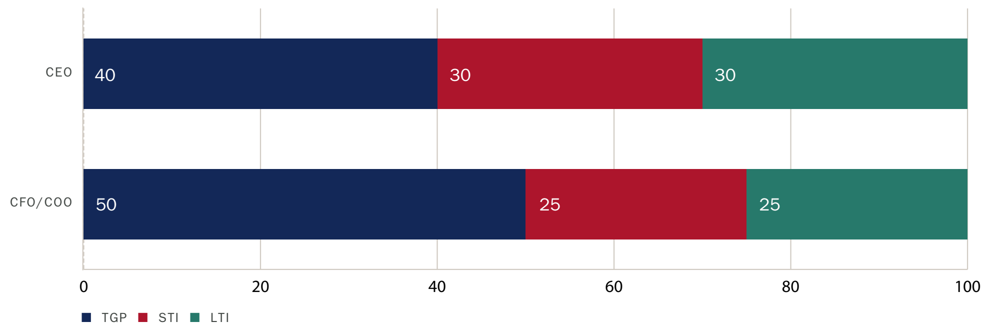
ELEMENTS OF REMUNERATION AND PAY MIX

Remuneration consists of the following elements:

1. Total guaranteed pay (TGP)
2. Short-term bonus: Thirteenth cheque and STI
3. LTI, including:
   - historically the group used LTIs, namely an equity-settled FSP retention scheme and an equity-settled SAR incentive scheme (collectively the 2016 LTIs); and
   - LTIs approved at the December 2020 AGM, namely the SAR 2020 and RSP 2020 schemes.

The standard on-target pay mix for executive directors is specified in the remuneration policy. While the group had implemented variable remuneration schemes for the 2022 financial year which resulted in on-target variable remuneration being less than the standard policy due to affordability concerns, as mentioned in part 1 of this report, the group intends to implement the pay mixes specified in the remuneration policy in the 2023 financial year. This is depicted as per the graphic below.

ON TARGET PAY MIX (%) PER STANDARD POLICY



1. Total guaranteed pay (TGP)

TGP comprises basic cost-to-company (CTC) and, in certain instances where employees regularly and routinely are required to travel for business purposes, a travel allowance.

The CTC amount comprises a cash salary, medical aid contribution and provident fund contribution where the cash salary is determined as the CTC amount less the employee's cost of medical aid and contribution to the provident fund.

Employees are required to be covered by medical aid and be a member of the group's provident fund. Contributions to the provident fund include group life and disability cover.

The following principles apply to TGP and increases thereon:

- TGP is largely based on benchmarking undertaken from time to time. *Old Mutual REMchannel* is utilised as the main source of industry and market remuneration information against which TGP is benchmarked.
- Consideration is given to "horizontal fairness" and "vertical fairness".
- TGP is fixed for a period of 12 months and is subject to an annual review with effect from 1 July each year.
- Increases are based on inflation, benchmarking exercises, core skills, changes in responsibilities and group financial performance measures, underpinned by individual performance.
- Increases (excluding those of executive directors) are proposed by the relevant line managers, reviewed and recommended by the CFO and COO, and reviewed and approved by the CEO.
- Executive directors' increases in TGP are recommended by the CEO and reviewed and approved by the committee, in accordance with power delegated to it by the board. The committee approves the CEO's remuneration.

In certain instances where employees regularly and routinely are required to travel for business purposes, employees may be provided with the use of a company car. Company cars are typically only granted to employees where the significant majority of the use of the car is for business purposes. The value of this benefit is in addition to TGP. Directors are not supplied with company cars. The type of vehicle is granted at the discretion of the company.

2. Short-term bonus: Thirteenth cheque and STI

Employees participate in either the STI scheme or a thirteenth cheque, depending on their position and seniority.

Subject to the committee's discretion, participants in the STI are *bona fide* full-time eligible employees of Spur who are employed at Paterson Grade D Upper and above who have been determined to have sufficient discretionary managerial or executive (depending on the status of the eligible employee) decision-making authority, influence and ability to have a meaningful impact on the financial performance of the group.

The thirteenth cheque scheme is available to all other employees that do not form part of the STI scheme.

2.1 STI

The purpose of the STI is to align the interests of eligible employees with those of shareholders in the short term and is therefore aimed at rewarding the achievement of profit-based targets for the year in question.

The salient features of the STI applicable to the 2023 financial year are summarised in the table below:

Element	Description
Bonus formula	Annual TGP x on-target percentage x [(business performance weighting x business performance score) + (personal performance weighting x personal performance factor)]
On-target percentages	The following on-target percentages apply: **As a % of TGP per standard policy** CEO: 75% CFO/COO: 50% Paterson Grade E: 25% Paterson Grade D Upper and below: 17%

Element	Description		
Weightings for CEO, CFO and COO	Personal performance: 20%	Business (Group) performance: 80%	
Weightings for other group executives	Personal performance: 50%	Business (Group) performance: 50%	
Weightings for divisional executives	Personal performance: 50%	Business (Group) performance: 15%	Business (Divisional) performance: 35%
Performance targets and related scores	Personal performance • 'Meets expectations': 100% vests • 'Exceeds expectations': 150% vests • Below 'Meets expectations': 0% vests	Business (Group) performance Average of budgeted adjusted headline earnings and adjusted headline earnings per share: • On-target (budget): 100% vests • Threshold (97% of budget): 50% vests • Stretch (111.5% of budget): 150% vests • Below threshold: 0% vests *Linear vesting applies between target levels.*	Business (Divisional) performance Budgeted operating profit[1]: • On-target (budget): 100% vests • Threshold (97% of budget): 50% vests • Stretch (between 104.5% and 111.5% of budget depending on division): 150% vests • Below threshold: 0% vests *Linear vesting applies between target levels.*
Business (Group) performance condition (details around the target-setting process are set out below)	Adjusted headline earnings is calculated as headline earnings (as reported in accordance with JSE Listings Requirements) • excluding: impact of all incentive schemes • excluding: marketing fund surpluses/deficits • excluding: foreign exchange gains/losses • excluding: profit contribution of any acquisition as well as costs associated with any acquisition • excluding: profit relating to any business disposals as well as any costs associated with any such disposal • including: any impairment (and impairment reversals) not already included in headline earnings • and any adjustment, at the discretion of the committee, required to avoid an unjustified windfall for the participants. Adjusted headline earnings per share is calculated as: • adjusted headline earnings (per above) • divided by the weighted average number of shares in issue used for the determination of headline earnings per share • adjusted to exclude the impact of any incentive schemes.		

Element	Description		
Personal performance conditions – key elements of personal scorecards	**CEO**	**CFO**	**COO**
	Corporate strategy and financial performance (40%)		Turnover and profit (40%)
	Network development and franchisee relationships (20%)	Financial governance and reporting (15%)	Restaurant growth and development including new formats and channels (20%)
	Transformation[2] (10%)	Transformation[2] (5%)	Transformation[2] (5%)
	Employee experience (10%)	Organisational governance and risk management (15%)	Ensuring best-in-class dining experience (10%)
	Supply chain (15%)	Stakeholder relationships (10%)	Product development and innovation (5%)
		Information technology and legal (5%)	Franchisee profitability and operational excellence (10%)
	Leadership behaviours (5%)	Leadership behaviours (10%)	Leadership behaviours (10%)
Gatekeeper amount	The aggregate value of all thirteenth cheques and STI payments (including the value of any bonus matching FSP awards) may not exceed 15% of earnings before interest, tax, marketing funds' surpluses/deficits and the cost of all incentive schemes.		
Free cash flow condition	The payment of any STI is subject to a liquidity and solvency test as contemplated by section 4 of the Companies Act.		
Malus and clawback	Unpaid STI can be cancelled and paid STI can be recovered should a trigger event arise; clawback will apply for a period of 3 years.		

[1] *Operating profit of the division (before the cost of incentive schemes).*
[2] *Includes environmental and social performance metrics.*

Target-setting process for 2023 STI

Due to the commercially sensitive nature of disclosing budgets and to avoid disclosing forecasts, an overview of the target-setting process and the rationale followed when calibrating targets are provided.

The group had historically set financial performance targets with reference to growth in profits on prior year relative to CPI. COVID-19 has had a significant impact on the financial performance of the group for the 2020, 2021 and 2022 financial years. While the direct impact on the 2022 financial year has been less negative than the 2020 and 2021 financial years, due to less severe trading restrictions in place, the indirect impact on the broader economy continues to impact on consumers and therefore the company's performance. In addition, the 2022 financial year was negatively impacted by the civil unrest in KwaZulu-Natal and Gauteng early in the financial year. The 2022 financial year therefore did not represent a typical 'business as usual' scenario from which to set budgets for the 2023 financial year. Nevertheless, the second half of the 2022 financial year represented a reasonable 'return to normal' position and so this was used largely as a base for setting budgets for the 2023 financial year. A reasonable attempt was made to compensate for a continued post-COVID-19 recovery and the impact of the civil unrest.

The business planning cycle for the 2023 financial year was the second iteration of the new process implemented by the executive leadership team. The process was adjusted and enhanced following key learnings after concluding the 2022 financial year business planning cycle. The group's divisional and overall budgets are supported by a comprehensive strategy, detailed business plans and objective, detailed scorecards for each business unit head with key deliverables and performance metrics aligned with the business plans. The process continued to involve robust engagement between the executive leadership team and the business units, and vigorous interrogation, before the strategy, plans and budgeted were presented and approved by the board.

As a reasonability check, on-target growth in profit was benchmarked against expected CPI and growth in GDP for the 2023 financial year, as sourced from reputable financial institutions, plus 200 basis points.

As a further reasonability check, the board considered the on-target performance metrics for the 2023 financial year relative to the actual financial performance for the 2019 financial year (as the last full pre-COVID-19 'normal' year of trading). On this basis, the board has concluded that the on-target performance conditions are realistically achievable with reasonable efforts, while incorporating an element of stretch from the perspective of increasing revenue and reducing costs. The board has therefore supported the targets* for the 2023 financial year's STI.

In setting the threshold targets, a 300 basis point margin below on-target is in line with market practice and has been adopted for the 2023 financial year's STI. In setting stretch targets, the market practice is to apply a 300 basis point margin above on-target, subject to a funding limitation whereby no more than 30% of the incremental profit above on-target should be available to fund incremental stretch bonuses. This logic has been applied in setting the stretch targets above. The stretch targets generally exceed the 300 basis point margin as a greater incremental profit above on-target is required to fund the stretch STI payments per the stated pay mix.

Personal performance is measured with reference to the aforementioned bespoke detailed balanced scorecards per participant which are each specifically aligned to the board-approved group strategy and business plan and the committee therefore considers the use of personal performance as a vital component of the STI to ensure strategy alignment and execution. The key elements of each of the executive directors' scorecards are listed in the table above. For the 2023 financial year, specific environmental and social performance metrics have been included in the broader *Transformation* key performance area for each executive.

2.2 Thirteenth cheques

Thirteenth cheques are determined based on the financial performance of the group and each individuals' annual personal performance results. Depending on the financial performance of the group, a full or partial thirteenth cheque is declared.

A thirteenth cheque bonus pool calculated as the aggregate of one month's TGP for all participating employees is available to fund the thirteenth cheque payments and allocated to each business unit. While a default position of one month's TGP is allocated to each participant, this may be adjusted upwards or downwards depending on individual performance during the year under review, provided that the total bonus pool allocated to each business unit is not exceeded.

Thirteenth cheques are proposed by the relevant line managers, based on individual performance, reviewed and recommended by the CFO and COO, and reviewed and approved by the CEO.

* *Targets include:*
- *Threshold = minimum level of performance*
- *On-target = good performance*
- *Stretch = truly exceptional performance*

3. LTI:

At the AGM of 23 December 2020, the SAR 2020 and RSP 2020 (collectively the 2020 LTIs) were approved by shareholders. The 2020 LTIs contemplate three instruments, namely share appreciation rights (SARs), conditional shares and forfeitable shares. The instruments can be awarded in various ways, namely as appreciation awards, performance awards, retention awards or bonus awards (matching or deferral).

The table below summarises the LTI instruments available to the company, as per the 2020 LTIs:

Plan	Restricted Share Plan (RSP 2020)			Share Appreciation Right Plan (SAR 2020)
Award type	Performance awards	Retention awards	Bonus award: deferral	Appreciation awards
Instrument and application	Conditional rights to shares will be used. Shares are delivered on the vesting date, based on the satisfaction of prospective performance conditions.	Forfeitable shares – these are full-value shares settled on award with voting and dividend rights.		SARs – rights over the appreciation in the share price are awarded. Rights vest and can be exercised after a predetermined vesting period and may be subject to performance vesting conditions.
Eligibility	Middle management and above	Middle management and above, but executive management to be excluded from retention awards	Middle management and above	Middle management and above
Quantum and mix between instruments	A combination of business performance-based awards (either SARs or performance awards or a combination of both) and bonus awards are likely to be issued in most cases. Retention awards are likely to be awarded only in specific cases to retain key individuals or skills (other than executive management).			
Vesting period	3 years	3 years	3 years	3 years with a 2-year exercise period
Performance period	3 years	Not applicable	1 year (as entry requirement)	3 years
Performance conditions	All awards will be subject to performance conditions; a combination of appropriate performance conditions aligned with our strategy will be used. For participants other than executive management, the performance conditions may include a measure of personal performance. For executive management, a minimum personal performance measurement may be required to qualify for vesting.	None.	Performance will be used as an entry mechanism via the outcome of the annual STI and no prospective performance conditions will therefore apply.	The vesting of all SARs awarded to executive management will be subject to performance vesting conditions; for other participants, SARs may be made subject to performance conditions. For participants other than executive management, the performance conditions may include a measure of personal performance. For executive management, a minimum personal performance measurement may be required to qualify for vesting.
Performance vesting	For awards subject to performance conditions, vesting levels will be calibrated as follows: • Performance below threshold will result in 0% vesting. • Performance between threshold and stretch vesting will result in vesting outcomes ranging from 30% to 100%.			
Holding period	Vested shares could be made subject to a two-year holding period post vesting; during the holding period, participants will not be allowed to trade the shares but will not lose the shares should they leave employment.			Exercised SARs could be made subject to a two-year holding period post exercise; during the holding period, participants will not be allowed to trade the shares but will not lose the shares should they leave employment.
Malus and clawback	Unvested awards are subject to malus. Clawback applies for a three-year period post vesting and participants will be required to repay the pre-tax cash value of the shares should clawback be triggered.			Unexercised SARs are subject to malus while clawback will apply for a three year period following exercise. If a trigger event is imposed during the holding period, such shares will be forfeited. If a trigger event arises after the end of the holding period, clawback will still be applied, and participants will be required to repay the pre-tax cash value of the shares should clawback be triggered.
LTIs dilution limit	An aggregate limit of 5% of the issued share capital will be used for the existing LTIs (namely the 2016 LTIs) and the 2020 LTIs (SAR 2020 and RSP 2020).			
Individual limit	No participant may acquire more than 0.5% of the issued share capital under the 2020 LTIs.			

3.1 LTIs to be implemented for the 2023 financial year

It is not the intention to use all instruments for all eligible employees and our policy for the 2023 financial year is, consistent with the 2022 financial year, to use a combination of SARs and bonus awards, as explained below.

The combined value of LTI awards per participant, assuming on-target conditions, has been set at a value equivalent to that participant's on-target STI.

The value of bonus matching forfeitable shares (BM FSPs) to be awarded is determined as a percentage, based on the participant's role grade, of the STI payable which, for each participant (regardless of role grade), equates to approximately one month's TGP assuming on-target conditions. The remaining value of allocated LTIs is awarded as SARs.

The second award of SARs issued in terms of the SAR 2020 scheme is anticipated to be granted in November 2022. The second award of BM FSPs to be issued in terms of the RSP 2020 scheme will be settled during the 2024 financial year, following the finalisation of the financial results for the 2023 financial year, but will be determined with reference to the STI relating to the 2023 financial year.

Details of the policy that applies for the 2023 financial year are included in the table below:

Element	SARs	Bonus awards (BM FSPs)
Award value	Annual TGP x participation percentage	STI x participation percentage
Participation percentages	The following on-target percentages apply: | | As a % of TGP | CEO: 66.7 CFO/COO: 41.7 Paterson Grade E: 16.7 Paterson Grade D Upper and below: 8.3	The following on-target percentages apply: | | As a % of the F2023 STI | Which equates to a % of TGP | CEO: 11.1 / 8.3 CFO/COO: 16.7 / 8.3 Paterson Grade E: 33.3 / 8.3 Paterson Grade D Upper and below: 50.0 / 8.3
Vesting date	3 years from Award date	3 years from date on which shares are allocated[1]
Exercise period	2 years from Vesting date	n/a
Award price	10 day volume-weighted average price at grant date	n/a
Service condition	Remain employed for duration of vesting period	
Holding period	CEO, CFO and COO: 2 years from date of exercise Other participants: None	n/a
Malus and clawback	Malus and clawback apply as per policy	Malus and clawback apply as per policy
Vesting formula	No. of SARs x [(group business performance weighting x group business performance score) + (personal performance weighting x personal performance score)]	No. of bonus awards
Performance period	1 July 2022 to 30 June 2025 (relative to base year of 1 July 2021 to 30 June 2022)	1 July 2022 to 30 June 2023 (based on STI performance outcomes)
Weightings for CEO, CFO and COO	Personal performance: 0% (although a minimum average personal performance rating of 'meets expectations' must be achieved for the vesting period) Group business performance: 100%	n/a
Weightings for other Participants	Personal performance: 50% Group business performance: 50%	n/a

[1] *The BM FSPs are allocated only once the F2023 STI is finalised, which is anticipated to be in September 2023.*

Element	SARs		Bonus awards (BM FSPs)
Performance targets and related scores (further details on the target-setting process are detailed below)	**Personal performance** • 'Meets expectations': 67% vests • 'Exceeds expectations': 100% vests • Below 'Meets expectations': 0% vests	**Group business performance** Average of adjusted headline earnings and adjusted headline earnings per share[4]: • On-target = growth[3] on F2022 of GDP[1]+CPI[2]+2%: 67% vests • Threshold = growth[3] on F2022 of GDP[1]+CPI[2]+0.5%: 30% vests • Stretch = growth[3] on F2022 of GDP[1]+CPI[2]+3.5%: 100% vests • Below threshold: 0% vests *Linear vesting applies between target levels.*	n/a

[1] *Annual percentage growth in South Africa's real Gross Domestic Product (as published by StatsSA) for each of the financial years forming part of the Performance period relative to the immediately preceding financial year in each case.*
[2] *The South African Headline Consumer Price Index annual inflation rate (as published by StatsSA) as at the end of each of the financial years forming part of the Performance period relative to the end of the immediately preceding financial year in each case.*
[3] *Nominal annual compounded annually (NACA).*
[4] *As defined on page 15.*

Target-setting process and further rationale for 2023 LTI awards

The primary instrument used for the LTIs is a SAR. A SAR's value is inherent to the increase of the company's share price appreciation over the Performance period and the increase in value is directly aligned with the value realised by shareholders over the same period. The share price incorporates market (and shareholder) sentiment and is underpinned by the group's profitability. Should the group fail to perform in line with shareholder expectations or take decisions and/or allocate capital which fails to meet with shareholder return expectations, this will impact on the share price and therefore directly on the value of the SARs that vest.

The inclusion of group business performance vesting criteria is accordingly introduced largely to avoid a gratuitous or unjustified windfall gain for participants, as opposed to being a key determinant of the value of the awards that ultimately vest. In this regard, the committee has determined that growing profits marginally ahead of nominal growth in the economy is a reasonable threshold target and that growth in profits at 3.5% above the nominal growth in the economy is a reasonable target to allow for maximum vesting. The committee has determined that a measure of return on equity or return on assets is also not required as a performance measure, as capital structure and capital allocations (shareholder sentiment on both historic and future capital allocations) have a material impact on the value of the SAR already.

4. Termination benefits and executive directors' service contracts

No employment agreements provide for any termination benefits, other than those required by law. Termination benefits are not paid, except in circumstances where it is in the company's interests to do so. The company does not pay sign-on or attraction awards. The termination provisions of the STI and LTIs are aligned with best practice and the requirements of King IV™ and are summarised below:

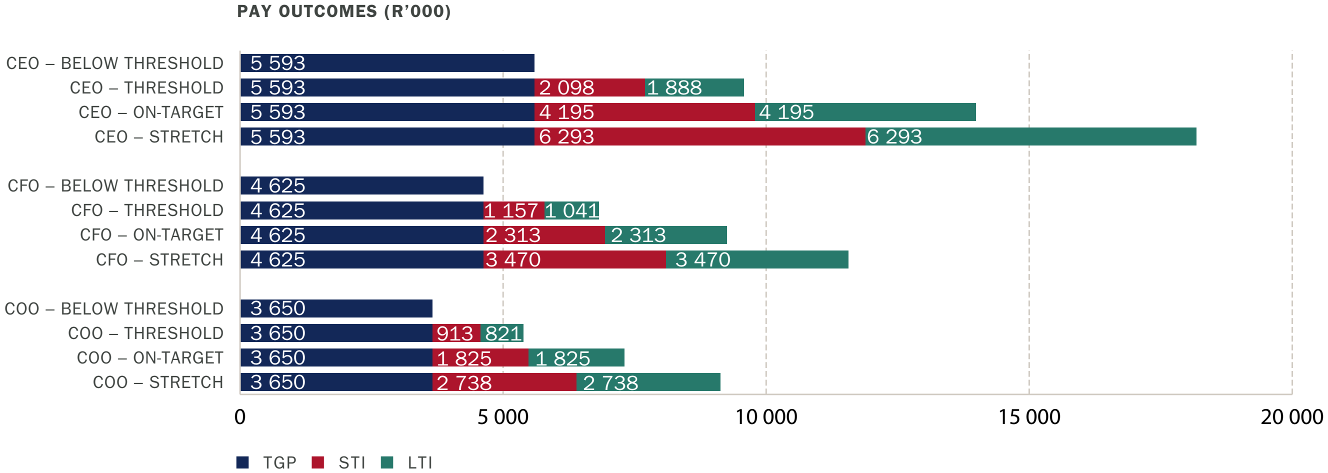
	STI	LTIs
Fault terminations (resignation, dismissal)	Unpaid STIs are forfeited	Unvested LTIs are forfeited
No fault terminations (retirement, voluntary retirement, redundancy, death, disability, sale of a company)	Unpaid STIs are forfeited, but the committee has the discretion to deviate from the application of the conditions subject to compelling reasons existing for such a deviation and subject to the reasons being documented; in the event that discretion is exercised, the STI will be prorated based on the number of months that the employee has been in employment relative to the number of months in the bonus period	Awards are prorated for time and performance
Change of control	Unpaid STIs are forfeited, but the committee has discretion provided that full accelerated vesting of the STI will not occur	No automatic vesting occurs, and awards are prorated for time and performance

Executive directors have varying notice periods in terms of their employment contracts, ranging between a one-month to a six-month period. Val Nichas has a six-month notice period, Cristina Teixeira a three-month notice period and Kevin Robertson a one-month notice period.

The executive directors are restrained, by agreement, from any involvement in businesses associated with competing brands for the duration of their employment and for a period of two years following their termination of employment.

5. Pay-for-performance illustration on executive remuneration

The hypothetical pay outcomes at various performance scenarios, on the remuneration of the CEO, CFO and COO are as follows:



FAIR AND RESPONSIBLE REMUNERATION OF EXECUTIVES RELATIVE TO OVERALL EMPLOYEE REMUNERATION

The policy requires that a benchmarking analysis of all employees is to be conducted every two to three years. The process of assessing and profiling all roles, and formally grading each role, which was commenced during the prior year, was concluded during the 2022 financial year. This enabled the company to compare the remuneration of each role against market remuneration survey benchmarks. Exceptions have been identified. The increases granted for the 2023 financial year (effective from 1 July 2022) as noted in part 1 of this report was a first step to addressing the exceptions identified. As remedying all the exceptions identified carries a significant cost, the company plans to implement the remedial action required over a number of salary review cycles.

The company's Gini Coefficient and distribution curve of TGP are detailed in part 3 of this report and provide an indication of perceived earnings inequality within the group.

MALUS AND CLAWBACK

In line with market practice, the board and committee has adopted a Malus and Clawback Policy which prescribes that all variable pay (effective from 1 July 2021) is subject to malus and clawback should a trigger event occur. The trigger events include, but are not limited to:

- Material misstatement of financial statements
  - An adverse material misstatement of the financial results resulting in an adjustment to the audited consolidated accounts of the company;
- Actions, omissions and conduct of participants
  - Actions, events or conduct (including omissions) which, in the reasonable opinion of the board, amount to grounds for termination of employment for (gross) misconduct or negligence, dishonesty or fraud, including breaches in governance practices, laws, and regulations and fiduciary duties. This includes conduct that led to, or is likely to lead to, significant reputational or financial harm to the company, censure of the company by a regulatory authority, material failure to oversee or supervise other employees, or breach of any material obligations owed to the company, including the company's code of conduct, ethics, or risk policies;
- Assessment of performance and calculation of incentive remuneration
  - The discovery that the assessment of any performance metric or criteria in respect of the determination of any variable pay or the vesting thereof was based on error, or inaccurate or misleading information; and/or
  - The discovery that any information used in the decision to grant any variable pay or determine the quantum thereof was erroneous, inaccurate or misleading or any information emerges that was not considered at the time any variable pay award was made which, in the discretion of the board (acting reasonably), would have resulted in an inappropriate benefit or would have materially affected the decision to allocate, make or grant the variable pay, whether at all or at the level at which such variable pay was made.

Malus and clawback will be applied in the following manner should a trigger event arise:

- Malus (pre-payment/pre-vesting)
  - Unpaid STI and unvested or unexercised LTIs will be subject to malus provisions. This means the incentives may be reduced or forfeited if a trigger event arises.
- Clawback (post-payment/post-vesting)
  - Variable pay will be subjected to clawback if a trigger event arises. This means the pre-tax value of the annual incentive received will be repaid and LTIs which are subjected to the holding period will be forfeited. If LTIs are not subjected to a holding period (or where the holding period has expired), the pre-tax value of the LTI on vesting will be repaid.

BASIS FOR SETTING FEES OF NON-EXECUTIVE DIRECTORS

The board determines fees to non-executive directors for membership on the board and board committees. The board is of the opinion that such fees are market related and commensurate with the time and effort required by the directors to undertake their duties. Fees are compared to the data contained in the *Non-executive directors: Practices and fees trends report* issued by PwC from time to time. At the AGM on 10 December 2021, shareholders approved the remuneration of directors for services as directors with effect from 1 July 2021. At the forthcoming AGM on 9 December 2022, shareholders will be asked to approve directors' fees effective from 1 July 2022:

	Proposed fee per annum 2023	Fee per annum 2022
Chairman of the board (inclusive of all committee memberships and scheduled meeting attendances)	**R1 280 000**	R1 200 000
Member of board	**R480 000**	R450 000
Chair/member of audit committee	**R89 500/R44 700**	R84 000/R42 000
Chair/member of nominations and remuneration committee	**R 89 500/R44 700**	R84 000/R42 000
Chair/member of social, ethics and environmental sustainability committee	**R 89 500/R44 700**	R84 000/R42 000
Chair/member of risk committee	**R 89 500/R44 700**	R84 000/R42 000

The above fees comprise an annual retainer of 25% of the fees listed, with the remaining 75% being attendance fees per annum.

In addition to the above proposed fees for scheduled ordinary meetings, it is proposed that directors be paid a fee of R3 700* per hour (2022: R3 500 per hour) or part thereof for any special assignments or any meetings outside of the scheduled ordinary meetings (unless such a meeting exceeds three hours in duration, in which case a fee of R26 500* per meeting (2022: R25 000) is proposed). During the 2022 financial year, there were a mixture of five special committee meetings and *ad hoc* meetings that were attended by various directors resulting in additional fees totalling R165 000* for all non-executive directors in aggregate for the year.

In proposing the fees for the financial year ending 30 June 2023, the board has considered market information relating to JSE small and medium cap companies in the consumer services sector, as detailed in the *Non-executive directors: Practices and fees trends report* issued by PwC in January 2022. Fees proposed are approximately at the upper quartile for small caps and lower quartile for medium caps.

The board is of the opinion that the proposed fees take into account the qualifications, experience and opportunity cost of the targeted profile of non-executive directors for the company, and are appropriate to retain existing, and attract potential new, non-executive directors.

No non-executive directors participate in any incentive schemes and their remuneration is not linked to the performance of the group or its share performance. Details of fees paid to non-executives are included in note 42 of the consolidated financial statements for the year ended 30 June 2022 available online at www.spurcorporation.com/investors/results-centre.

* *Amounts stated exclusive of VAT, where applicable.*

PART 3:
IMPLEMENTATION OF REMUNERATION POLICY

EXECUTIVE REMUNERATION

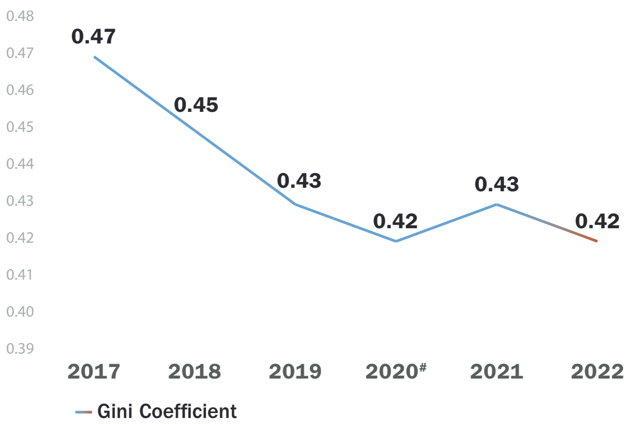
Annual increase in CTC

As previously reported, as part of the group's austerity measures in response to the negative impact of the COVID-19 pandemic on our business, no increases in guaranteed remuneration were granted for any employees for the 2021 financial year except where individuals were promoted and an increase in CTC was required to align to a revised job grading.

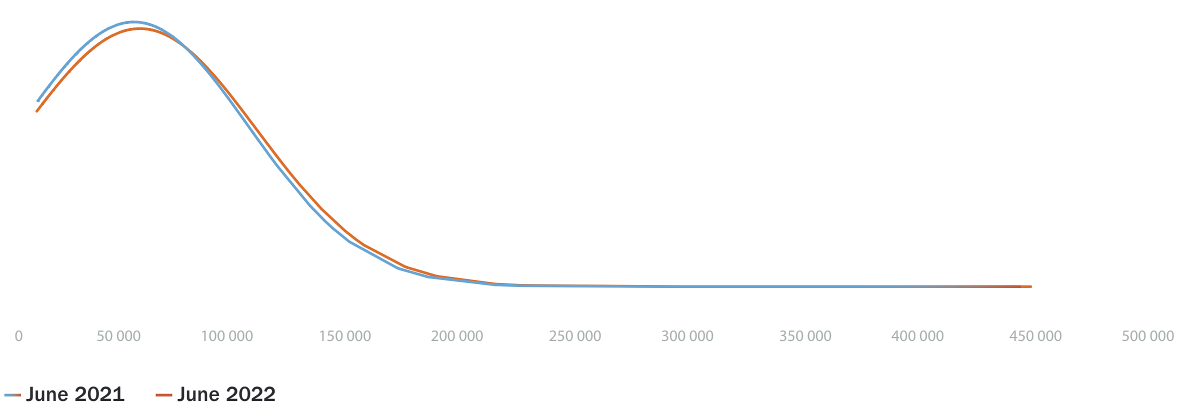
While the group experienced a marked recovery in financial performance in the second half of the 2021 financial year, at the time that salary reviews for the 2022 financial year were contemplated, significant uncertainty still remained regarding the continuing impact of COVID-19. Consequently, the group adopted a conservative approach to annual increases effective from 1 July 2021. Executive directors and the executive committee were granted a 2% increase (prorated for a portion of the year where the employee was appointed during the 2021 financial year) in guaranteed remuneration, with effect from 1 July 2021. At the same time, 26% of employees received a 2% increase in guaranteed remuneration and 55% of employees receiving a 4% increase. Where employees were identified as being paid below the market median for remuneration levels, higher increases in guaranteed remuneration were applied in an attempt to realign identified gaps to median: 19% of employees (49 employees) thus received increases in excess of 6%. The COO received a 16.5% increase with his promotion in October 2021.

The effective 1% increase in the CEO and CFO's remuneration for the year (being 2% prorated for half the year employed during the 2021 financial year) was lower than the average increase granted to other employees, which has contributed to the decrease in the Gini Coefficient of the company's workforce from 0.43 in the prior year to 0.42 in 2022, as well as the slightly flatter distribution curve in 2022 relative to the prior year as illustrated in the graphics below. This indicates a lower level of income inequality within the group's corporate workforce relative to the prior year.

GINI COEFFICIENT*



DISTRIBUTION OF COMPANY WORKFORCE MONTHLY TGP*



* Corporate employees (excluding company owned restaurants).
\# For 2020, May 2020 remuneration was used due to the temporary 20% reduction in guaranteed remuneration implemented in June 2020 as part of the group's austerity measures in response to COVID-19.

Total single figure of remuneration

R'000	TGP[1]	Performance bonus[2]	Other	Total cash or equivalents received[3]	Current year STI[4]	LTI awards – BM FSP[5]	Total remuneration[6]
2022							
Executive directors							
Val Nichas	5 200	1 500	4[7]	**6 704**	4 200	630	**11 534**
Cristina Teixeira	4 300	750	1[7]	**5 051**	2 100	525	**7 676**
Kevin Robertson	3 427	571	286[8]	**4 284**	1 599	400	**6 283**
Sacha du Plessis[9]	853	213	195[10]	**1 261**	–	–	**1 261**
2021							
Executive directors							
Val Nichas[11]	2 600	–	–	**2 600**	–	–	**2 600**
Cristina Teixeira[12]	1 792	–	–	**1 792**	–	–	**1 792**
Kevin Robertson[13]	2 480	130	–	**2 610**	–	–	**2 610**
Sacha du Plessis[13]	1 895	105	–	**2 000**	–	–	**2 000**
Pierre van Tonder[14]	2 784	220	8 579[15]	**11 583**	–	–	**11 583**
Mark Farrelly[16]	1 466	–	355[17]	**1 821**	–	–	**1 821**
Phillip Matthee[18]	1 736	135	50[19]	**1 921**	–	–	**1 921**
Graeme Kiewitz[13, 20]	577	81	87[21]	**745**	–	–	**745**
Prescribed officer							
Kevin Robertson[22]	577	–	–	**577**	–	–	**577**

1 *Total Guaranteed Pay (TGP) remuneration includes any company/employee contributions to the provident fund and medical aid, as well as any travel allowance where applicable. Any change to provident fund and medical aid contributions will result in a corresponding opposite change to cash remuneration such that the TGP remains unchanged. In response to the impact of COVID-19 on the group's cash reserves, the group reduced its workweek to four days and reduced salaries of all employees (including executive directors) commensurately by 20% from 1 June 2020 until 30 September 2020.*

2 *A performance bonus payment of approximately 50% of the directors' on-target short-term incentive bonus was approved and paid in December 2021 in respect of the 2021 financial year in light of the fact that all incentive schemes were suspended during the COVID-19 period as part of the group's austerity measures. Other employees were typically paid a performance bonus of approximately one month's salary. In the prior year, an ex gratia bonus payment of 50% of monthly cost to company was paid to all employees (including executive directors) in December 2020, in recognition of the efforts of all employees to trade through the COVID-19 lockdown.*

3 *Represents the total value of cash or cash equivalents received during the year.*

4 *Short-term incentive (STI) calculated with reference to the performance of the financial year, settled in cash in the subsequent financial year. In addition to the cash payment, a number of Bonus Matching Forfeitable Share Plan (BM FSP) shares, calculated with reference to the STI payment, are issued to the directors at the same time as the STI payment, and are subject to the terms of the group's Restricted Share Plan 2020 (RSP) scheme rules.*

5 *BM FSP shares awarded subsequent to the year end relating to performance conditions applicable to the financial year. The exact number of BM FSP shares allocated are determined (subsequent to the year end) upon finalisation of the STI for the year in question as the value of the BM FSP shares allocated are determined with reference to the STI payment for that year. The value of the BM FSPs disclosed is valued at intrinsic value as at the date that the shares are allocated. The awards are subject to a three-year service condition and the terms of the RSP scheme rules.*

6 *Single figure remuneration in respect of current financial year.*

7 *Comprises petrol allowance.*

8 *Comprises long service award.*

9 *Resigned with effect from 15 September 2021.*

10 *Comprises R187 000 leave balance on termination of employment settled in cash, and petrol allowance of R8 000.*

11 *Appointed with effect from 1 January 2021.*

12 *Appointed with effect from 1 February 2021.*

13 *Appointed with effect from 15 October 2020 (remuneration includes full month of October 2020).*

14 *Retired with effect from 31 December 2020.*

15 *Comprises leave pay encashed[23] of R77 000 and a retirement benefit of R8.502 million which represents the present value on the date of retirement of the gross value of payments of R9.3 million, which was settled in cash in the 2022 financial year (net of a loan receivable from Mr Van Tonder of R2.2 million).*

16 *Resigned with effect from 31 August 2020.*

17 *Comprises R179 000 in leave pay encashed[23] and R176 000 in leave pay on termination of employment.*

18 *Resigned with effect from 31 January 2021.*

19 *Leave pay encashed[23].*

20 *Resigned with effect from 18 January 2021 (deceased).*

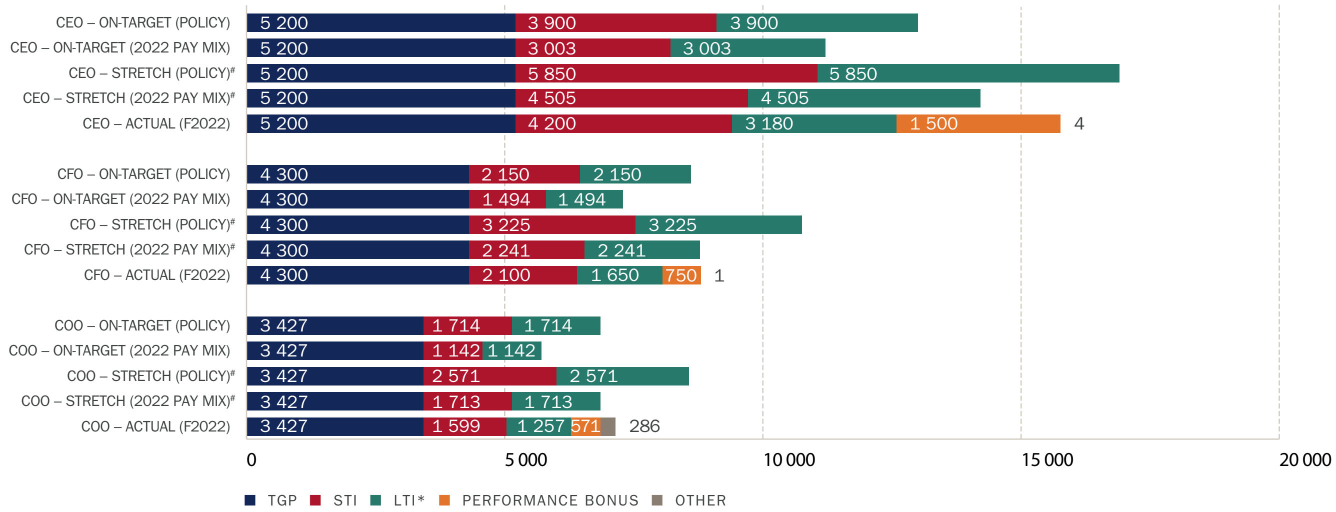
21 *Leave pay on termination of employment.*

22 *Prior to being appointed an executive director (refer footnote 13).*

23 *The group's HR policies do not typically permit employees to encash leave. However, following the 20% reduction in salaries for the period 1 June 2020 to 30 September 2020 as part of the group's COVID-19 austerity measures, employees (including executive directors) were permitted to sell up to four days of leave per month (for this period) back to the company in exchange for cash.*

The composition of total remuneration for the 2022 financial year is graphically illustrated as follows:

ACTUAL RELATIVE TO ON-TARGET AND STRETCH PAY OUTCOMES PER POLICY AND F2022 PAY MIX (R'000)

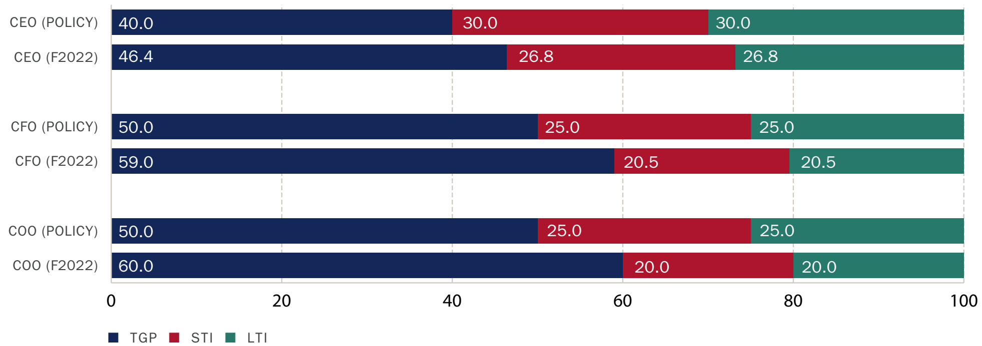


* LTI comprises:
- intrinsic value of BM FSPs in respect of the 2022 financial year, allocated in September 2022 and determined with reference to the STI payment for the 2022 financial year, and
- the intrinsic value of the SARs awarded in the 2022 financial year, assuming on-target performance conditions are achieved over the vesting period.

\# Stretch pay mix assumes both personal and business (group) performance stretch targets achieved.

As reported last year, the allocation of on-target STI and LTI awards for the 2022 financial year differs slightly to the pay mix per the remuneration policy owing to affordability concerns and the significant uncertainty regarding the post-COVID-19 recovery at the time. This is illustrated in the graphic below:

ON-TARGET PAY MIX (%)



Details of the STI relating to the 2022 financial year and performance bonus payments made in the 2022 financial year as well as any LTI awards granted that have not yet vested are detailed in the tables below. No LTI awards were vested with the directors during the year.

For further details on directors' remuneration, refer note 42 of the consolidated financial statements for the year ended 30 June 2022 available online at www.spurcorporation.com/investors/results-centre.

Termination benefits to executive directors

During the prior year, the group concluded a mutual separation agreement (MSA) with former CEO, Pierre van Tonder, in terms of which Mr Van Tonder retired as the CEO and executive director of the company with effect from 31 December 2020 after 38 years of service of which 24 were as CEO. Mr Van Tonder's employment agreement provided for a six-month notice period and 24-month restraint of trade. Mr Van Tonder tragically passed away on 9 May 2021. The group paid his salary of R516 615 (TGP) per month for the notice period months up to his date of death (January 2021 to 9 May 2021) amounting in aggregate to R2.186 million, as well as his leave pay up to date of death of R822 609, which are not included in the single figure remuneration table above as these accrued subsequent to Mr Van Tonder's retirement as director.

A lump sum of R9.3 million (the equivalent of 18 months' TGP) (refer footnote 15 of the total single figure remuneration table above) was to be payable to Mr Van Tonder from 31 July 2021 in 18 equal monthly instalments in accordance with the MSA. Mr Van Tonder had a loan payable to the group (refer note 16.6 of the consolidated financial statements for the year ended 30 June 2022 for further details), the outstanding balance of which was to be deducted from the aforementioned lump sum payable. On the advice of counsel, and following negotiations with the executor of Mr Van Tonder's estate, the company has honoured the MSA and the net amount of R7.3 million was paid to Mr Van Tonder's estate in March 2022.

Mr Van Tonder's estate has retained the FSP shares and SARs allocated to Mr Van Tonder in accordance with the MSA.

STI

Performance bonus payment in 2022

As the STI and thirteenth cheque bonus schemes were suspended for the 2021 financial year, and following the continuing improvement in trading performance in the first half of the 2022 financial year, the committee approved a performance bonus pool to fund performance bonus payments relating to the second half of the 2021 financial year, which were settled in cash in December 2021. Employees' eligibility and individual awards were determined based on an assessment of personal performance. Executive directors were accordingly paid an amount equivalent to 50% of their on-target STI for the 2022 financial year. Other employees were typically paid a performance bonus of approximately one month's salary.

STI 2022 bonuses

Bonus formula = Annual TGP x on-target percentage x [(business performance weighting x business performance score) + (personal performance weighting x personal performance factor)]

The table below specifies the inputs into the bonus formula for the 2022 financial year:

Director	Annual TGP R'000	On-target STI percentage of annual TGP %[1]	On-targe STI R'000	Business performance weighting %	Personal performance weighting %	Actual business performance score %	Actual personal performance factor %	Actual business performance STI R'000	Actual personal performance STI R'000	Total actual STI R'000
Val Nichas	5 200	57.7	**3 000**	80.0	20.0	150.0	100.0	3 600	600	**4 200**
Cristina Teixeira	4 300	34.9	**1 500**	80.0	20.0	150.0	100.0	1 800	300	**2 100**
Kevin Robertson	3 427	33.3	**1 142**	80.0	20.0	150.0	100.0	1 371	228	**1 599**

[1] *As per pay mix for the 2022 financial year approved by the remuneration committee.*

The tables below detail the threshold, on-target and stretch target outcomes approved by the committee for the 2022 financial year as well as the actual outcomes achieved and how these translate into the STI bonus payments for the 2022 financial year. The STI bonuses were settled in cash in September 2022.

	Threshold		On-target		Stretch		Actual	
Business performance condition	**Metric (97.5% of budget)**	**Business performance score %**	**Metric (budget)**	**Business performance score %**	**Metric (115% of budget)**	**Business performance score %**	**Metric**	**Business performance score %**
Adjusted headline earnings (R'000)[1]	118 430	50.0	121 415	100.0	139 616	150.0	**151 511[2]**	**150.0**
Adjusted headline earnings per share (cents per share)[1]	140.85	50.0	144.40	100.0	166.05	150.0	**180.38[3]**	**150.0**
Average business performance condition								**150.0**

[1] *Adjusted headline earnings and adjusted headline earnings per share are defined in part 2 on page 15.*
[2] *Equates to 124.8% of budget.*
[3] *Equates to 124.9% of budget.*

	Threshold		On-target		Stretch		Actual	
Personal performance condition	**Personal scorecard score[1]**	**Personal performance factor %**	**Personal scorecard score[1]**	**Personal performance factor %**	**Personal scorecard score[1]**	**Personal performance factor %**	**Personal scorecard score[1]**	**Personal performance factor %**
Val Nichas	Below 3 – Meets expectations	0.0	3 – Meets expectations	100.0	4 – Exceeds expectations	150.0	**3.4**	**100.0**
Cristina Teixeira							**3.3**	**100.0**
Kevin Robertson							**3.3**	**100.0**

[1] *The personal scorecard rating scale is between 1 – Unacceptable Performance and 5 – Outstanding Performance, where 3 – Meets Expectations is considered the minimum qualifying criteria for any vesting.*

Details of the directors' personal scorecards are listed in the tables below:

Personal scorecard measure	Weighting (%)	Delivery[1]
Val Nichas		
Corporate strategy and financial performance	40	3.4
Network development and franchisee relationships	20	3.2
Transformation	10	3.3
Employee experience	10	3.2
Supply chain	15	3.4
Leadership behaviours	5	3.6
Weighted average		**3.4**
Cristina Teixeira		
Corporate strategy and financial performance	40	3.3
Financial governance and reporting	15	3.4
Organisational governance	10	3.1
Risk management	5	3.1
Stakeholder relations	10	3.2
Information technology and legal	5	3.1
Transformation	5	3.0
Leadership behaviours	10	3.6
Weighted average		**3.3**
Kevin Robertson		
Turnover and profit	40	3.8
Restaurant growth and development	10	2.7
Ensuring best-in-class dining experiences	10	2.8
Product development and innovation	5	3.0
Growth in new formats and channels	10	2.6
Franchisee profitability and operational excellence	10	2.9
Transformation	5	2.8
Leadership behaviours	10	3.4
Weighted average		**3.3**

[1] *The personal scorecard rating scale is between 1 – Unacceptable Performance and 5 – Outstanding Performance, where 3 – Meets Expectations is considered the minimum qualifying criteria for any vesting.*

For further information on scorecard performances, refer to page 34 of the main section of the integrated annual report.

The group's malus and clawback policy (as referenced in part 2 of this report) applies to the 2022 financial year STI.

LTI

As previously advised, no LTI awards were granted during the 2021 financial year as part of the group's COVID-19 austerity measures.

LTI awards during the year

The first tranche of LTI awards granted in terms of the LTI schemes approved at the 2020 AGM were granted during the 2022 financial year.

Two of three available instruments were utilised for the 2022 allocation: Share Appreciation Rights (SARs) issued in terms of the SAR 2020 and Bonus Matching Forfeitable Shares (BM FSPs) issued in terms of the RSP 2020.

The group's malus and clawback policy (as referenced in part 2 of this report) applies to the 2022 financial year LTI awards.

Bonus Matching Forfeitable Shares (BM FSP)

The value of BM FSPs allocated to each participant is determined as a percentage of the STI payment, such that the percentage of the on-target STI payment equates to approximately one month's TGP.

The calculation of the awards are detailed in the table below:

Director	Percentage of STI[1] %	Actual STI R'000	**Intrinsic value of BM FSP R'000**	No. of BM FSPs[2]
Val Nichas	15	4 200	**630**	28 065
Cristina Teixeira	25	2 100	**525**	23 387
Kevin Robertson	25	1 599	**400**	17 812

[1] *Applied to Actual STI to determine value of BM FSPs.*
[2] *The actual number of shares allocated is equal to the intrinsic value of the BM FSP award divided by the average actual cost of the shares acquired for the participants.*

Share Appreciation Rights (SARs)

The value of the SARs awarded to each participant is calculated with reference to the LTI proportion of the on-target pay mix as detailed above, reduced by the value of the on-target BM FSPs. The actual number of SARs allocated is calculated as the number of SARs required to be issued to equate to the on-target value of SARs assuming that the increase in the value of each right is congruent with the specified on-target group business performance target applicable to the award (i.e. GDP[1]+CPI[2]+1% for each year) over the vesting period. In this regard, expected growth in GDP and CPI is based on market information published by reputable sources from time to time.

The calculation of the awards is detailed in the table below:

Director	Annual TGP R'000	On-target LTI percentage of annual TGP[3] %	On-target BM FSP percentage of TGP[4] %	On-target SAR percentage of annual TGP[5] %	**Value of on-target SAR allocation R'000**	**No. of SARs awarded[6]**
Val Nichas	5 200	57.7	8.7	49.0	**2 550**	**521 229**
Cristina Teixeira	4 300	34.9	8.7	26.2	**1 125**	**229 954**
Kevin Robertson	3 427	33.3	8.3	25.0	**857**	**175 133**

1 *Annual percentage growth in South Africa's real Gross Domestic Product (as published by StatsSA).*
2 *The South African Headline Consumer Price Index annual inflation rate (as published by StatsSA) as at the end of each of the financial years relative to the end of the immediately preceding financial year.*
3 *As per pay mix for the 2022 financial year approved by the remuneration committee.*
4 *Of the on-target LTI value, approximately one months TGP is allocated to the BM FSPs.*
5 *Total proportion of on-target LTI value as a percentage of Annual TGP as per pay mix for the 2022 financial year, less the portion of the on-target LTI allocated to BM FSPs.*
6 *The value of the on-target SAR allocation is converted to a fixed numbers of SARs based on the growth in the grant-date strike price by the on-target group business performance targets applicable to the award over the vesting period.*

LTI awards not yet vested at reporting date

	Number of shares/ awards granted	Grant date strike price	Fair value at grant date (R) each	Fair value at grant date (R)	Grant date	Vesting date	Free to trade date	Fair value at reporting date (R) each	Fair value at reporting date (R)	Fair value at reporting date expected to vest (R)[1]
Val Nichas										
October 2021 equity-settled SAR	521 229	19.14	8.48	4 420 022	07/10/2021	07/10/2024	2 years post exercise[2]	7.72	4 023 888	3 852 076
October 2021 equity-settled BM FSP	28 065[3]	n/a	18.10	507 977	07/10/2021	16/08/2025	16/08/2025[3]	17.58	493 383	493 383
Cristina Teixeira										
October 2021 equity-settled SAR	229 954	19.14	8.48	1 950 010	07/10/2021	07/10/2024	2 years post exercise[2]	7.72	1 775 245	1 699 446
October 2021 equity-settled BM FSP	23 387[3]	n/a	18.10	423 305	07/10/2021	16/08/2025	16/08/2025[3]	17.58	411 143	411 143
Kevin Robertson[4]										
October 2021 equity-settled SAR	175 133	19.14	8.48	1 485 128	07/10/2021	07/10/2024	2 years post exercise[2]	7.72	1 352 027	1 294 298
October 2021 equity-settled BM FSP	17 812[3]	n/a	18.10	322 397	07/10/2021	16/08/2025	16/08/2025[3]	17.58	313 135	313 135
November 2019 equity-settled SAR	177 535	27.01	5.96	1 058 109	26/11/2019	25/11/2022	22/11/2024	0.45	79 891	–
November 2019 equity-settled FSP	5 000	n/a	18.29	91 450	26/11/2019	25/11/2022	22/11/2024	17.67	88 350	88 350
Pierre van Tonder[5]										
November 2019 equity-settled SAR	919 781	27.01	5.96	5 481 895	26/11/2019	25/11/2022	22/11/2024	0.45	413 901	–
Phillip Matthee[5]										
November 2019 equity-settled SAR	385 100	27.01	5.96	2 295 196	26/11/2019	25/11/2022	22/11/2024	0.45	173 295	–
Graeme Kiewitz[5]										
November 2019 equity-settled SAR	102 147	27.01	5.96	608 796	26/11/2019	25/11/2022	22/11/2024	0.45	45 966	–
November 2019 equity-settled FSP	5 000	n/a	18.29	91 450	26/11/2019	25/11/2022	22/11/2024	17.67	88 350	53 010

1 *Calculated based on weighted probability of non-market performance conditions being met, as at the reporting date, and adjusted for any partial forfeitures during the vesting period.*
2 *Participants will have a two-year period (starting from the vesting date) during which to exercise vested rights. Participants who are executive directors are required to hold the shares for a period of two years following the date that the SARs are exercised. Other participants are not subject to this restriction.*
3 *While the employee's entitlement to receive a variable number of BM FSP shares (based on personal performance, group financial performance and the prevailing share price) is established on the grant date, the actual number of BM FSP shares to be allocated to participants is only determinable after the STI payments for each participant for the relevant financial year are finalised. The vesting date is determined as three years from the date on which the final number of BM FSP shares is determined for each participant by the remuneration committee.*
4 *Appointed as director with effect from 15 October 2020; a prescribed officer prior to this date.*
5 *Past director.*

Performance hurdles in respect of LTI awards not yet vested:

Vesting criteria	November 2019 SARs	November 2019 FSPs	October 2022 SARs	October 2022 BM FSPs
Vesting formula	No. of SARs x return on equity factor x group business performance factor x personal performance factor	No. of FSPs	No. of SARs x [(group business performance weighting[2] x group business performance score) + (personal performance weighting[3] x personal performance factor)]	No. of BM FSPs
Service condition	Remain employed for duration of vesting period			
Return on equity	14.45% – 19.55%+: 0% to 100% vesting	n/a	n/a	n/a
Group business performance	**Growth in adjusted HEPS[1]** <CPI: 0% vesting CPI – CPI+2%: 33% to 50% vesting CPI+2% – CPI+6%: 50% to 100% vesting *Linear vesting applies between target levels.*	n/a	**Average of growth in adjusted headline earnings and adjusted HEPS[4]:** On-target (GDP+CPI+1%): 67% vests Threshold (GDP+CPI): 30% vests Stretch (GDP+CPI+2%: 100% vests Below threshold: 0% vests *Linear vesting applies between target levels.*	n/a[5]
Personal performance	**Personal scorecard percentage** < 75%: 0% vesting 75% – 85%: 50% to 80% vesting 85% – 90%+ : 80% to 100% vesting *Linear vesting applies between target levels.*	n/a	**Personal scorecard rating** *CEO, CFO and COO:* Minimum performance rating of '3 – Meets expectations' to be achieved over vesting period to be eligible for any vesting *Other participants:* <3 – Meets Expectation: 0% vesting 3 – Meets expectations: 67% vesting 4 – Exceeds expectations: 100% vesting 3.5 – Between 'meets expectations' and 'exceeds expectations': 83.5% vesting	n/a

1 *Growth in adjusted HEPS (which excludes foreign exchange, profit/loss attributable to marketing funds and cost of incentive schemes, but includes all impairments and reversals of impairments) is calculated as a nominal annual compounded annually increase over the vesting period.*
2 *100% for CEO, CFO and COO; 50% for all other participants.*
3 *0% for CEO, CFO and COO; 50% for all other participants.*
4 *Adjusted headline earnings and adjusted HEPS are defined in part 2 on page 15. Growth is calculated as a nominal annual compounded annually increase over the vesting period.*
5 *The BM FSPs have no set prospective performance criteria. The allocation of BM FSPs is calculated with reference to the STI payments; performance is therefore used as an entry mechanism via the outcome of the STI.*

LTI awards vested during the year

The November 2018 tranche of SARs and FSPs vested during the 2022 financial year. None of the directors participated in the FSPs in question. The SARs in question were all forfeited as the prevailing share price on vesting date was below the strike price of the instruments.

STATEMENT OF COMPLIANCE

The committee is satisfied that the remuneration policy has been complied with in all material respects with the exception of:

- The policy provides that the group will target the market median for benchmarked remuneration levels. Following various job grading and market benchmarking exercises concluded during the prior and current years, certain discrepancies have been identified, in particular that some employees are being paid below the targeted benchmark while a small number are being paid above. Remedying this departure has cost implications for the group and the group has commenced addressing the above discrepancies as indicated in this report.

SUPPLEMENTARY REPORT

07

REPORT FROM THE SOCIAL, ETHICS AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE

The social, ethics and environmental sustainability committee (the SEES 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 has an independent role and acts in terms of the delegated authority of the board and assists the directors to monitor the group's activities and disclosures relating to relevant legislation, regulation and codes of best practices. The committee is responsible for monitoring activities related to:

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

COMPOSITION AND FUNCTIONING

The committee membership changed during the year:

- Sacha du Plessis resigned as a director of the group and member of the committee, with effect from 15 September 2021
- Kevin Robertson was appointed as a member of the committee, with effect from 16 September 2021

At the date of the report, the committee members were:

• Lerato Molebatsi (chairman)	Independent non-executive director
• Jesmane Boggenpoel	Independent non-executive director
• Dr Shirley Zinn	Independent non-executive director
• Kevin Robertson	Executive director

Permanent invitees to committee meetings include the chief executive officer, chief financial officer, group supply chain executive, head of legal, chief audit executive, transformation executive who is also the chairman of The Spur Foundation Trust, and the environmental sustainability committee chairman.

The committee's terms were reviewed this year in line with its annual review policy. The terms were amended in accordance with the King IV™ practice note published by Institute of Directors in South Africa and approved by the board.

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 permanent attendees.

These presentations focus on the main areas of responsibility 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 32 of the governance review. Fees paid to committee members for 2022 and proposed fees for 2023 are detailed on note 42 of the audited consolidated annual financial statements and on page 21 of the Remuneration Report as well as the Notice of the AGM.

ACTIVITIES OF THE COMMITTEE

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

- The code of conduct and ethics to determine compliance with statutory requirements, alignment with the culture of the business and the inclusion of matters relating to ethical behaviour
- Compliance with applicable legislation, regulation and codes of good practice
- Endorsing management's recommendation to appoint an external whistleblowing service provider
- Evaluating activities governed by:
  - United Nations Global Compact practices, promotion of equality and elimination of discrimination.
    - An updated sexual harassment policy and discrimination policy was implemented
  - The International Labour Organisation protocols on decent working conditions.
    - Non-discrimination and sexual harassment policies were implemented
  - Organisation for Economic Cooperation and Development (OECD) recommendations on combating bribery, bribe solicitation and extortion.
    - The group's Code of Conduct and Ethics were updated and an independent third-party whistle blower service provider appointed
- The monitoring of corruption risks
- The group's transformation progress, including compliance with the Employment Equity Act and the Broad-Based Black Economic Empowerment Act
- The socio-economic development initiatives undertaken by The Spur Foundation Trust. During the year, the trustees continued their review of the foundation's strategy to ensure ongoing sustainability of interventions
- Environmental sustainability initiatives, including activities related to sustainable consumption and production, reduction of single-use packaging and carbon emissions, as well as effective waste management and resource management
- Engagement with stakeholders, including the approval and issuance of a crisis management plan and social media guideline, and monitoring compliance with consumer protection laws
- Evaluating the results of the group's employee culture survey and values project
- Considering the results of the committee's self-assessment evaluation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The group has focused on aspects relating to ESG for a number of years. However, during the coming year, the SEES committee will oversee the formalisation of the group's ESG strategy in conjunction with the leadership and senior management team. The committee has considered the recently-published JSE Sustainability Disclosure Guidance and Climate Disclosure Guidance.

ESG pillar	Key focus areas	Where information can be found
Environment	• Co$_2$e carbon emissions reduction` • Effective waste management • Effective resource measurement and management (energy and water) • Sustainable consumption and production (eco procurement) • Reduction of single-use packaging (driving circularity)	Page 4
Social	• Employees • Customers • Transformation • Community • Supply chain	Page 16
Governance	• Board of directors • Board committees • Executive management and leadership • Remuneration • Compliance and risk management	Page 29

CONCLUSION

The committee believes that the group is substantively addressing the issues in terms of its statutory mandate. It is confident that the committee has fulfilled its responsibilities according to its terms of reference during the reporting period.

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

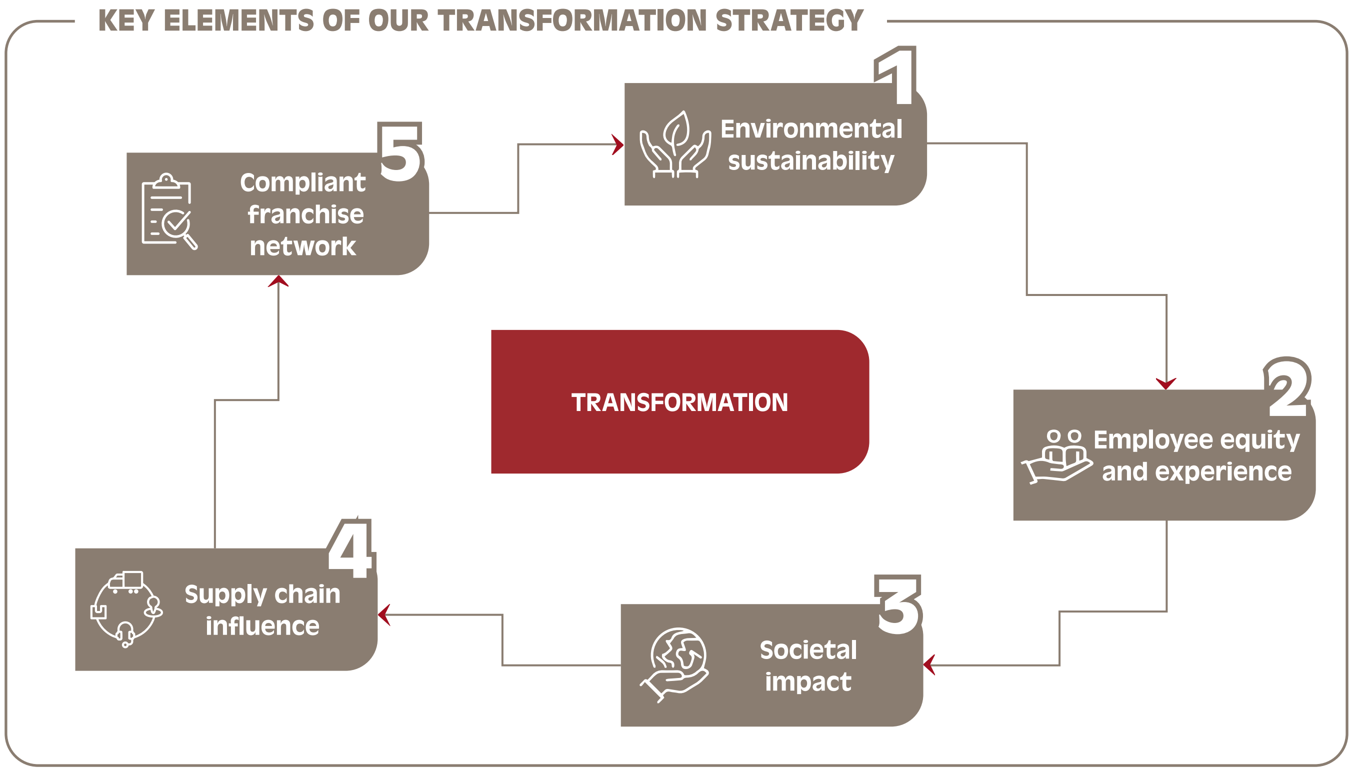
Further information on the group's approach to the aspects within its areas of responsibility is included throughout this supplementary section of the integrated annual report.

Lerato Molebatsi
Chairman

27 October 2022

LEADING FOR THE GREATER GOOD

A common purpose of Leading for the Greater Good was defined last year. The approach is aimed at building and growing brands that lead the experience and becoming an employer of choice. We have a clear strategy to transform our business.



ENVIRONMENT

ENVIRONMENTAL SUSTAINABILITY

INTRODUCTION

The recently-released United Nations' *The Sustainable Development Goal Report 2022* and *Our Common Agenda Report 2022* have reconfirmed that people, businesses and governments need to act with urgency to successfully address climate change and achieve the 2030 goals set out in the Paris Agreement.

The Russia-Ukraine war, extreme climate-related weather events, such as floods, droughts and fires, have threatened food security and created post-pandemic inequalities. The far-reaching impacts of these events are already translating into rising costs, reducing consumer spend and supply chain pressures.

Spur Corporation's sustainability objectives focus on maintaining a low impact approach, minimising resource consumption, reducing reliance on products that may cause environmental degradation and actively driving and participating in projects that consider a just transition to a more sustainable environment.

In South Africa, we have adopted key legislative requirements relating to the National Development Plan (NDP) and Extended Producer Responsibility (EPR). We have also signed up to participate in the development of the circular economy and greater responsibility around product lifecycles and end-of-life management, with a particular reference to single-use packaging and food security. The group is a signatory and founding member of the South African Plastics Pact (established in 2020) and joined the Voluntary Food Waste Initiative of the Consumer Goods Council of South Africa in May 2022.

The group's environmental sustainability committee (ESC) continues to embed the group's environmental objectives into the business. Ongoing monitoring and reporting on key materials and key performance indicators, confirm progress and areas for improvement, potential risks and opportunities.

The operational team of the ESC, the eco team, works closely with the business' operations and procurement teams to ensure the group operates responsibly.

We focus on reducing resource consumption, pollution and waste and procuring products that are ethically and sustainably sourced.

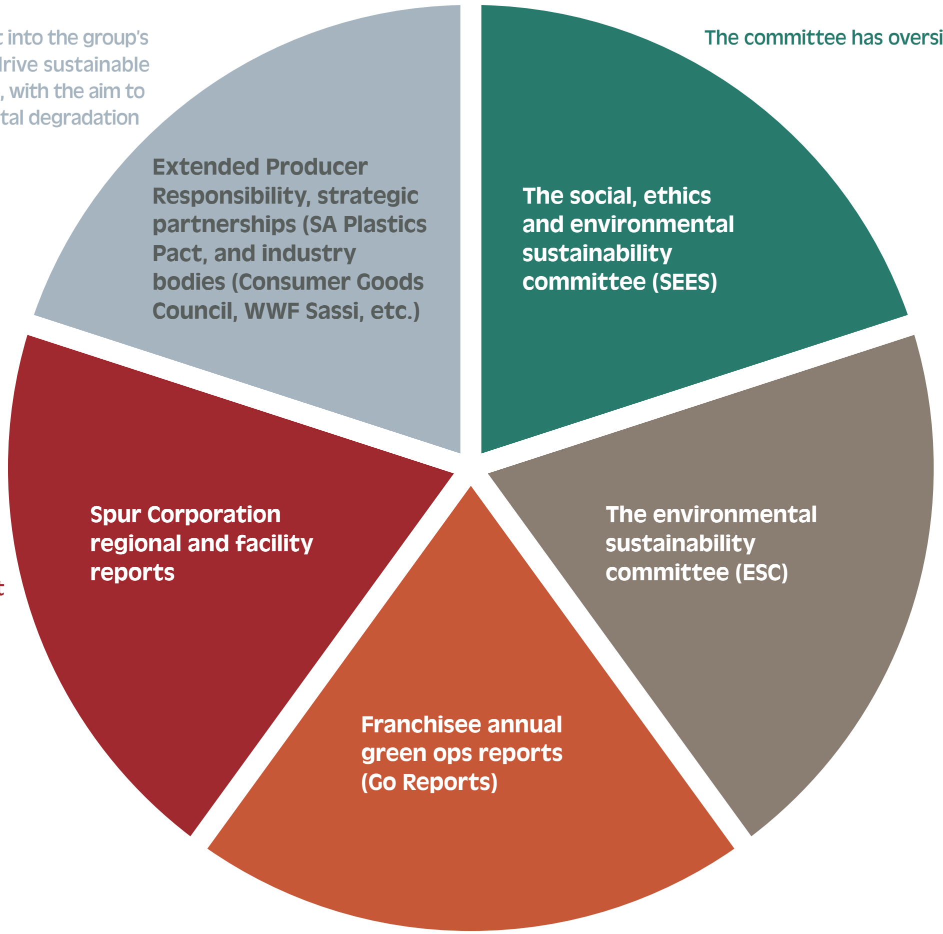
We are committed to maintaining the conditions and welfare of employees and animals throughout our supply chain. We try to source local and support enterprise development to play a role in growing the South African economy.

Key reporting platforms

Our reporting aligns with reporting frameworks, as set out in the Global Reporting Initiative (GRI), King IV, and the current JSE Reporting Standards and the United Nation's Sustainable Development Goals (UNSDGs).

These reports provide insight into the group's procurement decisions to drive sustainable production and consumption, with the aim to minimise waste, environmental degradation and loss of species.

The committee has oversight and a guidance role.



The reports measure environmental performance and introduce key performance indicators related to source consumption, waste management, procurement and environmental awareness and employee engagement.

This committee implements sustainability strategies, oversees the tracking, measurement, and verification of environmental material data streams across business operations and related carbon commissions. Progress is reported to the SEES committee and included in annual reporting.

The reports measure franchisees' environmental performance and introduce key performance indicators related to source consumption, waste management, procurement and environmental awareness and employee engagement.

The group submits detailed reports on sustainability measures. Reporting platforms include:

The environmental sustainability committee reports on progress on environmental key performance indicators (KPIs) to the social, ethics and environmental sustainability (SEES) board committee	Bi-annually
Integrated annual reports	Annually
Single use plastic usage in the aggregated SA Plastics Pact Members Report	Annually *(reporting on previous calendar year's performance)*
Sustainable procurement of green listed and sustainability sourced seafood is reported in the World Wide Fund for Nature's South African Sustainable Seafood Initiative (WWF SASSI) members' progress report	Annually *(reporting on previous calendar year's performance)*
Used oil data is captured and shared with the operations teams for action and verification. Compliance is reported to the SEES and risk committee and aggregated data and achievements are reported in the integrated annual report	Monthly, bi-annually and annually
Carbon footprint reporting	Bi-annually*
Membership of the Consumer Goods Counsel SA's Voluntary Food Waste Initiative	Annually**

* *In alignment with the JSE Reporting guidelines, the group is considering reporting annually*
** *The 2022 calendar year will be reported on in March 2023*

PROGRESS ON COMMITMENTS MADE LAST YEAR

Key commitments	Progress
Environmental sustainability (Alignment with international frameworks, UN SDGs, GRI and national development requirements: NDP)	Page 47 in Guidance documents Page 29 in Our Progress.
Reduction of single-use packaging (Driving circularity)	Pages 9 – 10.
Effective waste management	Pages 9 – 10.
Effective resource measurement and management (energy and water)	Pages 11 – 14.
Transformation and embedding environmental sustainability principles	Page 3.
Sustainable transport and reduction in CO_2	Pages 12 – 14.
Green building and built environments	Pages 12 – 14.
Sustainable consumption and production	Pages 8 – 9.
Stakeholder engagement	Page 25.
Climate action	Pages 7 – 8 and 14.

MEASURING AND REPORTING

Regional offices provide annual feedback on environmental sustainability practices relating to energy consumption, waste and water management, office procurement and employee communication. Targets are set and appointed eco office champions are responsible for ensuring compliance.

The group created green operational (GO) reports in 2014[1] to capture environmental sustainability practices at franchise level. The data guides input into future projects and risks, which the ESC evaluates and addresses. Internal eco champions provide feedback on the operational sustainability of the business based on KPIs and levels of expertise.

[1] *The GO Reports were piloted at Spur Steak Ranches before it rolled out to the other brands. In 2022 all the group's brands participated.*

GO REPORTS

GO reports are compiled annually by the group's operational managers. The GO reports capture data relating to energy and water consumption, waste management and procurement through an online survey, as well as restaurant visits. These are followed by a restaurant walk-through as verification and an interview with the franchisee, operator or restaurant manager to determine progress on improvement areas identified in the previous year's reports. Nikos was included in the 2022 reporting for the first time.

Although some reports were done remotely this year due to time constraints and location of outlying restaurants, the majority of surveys were done in person.

Participation rates have improved significantly since the lifting of the COVID-19 lockdown restrictions. The eco team was able to actively engage with the operational managers to re-train teams on the GO Report requirements and recommended areas of improvement.

97%
of restaurants participated in 2022
(2021: 86%)

Restaurant sustainability awareness

Environmental awareness is increasing at restaurant level, with 94% of participants reporting that climate change is impacting on operational costs and that environmental sustainability considerations are important for their businesses.

EMPLOYEE TRAINING

Training remains critical to inspire behaviour change and embed key concepts.

The eco team has been leading environmental training for 14 years and has participated in the group's national office and facilities transformation embedding programme. The team will continue to build capacity and capability in the coming year.

GO Report technical training and GO report engagement

Technical training:
43 operational managers

GO report briefing and training:
48 operational managers

Transformation and environmental sustainability organisational embedding
3 regions
Cape Town, Gauteng and Durban

Employees trained
223

SUSTAINABLE PROCUREMENT

Franchised restaurants in the group purchase significant quantities of raw materials. Energy consumption, population growth and an increased demand for animal protein are impacting climate change. This is causing extreme weather events that are projected to negatively affect food production over the medium to long-term. The war in the Ukraine, increased fuel costs and loadshedding in South Africa are also destabilising food security and impacting pricing, import and export costs and sustainable supply.

Supplier assessments are conducted regularly to ensure alignment with our values and commitments. These include green procurement and ethical sourcing considerations.

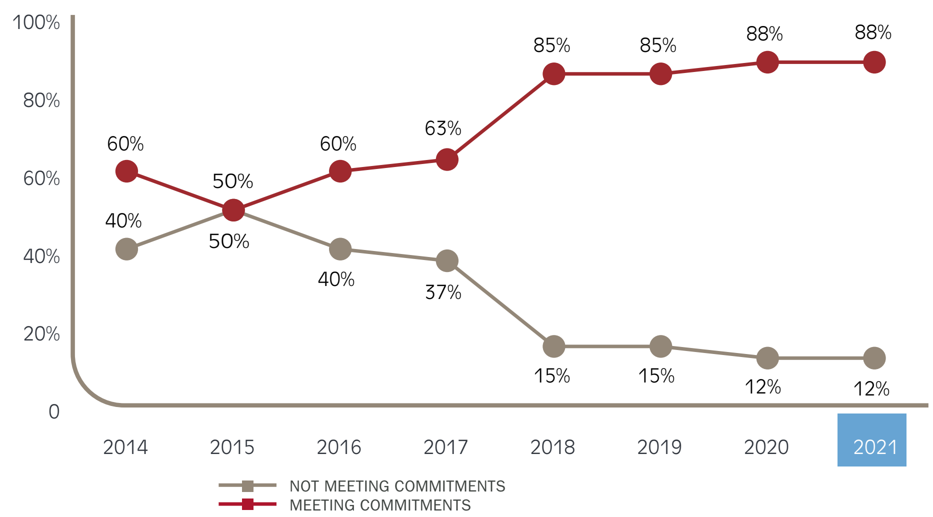
We identify unlocked value to optimise our supply chain and potential for circular opportunities. The procurement team will continue to prioritise raw material supply, with specific focus areas being seafood and beef.

The team is actively managing risks and opportunities and developing a greater understanding of second- and third-tier suppliers, potential collaborations and procurement themes to underpin our environmental strategies.

Sustainable seafood management

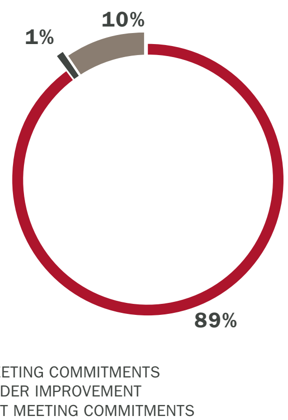
We remain committed to procuring sustainable seafood products that are certified by the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC). In partnership with WWF SASSI, John Dory's has played a meaningful role in supporting sustainable fishing practices. We are fully compliant with the SASSI "Seafood Promise" and do not procure or sell any species that are on the SASSI red list, or from fisheries that are not in a fish improvement project.

PROGRESS (SPECIES)



John Dory's has launched various campaigns to customers that focus on the effective management and supply of fish species. In line with the brand's commitment to the UNSDGs, they also aim to build relationships with local suppliers to support economic growth and promote the ongoing supply of well-managed seafood resources.

2021 VOLUME



Palm oil

The group has a strategy in place to reduce its use of palm oil. Unfortunately, the Russian invasion of Ukraine in February 2022 contributed to significant increases in the cost of edible oils, including sunflower oil, palm soya and canola.

The war also impacted the Ukraine's planting season, which placed additional pressure on the supply and pricing of these commodities around the world. In the short-term, it is anticipated that prices will remain inflated. Although South Africa produces its own vegetable oils, volumes are not sufficient for local demand, which is growing at 2% annually. The country imports 30% of its demand from other regions[1].

Based on these factors, the group was forced to amend its oil mix to 90% palm oil and 10% sunflower oil during the year. The group procured 3 059 980 litres of deep-frying fats nationally during the year (2021: 2 358 820 litres). 69% was palm oil (2021: 54%). Spur Steak Ranches procures 80% of the group's total volume of deep-frying fats.

The procurement team considers this as an interim measure and will continue to drive the group's mandate to reduce its reliance on palm oil to 50% by 2025. Where palm oil is used, we procure Roundtable on Sustainable Palm Oil (RSPO) certified palm to ensure no further destruction and deforestation.

We support a closed loop system to dispose of spent oil through a well-managed and measured collection system. The procurement team has continued to improve the measuring process and evaluates and reviews the collector database to ensure best practice.

During the year, 26% (800 kl), (2021: 32%; 749.5 kl) of oil procured was recycled by approved oil collectors, predominantly for biofuel conversion. 92% of restaurants participate in the used oil collection programme. Nikos joined the collection initiative during the year. They use low volumes of deep-frying fat.

Cage-free eggs

Spur Corporation* has committed to exclusively source cage-free eggs throughout its entire supply chain by 2025. This is a significant commitment for the company in South Africa, a country where approximately 86% of the 25 million egg-laying hens are confined in wire battery cages.

For restaurant use (shelled eggs for breakfast and baking), the majority of eggs procured by Spur franchisees is currently from smaller local suppliers, of which approximately 40% (2021: 32%) is cage free. As part of our commitment, we are in the process of listing a centralised solution to accelerate the use of cage-free eggs.

We will continue to provide products of only the highest standards, while maintaining our social responsibility. This includes sourcing from producers who employ humane animal welfare practices and more sustainable production methods.

Cage-free egg usage Increased:

33% to 40%

110 000

Cage-free eggs sold during the reporting period

Marketing and packaging materials

Adoption of technology and digitally-driven marketing channels continues to positively impact marketing material outputs. Office consumables continued to decrease due to most employees adopting the group's hybrid working model of working three days in the office and two days at home.

Encapsulated menus were introduced during COVID-19 to replace the standard menus across the group's businesses to comply with hygiene and sterilisation requirements. During the April 2022 menu run, the brands have returned to using the standard menu folder. This will reduce the need for encapsulation in the coming year. Specific marketing items, such as marketing placemats and children's menus will continue to be encapsulated due to the practical application and longevity of the material. These items are however problematic from a waste management perspective, as it is non-recyclable and will contribute directly to landfill. The group produced 17 510 kg (2021: 15 714 kg) of these items during the year. We are engaging with suppliers to find alternative materials to minimise impact.

Paper remains the most used marketing resource at 60 014 kg (2021: 63 725 kg), followed by cardboard at 36 024 kg (2021: 15 411 kg).

85%

of marketing items are made from renewable sources and can be recycled after use

Takeaway packaging

Click & collect, takeaway and delivery trends continue to increase, as more consumers have become accustomed to online ordering and the convenience of this method of meal delivery. The group continues to procure takeaway packaging made from renewable materials, with various new line items being introduced. We are continuing our focus on improving the recyclability of non-renewable single-use plastic containers.

During the last four years, we have reported a significant reduction in the use of non-renewable packaging material, based on weight. Unnecessary and problematic materials, such as polystyrene and plastic straws, have been removed from the basket of our central procurement partner Vector Logistics (Vector). In 2022, 85% (2021: 84%) of packaging was produced from renewable resources. Paper bags procured in 2022 increased to 307 tonnes (2021: 213 tonnes).

Generic stock

Generic stock items include docket books, children's activity packs, menus, reward cards, toothpicks, wristbands and placemats. Balloons and balloon sticks and plastic straws have been fully eliminated in line with the group's commitment to move away from unnecessary single-use plastics. The generic stock list has expanded to include paper serviettes and paper straws.

Office paper

As employees partly returned to work, office paper consumption increased by 69% to 2 877 kg (2021: 1 698 kg). Pleasingly, this has decreased by 67% since 2017. The highest volumes are being generated in the Cape Town head office at 2 153 kg (2021: 1 250 kg).

Primary distribution partner sustainability

Vector

The group works in close partnership with Vector to ensure efficient management and procurement of cost-effective, sustainably-sourced products to the group's franchise network. Vector's sustainability programme forms part of the integrated RCL Foods programme. Environmental management programmes are aligned to the ISO 14001 standard.

[1] *Ref. Business Insider SA, "Sunflower oil is up 55%, and canola 40%, in two months – and worse is still to come" – Ntando Thukwana, 7 April 2022*

* *Includes all brands and international operations*

WASTE MANAGEMENT

Head office and facilities

We continue to concentrate on minimising waste creation and diverting waste from landfill through recycling and composting. At the Cape Town head office, 62% of waste was diverted from landfill, equating to 4 488 kg (2019*: 2 537 kg). The increase is mainly due to more office employees partially returning to the office.

Our facilities have appointed a new service provider in May 2022, which is expected to improve waste management and reporting.

Restaurants

Unfortunately, there was an overall decrease in recycling at restaurant level, declining from 37% to 30%. This was mainly due to restaurants concentrating on managing business operations this year after the significant impact of COVID-19 restrictions. Restaurants also reported employee constraints, lack of training and operational complexity as the main barriers to successful waste management. We are currently engaging with the teams to identity practical and sustainable solutions.

SA Plastics Pact

The SA Plastics Pact (SA Pact) is part of an international network of like-minded organisations that engage with businesses, governments, producers, recyclers and civil societies, with the goal of addressing the devastating impact of plastic pollution on the environment. South Africa generates 2,4 million tonnes of plastic waste annually, of which only 14% is recycled. Almost 40% of this waste is mismanaged, with 3% (80 000 tonnes) directly polluting the environment.

Spur Corporation is a founding and active member of the SA Pact. We completed a full report on plastic use in August 2021, registered as a producer, as outlined in the EPR legislation, and joined the Producer Responsibility Organisation (PRO) partners in November 2021.

The Pact has ambitious targets for 2025 to prevent plastic from becoming waste or pollution, with the overarching goal of creating closed loop systems and circular economies related to non-renewable materials. We completed our second Plastics Pact Report in July 2022.

The Pact and its members have identified 12 key items that are considered highly problematic plastics. Members have been working towards eradicating items where possible and are currently exploring alternative solutions to further eliminate the identified problem plastics. Key focus areas are:

Phasing out unnecessary single-use plastic items → **Material substitution with properly recycled materials in a South African context** → **Innovation for re-use of items, where practical and applicable** → **Redesign of the product to eliminate the need for packaging**

By delivering on the above targets, the SA Pact, in collaboration with members, recyclers and collectors, will be able to create new opportunities in product design, increased recyclability, and re-use business models to assist job creation in the South African plastics collection and recycling sector.

The Pact members are working towards achieving four goals by 2025:

GOAL 1	GOAL 2	GOAL 3	GOAL 4
Address problematic or unnecessary plastic packaging through redesign, innovation or alternative (re-use) delivery models	100% of plastic packaging to be reusable, recyclable or compostable*	70% of plastic packaging to be recycled within the South African context	30% average recycled content across all plastic packaging**

* *In the case of compostable items, this is applicable only in closed loop and controlled systems with sufficient infrastructure available or fit-for-purpose applications.*
** *Based on availability of recycled stocks. The group is currently achieving 30% recycled content in the bottles used for sauces manufactured for our restaurants.*

The SA Pact steering committee and GreenCape, with the support of The South African Plastics Recycling Organisation (SAPRO), WWF SA and UK Plastic Pact (WRAP), have subsequently developed the South Africa Plastics Pact roadmap for 2025 towards collective action in the local market, with annual public progress reporting. Legislative changes relating to waste management in South Africa's waste generation continue to increase, with significant volumes of waste still being diverted to landfills.

To preserve natural resources and develop green economies, producers will be required to take responsibility for their products throughout the product lifecycle – from raw material extraction to product design and use, and ultimately, recovery and recycling or re-use.

Spur Corporation currently produces 424,14 tonnes of primary plastic packaging in South Africa, of which 33% is recyclable. The group will be working closely with its central kitchens and its procurement team to redesign the shrink-wrap labelling used on restaurant sauce bottles and retail sauces to more closely aligned to the South African recycling rate to 43% or higher.

* *Due to COVID-19, waste was not measured in 2020. Inconsistent input from waste collectors prevented us from calculating the overall percentage of waste diverted from landfills in 2021.*

Addressing unnecessary and problematic plastics

We have focused on reducing pollution and waste from single-use takeaway items since 2016. In 2017, our focus shifted more urgently to unnecessary plastics such as straws, balloons, plastic bags and plastic cutlery.

We joined the SA Plastic Pact in 2020 and continue our work towards the 2025 Pact targets.

The group has been actively working towards **eliminating unnecessary plastics** since 2017.

We managed to reduce plastic straw procurement from **58 tonnes** in 2017 to **zero** in 2022.

Plastic utensils (sealed in a plastic polybag) reduced **from 265 tonnes** in 2019 to **zero** in 2022.

The procurement of plastic bags has dropped significantly, from **81 tonnes** in 2019 to **24 tonnes** in 2020 and **zero** in 2022

Fully phased out

Balloons and plastic straws

(2021: 72% phased out)

306 tonnes

Increase in paper bags as replacement for plastic bags

(2021: 56 tonnes)
Plastic bags have been completely removed from the Group's supply chain

88%

Packaging from renewable sources

(2021: 83%)
In 2019, 69% of packaging was from renewable sources

50%

Increase in the use of recycled content

(2021: 11% of total)
We increased recycled content (rPET) in PET bottles by 50% in 2021 (calendar year) (30% in 2020)

Spent oil collection (restaurants)

Used oil management and safe disposal remains a high-risk priority for us. We proactively report on the oil usage and the effective closed loop waste management at restaurant level.

The reporting reflects the volume of oil used (litres) and the volume of oil collected by approved collectors for recycling. This allows for the calculation of the percentage of oil recycled/converted into biofuels.

800 334 litres of used cooking oil were collected during the reporting period, which is a 6.6% increase on the previous year (2021: 750 723 litres). Used oil is removed from the food chain and recycled into biodiesel.

ENERGY CONSUMPTION

Offices and corporate facilities

The group introduced a hybrid working model on 15 November 2021 which allows for three days in the office and two days working from home. Before this, 50% occupancy was implemented at the offices in accordance with COVID-19 legislation. Electricity consumption decreased by 17% last year and have marginally increased by 4,6% in 2022. Loadshedding continues to plague South Africa, resulting in a 135% increase in diesel consumption for energy generation at the group's regional offices and facilities.

Total electricity consumption at corporate offices and manufacturing facilities in 2022 was 950 MWh (2021: 908 MWh). Spur Corporation continues to actively monitor electricity consumption at offices and facilities through utility bills and the PowerStar Measurement and Verification (M&V) system.

Restaurants

There was a notable increase in energy efficiency reported at restaurant level over the last two reporting cycles. This can be linked to improved energy consumption and measuring and monitoring at restaurant level using the EnergyRite Measurement and Verification system.

This effective energy management system combines intelligent real-time energy monitoring solutions, using advanced Internet of things (IoT) applications and industry-leading knowledge to significantly reduce kWh consumption.

Franchisee sign-ups to EnergyRite have increased by 13%, with 43% of restaurants using it to manage their energy consumption. COVID-19 capacity restrictions further contributed to initial reductions in consumption. However, this is anticipated to return to previous levels as restaurants continue to recover to pre-COVID-19 levels. Ongoing proactive management and implementation of interventions, such as energy-efficient appliances, LED light fittings, reduced geyser temperature settings, motion sensors in infrequently-used areas and curtains and blinds in walk-in fridges are encouraged to manage consumption levels and reduce cost and related carbon emissions.

WATER CONSUMPTION

Offices and corporate facilities

We recognise that South Africa is not only a water-scarce country, but also faces complex water problems related to pollution, failing infrastructure, over-use, droughts and the impact of climate change. Water consumption continues to be monitored at all group-owned facilities to ensure wastage is minimised and that the resource is effectively managed.

The group's manufacturing plant is responsible for 75% of the group's overall water consumption. Usage decreased by 37% due to lower productivity at the facility as a direct result of COVID-19 capacity restrictions at restaurants. It is anticipated that this will significantly increase as restaurants resume normal operations.

Where possible, the group's offices have been fitted with water-saving fixtures and fittings, rainwater harvesting and waterwise plants to ensure ongoing management and preservation of water resources.

With employees returning to offices on a part-time basis, water consumption at regional offices increased by 39%. It remains 20% below the 2020 consumption rate, mainly due to the majority of employees still working at home for two days a week.

Restaurants

It is encouraging to report that water-saving fixtures have increased by 39%, with 41% of restaurants indicating that they are actively tracking consumption and 12% having implemented a live monitoring system[1].

31% of restaurants reported that they have boreholes, rainwater tanks and greywater systems in place.

TRAVEL

Operational travel

Business travel, related to management meetings, employee physical engagement and strategy sessions, increased by 93% based on distances flown locally and internationally. This still remains below 2019 levels. The reduction can partly be attributed to digital meeting platforms having been adopted as a convenient method of engagement, enabling the group to reduce the requirement for physical meetings, long-distance travel, car hire and accommodation. The resulting impact is not only reflected in saving on travel-related expenses, but will also contribute to reductions in CO_2e.

Short-haul economy flights increased by 63%. Long- and short-haul travel during 2022 were 2 025 210 km (2021: 949 702 km). Total carbon emissions related to travel during 2022 were 419 290 kg CO_2e (2021: 176 673 kg CO_2e).

Although vehicle fuel consumption increased during the reporting period following more restaurant visits by the operational teams, overall consumption is below 2019 levels.

CARBON FOOTPRINT REPORT (CFR)

Spur Corporation conducts a bi-annual carbon footprint report[2] to monitor the group's impact on climate change and to determine organisational boundary. Within the GHG[3] Protocol, accounting and reporting are guided by five principles – relevance, completeness, consistency, transparency, and accuracy – to ensure that reported information represents a true and fair account of emissions. These principles are intended to underpin all aspects of greenhouse gas (GHG) accounting and reporting. The group's CFR was conducted by an external party[4] to ensure compliance with the above principles.

In accordance with the GHG Protocol, clear organisational and operational boundaries have been defined and agreed to by Spur Corporation, with the relevant activity data supplied.

Emissions reported on reflect absolute values and intensity values *(e.g., emissions per full-time employee; emissions per square metre of office space; number of seats, plate count and/or emissions per R millions of EBITDA)* and reflect full-time employees (FTEs) and 8 297 square metres (m²) of floor area.

This year's CFR covers emissions from the business activities of Spur Corporation in their regional offices (in Cape Town, Johannesburg, and Durban), Spur Central Kitchen (SCK) and the Décor, Call Centre and Training Facility (Décor). All restaurants, besides five company-owned ones, are franchises. These five[5] have been incorporated into the footprint for the first time, namely Hussar Grill in Camps Bay, Mouille Point, Rondebosch and Morningside, and RocoMamas in Greenpoint.

It is important to highlight that under the GHG Protocol, the reporting of both Scope 1 direct emissions and Scope 2 indirect emissions is compulsory. All Scope 3 emissions, (i.e., those from supply chain activities), are reported at the discretion of the reporting company.

As a result, the GHG-emitting activities covered by the CFR include:

- Direct emissions (referred to as Scope 1), resulting from fuel used by Spur Corporation-owned or Spur Corporation-controlled equipment (stationary fuels); fleet vehicles (mobile fuels); and air-conditioning, refrigeration, and fire-suppressing gas refills (fugitive emissions).
- Indirect emissions from purchased electricity (referred to as Scope 2).
- Selected indirect emissions in the supply chain (referred to as Scope 3), resulting from Spur Corporation's business travel activities, its employee commuting, upstream and downstream distribution, the consumption of products and services (paper, marketing material, packaging, water), electricity transmission and distribution (T&D) losses and waste disposal. Well-to-Tank (WtT) emissions are also included for the first time. This, combined with Tank-to-Wheel (TtW), accounts for the full lifecycle of energy known as Well-to-Wheel (WtW)1 and is considered best-practice reporting.

1 *REF; GO Report 2022*
2 *Reporting data is available from 2017 and 2019 respectively. The next reporting period was set for 2021, but due to limited operations and budget constraints as a direct result of COVID-19, the group was not able to conduct the independent report. The 2022 report is reflected in this integrated report.*
3 *The GHG Protocol is the most widely used standard for mandatory and voluntary corporate GHG reports and is compatible with other international GHG reporting standards such as ISO 14064. It is derived from a multiple-stakeholder partnership of businesses, NGOs and governments led by the World Resources Institute and The World Business Council for Sustainable Development.*
4 *Ref. SC CFR Report 2022 – Carbon Calculated*
5 *MODROCKERS (est. November 2022) is still in a proof of concept and have been excluded from the 2022 report due to insufficient data*

Summary of Spur Corporation's emissions and company metrics reported for 2022

Scope 1

228 tCO_2e
Stationary fuels

4 tCO_2e
Fugitive emissions

Owned/controlled
by reporting company

9 tCO_2e
Mobile fuels

n/a tCO_2e
On-site renewable energy

Total Scope 1 **241 tCO_2e**

Scope 2

1 882 tCO_2e
Purchased electricity

Total Scope 2 **2 123 tCO_2e**

Intensity metrics
Scope 1 and Scope 2

Scope 3

2 667 tCO_2e
Purchased goods and services

616 tCO_2e
Fuel and energy related activities

1 392 tCO_2e
Upstream transportation and distribution

411 tCO_2e
Waste

290 tCO_2e
Air travel

106 tCO_2e
Road travel

111 tCO_2e
Accommodation

401 tCO_2e
Employee commuting

566 tCO_2e
Upstream leased assets

Total Scope 3 **6 559 tCO_2e**

Company metrics

8 297
ZARm Revenue
0.256
tCO_2e/ZARm

8 297
Area m²
0.256
tCO_2e/m^2

398
FTE
5.333
tCO_2e/FTE

Spur Corporation's CFR reporting and consumption has changed notably between years in the following ways:

Well-to-Tank (WtT) emissions have been added to Scope 3 in addition to the previously reported Tank-to-Wheel (TtW) emissions within Scope 2. Combined, this accounts for the full lifecycle of all fuels combusted by the company, including mobile fuel and stationary fuel, as is best practice.

Five company-owned restaurants were included for the first time, namely Hussar Grill Camps Bay, Hussar Grill Mouille Point, Hussar Grill Rondebosch, Hussar Grill Morningside and RocoMamas Greenpoint.

Fugitive emissions were reported (for two facilities only) for the first time.

Upstream transportation and distribution by third-party companies, namely Vector and SWE, were included for the first time.

Reduction in all business travel owing to the COVID-19 pandemic, which reduced travel considerably.

The diesel consumption has increased considerably due to the increase in Eskom power outages and resulting use of generators.

Décor has shown a significant increase in electricity consumption with the move of the cold storage drive-in refrigerator from Central Kitchens to Décor.

Science has made it clear that we must limit global temperature rise to 1.5°C above pre-industrial levels. According to the Inter-governmental Panel on Climate Change (IPCC), GHGs from human activities have been responsible for approximately 1.1°C of warming since 1850. Based on current country, city, and corporate action, we are on a trajectory to exceed 1.5°C of warming over the next 20 years. However, ambitious, and sustained GHG emission reductions from cities, countries and non-state players would allow a climate-safe future and limit global warming to 1.5°C. It is therefore in the group's best interest to develop its understanding of the broader social, environment and financial impacts of climate change, by exploring potential risks and opportunities that could have direct implications[1].

[1] *Ref. SC CFR 2022*

KEY ENVIRONMENTAL STRATEGIES FOR F2023

The group's environmental sustainability team focuses on ten key themes.

ENVIRONMENTAL SUSTAINABILITY
(Alignment with international frameworks, UN SDGs GRI and national requirements: NDP)

SUSTAINABLE TRANSPORT AND REDUCTION IN CO_2

REDUCTION OF SINGLE-USE PACKAGING
(Driving circularity)

GREEN BUILDING AND BUILT ENVIRONMENTS

EFFECTIVE WASTE MANAGEMENT

SUSTAINABLE CONSUMPTION AND PRODUCTION

EFFECTIVE RESOURCE MEASUREMENT AND MANAGEMENT
(Energy and water)

STAKEHOLDER ENGAGEMENT

TRANSFORMATION AND EMBEDDING ENVIRONMENTAL SUSTAINABILITY PRINCIPLES

CLIMATE ACTION

Key actions for 2023

- Enable and support leadership to deepen environmental goals and principles into the business units
- Change the technology platform of the GO Reports to further improve the quality of data and restaurant-level engagement
- Develop and roll out environmental sustainability training modules for the new online training platform to broaden reach
- Develop a response to the 2022 Carbon Footprint Report by considering offsetting GHG emissions through either the purchasing of renewable energy or incorporating appropriate offsetting mechanisms
- Identify, track and report on potential food waste

SOCIAL

EMPLOYEE EQUITY AND EXPERIENCE

Employee equity

Employee equity (EE) is a critical component of transformation and a priority for Spur Corporation. The group's employment equity plan aligns its recruitment policy with the requirements of the Employment Equity Codes of Good Practice.

During the year, we established an employment equity and learnership and development committee.

A workshop for committee members was held, which covered:

- Transformation: distinguishing between B-BBEE and EE
- The rationale behind the EE Act
  - Racial discrimination
  - Gender discrimination
  - Disability discrimination
- Purpose of the EE Act
- Duties of the designated employer
- Responsibilities of the committee
- Learning and development
  - National strategy
  - Sector development strategy
  - Company development strategy
- Transformation considerations

In April 2022, the committee considered and recommended the workplace skills plan to the executive team.

Broad-based black economic empowerment

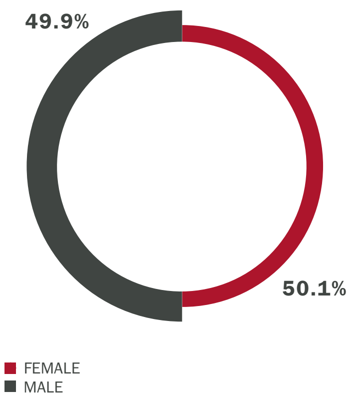
The group's external verification process for its B-BBEE rating was finalised by the end of October 2022 and an updated scorecard issued. Refer BBBEE scorecard on the group's website

Employee profile

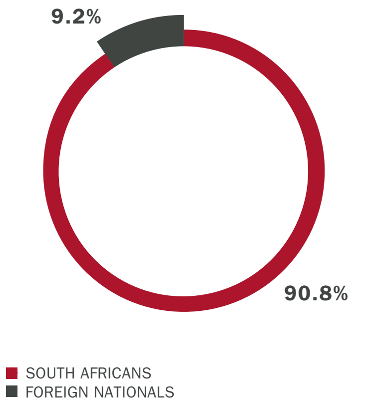
The tables below align with the submissions to the Department of Employment and Labour. The next submission will be at the end of calendar 2022.

South African workforce as at 1 December 2021

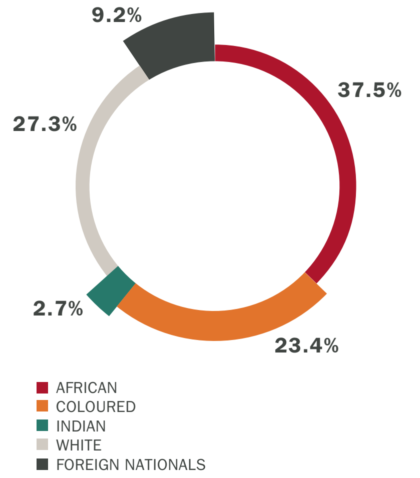
GENDER



NATIONALITY



RACE



During the year, we aligned our job grades with occupational levels, as defined by the Department of Employment and Labour. This resulted in a realignment of the number of employees in each occupational level. For example, the re-categorisation of our senior management category resulted in a reduction from 33 employees to ten.

In May 2022 we appointed a black woman as the chief marketing officer. This resulted in the successful transformation of the executive team in less than two years to 50% female and 50% black.

The group follows the applicable labour laws in each country of operation. We carefully evaluate the relevant skills requirements of the position and aim to employ from the South African population first. More than 90% of our employees is South African. Where we employ foreign nationals, all the required documentation is in place.

50%
of Spur Corporation's board of directors is black and
60%
female

This exceeds the voluntary targets included in the board diversity policy that requires the board to comprise not less than 25% black directors and 20% female directors.

Employee development

As part of the group's definition of its purpose of **Leading for the Greater Good,** new leadership behaviours were defined last year. As one of the agreed leadership behaviours is ***People First***, the human resources team focused on strengthening its capabilities to support and facilitate our goal of prioritising our employees' experiences.

Our leadership behaviours

We work together to create a collaborative work environment in which we can accomplish shared goals for a **win-win** outcome.	We are **resilient**, because we seek solutions and confront challenges by consistently working towards success.
In line with our culture of continuous **learning and development,** we grow our people through coaching and mentoring.	We value **diversity** and **inclusion**, and strive to connect with and empower our people, encouraging trust, optimism and a sense of fun!
We champion **innovation** by remaining open to new ways of thinking and encouraging **curiosity and creativity** in our people.	We **communicate** with clarity and sensitivity by asking questions, offering honest feedback and listening with positive intentions.
As **courageous leaders,** we lead by example by taking action and making brave decisions with care.	As leaders, we strive for **excellence** by demonstrating self-awareness, building strong relationships and achieving results with integrity.

KEY OBJECTIVES OUTLINED IN F2021 REPORT

We outlined a number of focus areas in terms of employee development in our integrated annual report last year. This section outlines our progress.

OBJECTIVES	PROGRESS
Human resource priorities	
Building organisational capability to improve strategy implementation and change leadership.	Our board and leadership engage regularly to ensure effective strategy implementation. The new executive team has a strong focus on change leadership, with several initiatives, including the launch of change leadership sessions this year.
Growing our talent and accelerating career opportunities.	We launched two development programmes, the Rising Leaders and Ignite, to develop our internal pipeline of leaders. We have rolled out a succession plan that identifies potential employees for critical roles.
Differentiating ourselves as an employer to achieve competitive advantage through our people.	Building capability and capacity was our priority this year. We continue to focus on identifying elements that will differentiate us, with focus areas during the year including a values identification programme, incentive schemes and career planning. Training and development spend also increased significantly this year.
Accelerating diversity, equity and inclusion.	This will continue to be a key focus area. The executive team was transformed in less than two years to 50% female and 50% black.
Key human resource questions we explored	
Are we able to attract and retain the talent we need?	• We introduced short-term and long-term incentive schemes as part of our retention strategy • We also finalised our succession planning process • We introduced a performance navigation system that allows easier tracking of performance
Are we engaging with our employees and making sure we remain connected?	• We have improved our internal communications • We conducted a climate survey and have hosted feedback sessions to understand the areas requiring improvement • Our values workshops resulted in meaningful employee engagement and a clear strategy for ongoing culture change
How can we accelerate the development and skills of our emerging talent for business critical roles?	• We have improved the structure of feedback processes to employees and have identified employees for critical roles for succession planning We have launched development programmes, such as the Rising Leaders and Ignite programmes. Refer to pages 20 and 21.

KEY INITIATIVES THIS YEAR

During this year, a people, leadership and culture plan was finalised, with clear actions to create engaged, productive and happy employees.

Actions included:

1. Values roll-out
2. Change leadership programme
3. Worklife 3.2
4. Culture survey

Values roll out

The group rolled out a values-defining programme this year, with 14 internal values influencers selected to conduct workshops with employees throughout the country. 96% of employees formed part of the creation of new values. This process ensured bottom-up participation, with the sentiment of our employees reflected in the new company values.

Our new company values were confirmed as:

People First
We support our people with compassion and acceptance because we believe we are better together.

United by Purpose
We prioritise inclusivity, mutual respect and open communication as the foundation for living out our shared purpose with integrity.

Lead Innovation
We challenge ourselves to exceed expectations through bold innovation and a consistent passion for quality.

Empower Excellence
We create opportunities to empower the best in our people through generous teaching, constructive feedback and inspirational leadership.

Change leadership programme

We initiated a leadership development programme to equip our senior teams with skills for optimal employee engagement.

The programme strengthens organisational capability to deal with the constant pace of change and assists our leaders to lead teams through transition.

During the year, 132 leaders in our business attended the sessions. The programme has allowed us to create a common frame of reference within the company for change leadership and reinvention.

The leadership team hosted national workshops and discussion sessions throughout the organisation.

Workshops were conducted with 224 office-based employees.

These sessions interrogated the group's culture and the current level of transformation, with presentations by senior members of our team.

- Transformation in the group – CEO Val Nichas
- Franchisee network – COO Kevin Robertson
- Environmental sustainability – Environmental sustainability manager, Joe Stead
- Employment equity – Group people, leadership and culture executive, Colleen Carr
- Broad-based black economic empowerment – Group supply chain executive Robin Charles and transformation executive Moshe Apleni

Working 3.2 model

As outlined last year, we transitioned to a hybrid working model in November 2021 that requires employees whose roles allow for remote working to work three days a week in the office and two days remotely.

This was implemented to facilitate flexibility for employees, while ensuring that teams are able to participate and interact at work to achieve the organisation's strategic and operational objectives. We value face-to-face engagement and collaboration and will continue to review the programme and re-evaluate at the end of 2022.

Culture survey

A culture survey was completed with Spur Corporation employees. We are pleased that 240 employees took part in the survey.

Positives	• Engagement with and support from managers • Company vision and strategic alignment • Values and behaviours • Brand perception	
Areas for improvement	• Communication • Rewards and recognition • Career development • Managing workload and stress	**Actions taken** We had a feedback session, which explored ideas for improvement. We are rolling out additional change leadership sessions focusing on the alignment of our values and increasing levels of communication, trust and collaboration. During the year, the CEO travelled nationally to engage with teams.

Learning and development

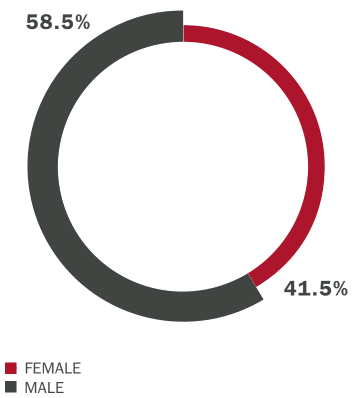
The learning and development of group and franchisee employees ensures that we not only retain, but also develop our employees for career progression. We aim to empower employees to execute their functions effectively through updating our learning content, intellectual property and facilitation methodologies. We monitor progress through feedback and reports.

Employees

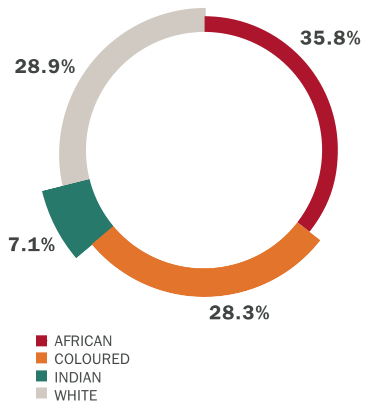
The group significantly increased its investment in development programmes.

We invested R2,9 million (2021: R343 970) in learning and development programmes for employees during the year. The significant increase was due to a return to the office post COVID-19 and a stringent focus on the development requirements in our performance scorecards. We also launched new programmes, including Rising Leaders and Ignite.

GENDER – FY2022



RACE – FY2022



TALENT DEVELOPMENT ACADEMY

We launched our own talent development academy, the Rising Leaders Academy. This is a key milestone in the group's purpose of **Leading for the Greater Good** and transitioning into an employer of choice. The Academy is focusing on formal career development and fast-tracking quality candidates.

The programme was launched in April in partnership with UCT's Graduate School of Business. 17 candidates from across the business were nominated for the programme and immersed themselves in an intensive programme to catapult them into the next stage of their leadership progression.

The first cohort consisted of 17 employees from across the group, with 76% black and 41% female employees

IGNITE

The Ignite programme was launched to enhance skills across the group, to create a talent pipeline and to support career development. A key focus area is the development of emerging middle management candidates.

24 delegates

88% black

38% women

Franchise employees

Courses are provided for franchise employees at training centres in Johannesburg, Durban and Cape Town, as well as online. Training includes food preparation and safety, operational efficiencies, financial management, sales techniques, management skills, environmental awareness and customer safety.

During the year, 11 832 (2021: 14 369) franchise employees were trained at internal and regional training workshops conducted across South Africa. The decline was due to increased training on COVID-19 measures in the previous year.

In addition, practical training is offered at accredited training restaurants in Gauteng, KwaZulu-Natal and the Western Cape.

144

(F2021: 92)

people were trained at training restaurants this year.

ETHICAL AUDIT

The HR department reports to the social, ethics and environmental sustainability committee and the board on the group's compliance with regulations.

The group conducted a voluntary ethics audit two years ago, with policies and plans to ensure the company's compliance with the following:

- The UN Global Compact (UNGC) Principles on Human Rights and Labour Standards
- The promotion of equality, prevention of unfair discrimination, and preventing corruption
- The International Labour Organisation's protocols in respect of working conditions

Several policies were approved last year and implemented and communicated this year:

- Land rights
- Child and forced labour
- Discrimination
- Sexual harassment
- Benefits and allowances
- Human rights

EMPLOYEE ASSISTANCE

An externally-facilitated employee assistance programme is in place. The programme focuses on four key areas:

1. Physical
2. Emotional
3. Financial
4. Legal support

Wellness initiatives include participation in an annual health wellness day, psychological support and trauma counselling, flu injections and eye screenings, encouraging employee involvement in social fitness events and hosting personal finance management workshops.

We continued to see an increase in employees making use of our employee assistance programme due to economic pressures. This programme is available to all Spur Corporation employees.

34%

(2021: 26%)

of our employees used the employee assistance programme this year.

We allocated

R406 129

(F2021: R400 000)

to our employee wellness initiatives and support programmes.

The top issues identified:

- Child and family care
- Work/life balance
- Depression
- Financial wellbeing

To assist employees, we partnered with an external provider to address mental health as part of our employee wellness campaigns. We also conducted a number of webinars to assist employees with mental health issues.

REWARDS AND RECOGNITION

The new minimum wage for corporate employees increased this year to R8 450 (2021: R7 020) per month, aligned to the principle of a living wage. Company-owned retail restaurants comply with regulations governing minimum pay. We continue to look at increasing the take-home pay for our lower-level employees with average increases of above 15% for our semi-skilled and unskilled categories of employees to continue addressing our wage gap.

The group offers funding for employees' studies for career development, as well as bursaries for children of employees.

Bursaries for children of employees

R908 403

F2021: R638 069

F2020: R798 800

SALARY INCREASES

During the calendar year we had a salary increase programme of 6.5%. 64% of employees received an average increase of 6.5%, 21% of employees between 7% to 10% and 14% of employees who received more than 10% increases.

This process was guided by a job grading of all roles, which involved matching grades to external benchmarked market data. This allowed us to formalise where an employee should fall within their pay range.

SOCIETAL IMPACT

Spur Corporation, through its wholly-owned subsidiary, Spur Group, has a Spur Foundation Trust for philanthropic programmes on a non-profit basis.

The Trustees met quarterly during the year under review.

The group spent

R1.6 million

(2021: R1.2 million)

on socio-economic empowerment funding this year.

Responsible engagement with society

The group's engagement with the broader society consists of its engagement with a range of stakeholders, including customers and communities.

The group has a foundation in place to manage its community programmes.

THE SPUR FOUNDATION FOCUS

The Foundation aims to uplift and improve the lives of South African families, especially children, in line with the group's values and aligning with our purpose of **Leading for the Greater Good**.

The Foundation focuses on early childhood development (ECD) projects aimed at children from disadvantaged communities up to the age of six. The organisations we support currently train ECD practitioners and equip ECD centres with educational material.

Early childhood interventions are important as they assist to mitigate the impact of adverse experiences at a young age. If not addressed, these could lead to poor health, low educational achievements, economic dependency, increased violence and crime and substance abuse and depression.

The Spur Foundation and various brand initiatives spent R1.6 million (F2021: R1.2 million).

The Foundation contributed R710 517 (F2021: R322 535) towards the training of 27 women in North West and 17 principals in Gauteng. An additional R139 050.60 was allocated to graduation for each graduating centre.

The Spur Full Tummy Fund contributed R356 057 towards the North West project and an additional R203 478 to projects in Eastern Cape and Western Cape (2021: R95 484). This programme fed more than 700 children every school day during the past year.

An annual contribution of R80 000 is made to The Teddy Bear Clinic in aid of their SAFE Prevention Programme. Funding to other beneficiaries was reduced and projects completed during the last two years, allowing the Foundation to focus on key projects aligned to its core purpose.

PROJECTS DURING THE YEAR

ECD Training Programme

The Foundation is funding a three-year training programme in Phokeng, North-West. Training commenced in April 2021 with 30 women, ten principals and two teachers from ten under-resourced daycare centres. They participated in the following training:

C.A.R.E Programme

This programme focuses on creating a pre-school environment to cater for the needs of the children, including basic hygiene, childcare, nutrition, stimulation, learning and daily management. This programme aims to ensure that pre-schools are effectively structured to enable eligibility for government subsidies.

27 of the 30 participants graduated from this programme in October 2021, with the three who did not finish the course due to employee changes at two of the centres.

Child Development Programme

This programme is an accredited learning programme, with credits towards a National Certificate: Community Development Level 2. The programme focuses on understanding children's development and how to create effective learning activities.

29 women from Phokeng and 17 principals from Alexandra graduated in October 2022.

Money Management Programme

The Money Management Programme assists participants to budget and grow their businesses.

Nine principals will start this programme in February 2023 and graduate in June 2023.

BRAND INITIATIVES

During the previous year, the Spur Foundation was restructured to focus on the group's socio-economic development projects, with Spur Steak Ranches taking over the group's Full Tummy Fund as their chosen initiative and John Dory's and Panarottis creating their own charitable initiatives John Dory's Zero Waste Initiative and Panarottis for Family.

Spur donates R1 from every Spur Kids Burger to the Spur Full Tummy Fund.

During the year, R647 657 (2021: R637 003) was raised.

The fund feeds more than 700 children at under-resourced daycare centres across South Africa every school day.

World Hunger Day

The Spur Full Tummy Fund partnered with Rise Against Hunger, an NGO that supports daycare centres with meals. The team assisted at meal packing events. 31 286 meals were packed, which will feed 142 children every school day for a year. 3 700 of these meals were sponsored by Indianopolis Spur Steak Ranch.

The Spur Full Tummy Fund will host this event every year from 2023.

#NoOneLeftOut

The Early Care Foundation identified 627 children between the ages of six months to six years who have not been able to return to their daycare centres in Alexandra and Phokeng due to the effects of COVID-19.

This has resulted in these children in vulnerable communities losing their access to daycare facilities and the daily nutrition they provide. We have launched a programme at head office and franchise level to sponsor children for a year. To date, we have secured sponsorship for 113 children.

John Dory's Zero Waste Initiative focuses on providing education, support, resources and funding to impact and extend environmental resources.

John Dory's donates R1 from a meal item on their main menu to their Zero Waste Initiative. This changed from the John's Platter to the Hake and Chips in April 2022.

During the year, R62 630 (2021: R26 310) was raised.

Panarottis For Family assists projects aimed at supporting families affected by disabilities. They will expand on this as the initiative grows.

Panarottis included their Panarottis for Family initiative on their new menu in July 2021, with R1 from every top-up sold donated to this initiative.

During the year, R345 078 (2021: R53 733) was raised.

SUPPLY CHAIN INFLUENCE

The group's procurement team works with its third-party logistics provider to influence the progression of transformation at suppliers of the group.

We have eight enterprise development partnerships in place.

Name of Business	Product	Our involvement	Start date	Status	Value to date	Brand
Nomageba Meats	Meat	Advice on effective supply and processes	1 September 2021	Supplying nine Spurs in Gauteng with steak, fillet and lamb chops	R429 999	Spur
Phetogo Chicken	Chicken	Financial contribution though investment in equipment	1 June 2022	Evaluating possible supply	R460 000	
Farmers' Choice Urban Farm	Fresh vegetables	Advice on effective supply and processes	1 May 2022	Supplies lettuce and herbs to RocoMamas Menlyn	R6 000	RocoMamas
Sizakele Community Farming	Butter lettuce and herbs	Advice on effective supply and processes	November 2021	Supplies lettuce and herbs to seven RocoMamas in Pretoria	R75 600	
Wear Strato Clothing	Clothing	Advice on effective supply and processes	July 2022	Clothing	Negotiating supply in Western Cape	
MissK Productions	Video and photography	Commissioning projects	1 September 2022	Photography and internal projects	R55 000	Spur Corp
Lifakekhaya Foundation (Lebo's Bag)	Wellness	Purchase of bags with key essentials for employees' children with Spur Corp bursaries	February 2022	A community-based organisation offering wellness programmes	R34 500	
Duo Designs	Corporate gifting	Providing ongoing orders	July 2022	Corporate gifting and small-scale events	R216 320	

Phetogo Farming – Gauteng

Phetogo Farming in Gauteng started chicken farming in 2006. The founders, husband and wife Tumi and Lebo Mokwene, started with 13 000 broiler chickens. More than 385 000 chickens are produced between two farms. Phetogo employs 24 permanent employees and creates seasonal employment for a minimum of eight workers every cycle. The company also offers skills transfer of broiler and farm management to qualifying students and graduates from agricultural universities and colleges.

Spur Corporation has partnered with Phetogo through an initial contribution of R450 000 for the purchase of a generator to assist during loadshedding. We are also investigating additional involvement to assist with growth opportunities.

Miss K Productions – Cape Town

Miss K Productions is a boutique production house in Cape Town, focusing on photography, videography and narrative fiction. The company was founded in 2012 by Khosie Dali, a young black woman, with the objective of providing filmmakers of colour a home to hone their skills.

Since inception, Miss K Productions has provided work opportunities to emerging black creatives in photography, videography and music videos.

During COVID-19 this business lost several corporate assignments. Spur Corporation has provided regular photographic assignments since July 2021.

COMPLIANT FRANCHISE NETWORK

Franchises are encouraged to improve their B-BBEE status as part of the group's commitment to transformation.

We have progressed from 22% black ownership in our franchise network to 28% this year.

Focus areas

- Transformation is a key discussion point at all franchise engagement forums, including addressing areas that require improvement
- Identification of opportunities for the advancement of black franchisees. This has included evaluating internal or external models for funding assistance
- Continuous discussions with current franchisees to implement programmes for black restaurant operators to earn equity or take part in a profit share agreement
- New franchisees are required to have a black partner or a profit share/equity opportunity for the black management team
- New restaurants have to create an opportunity for employment of at least 30 to 50 people
- We offer training programmes to facilitate internal promotions and career development
- We evaluate how to improve employees' working experiences. This includes working conditions, remuneration and communicating our new company values through the franchise network

STAKEHOLDER ENGAGEMENT

The group has categorised its main stakeholder groups, with a strategy for each audience. The key four key stakeholder groupings are outlined in the main section of the integrated annual report.

This section outlines our engagement with our broader stakeholders.

Government and regulators

Why we engage	How we engaged this year
Effective communication with relevant government bodies and regulators is critical for compliance with legislation.	• Directly with and by participating in public forums • Discussions with industry bodies • Stakeholder engagement sessions

Their key concerns and expectations

- Complying with regulatory requirements relating to aspects such as safety, health, nutrition and environmental performance
- Protecting personal information in line with regulatory requirements
- Contributing to the tax base and other revenue streams of governments in our operating countries
- Contributing to the economies of the countries where we operate through investment
- Creating employment opportunities and assisting with socio-economic development

How we responded

- Monitoring and reporting on compliance with legislation in the organisation
- Ensuring timeous response to and reporting to bodies
- Establishing internal targets and measures
- Ensuring required certifications and assurances

Financial providers

Why we engage	How we engaged this year
Our financial strength is supported by equity from shareholders and financial support from financiers.	• In-person and virtual meetings, roadshows and conferences • Interim and annual results announcements • Annual and interim reports • SENS announcements

Their key concerns and expectations

- Managing and mitigating risk
- Sustainable return on investment
- Cash generation and financial risk management
- Maintaining the dividend policy while protecting our balance sheet and liquidity
- Good corporate governance
- Transparency and accountability
- Engaging on executive remuneration

How we responded

- Regular engagement, including availability for requested meetings
- Provision of timeous and reliable information
- Enhanced board processes of sign-off for capital allocation. The board executives improved the analysis of return on capital this year to demonstrate the effective deployment of capital

Analysts and media

Why we engage	How we engaged this year
Analysts and media provide other stakeholders, especially providers of equity capital (shareholders) and providers of debt capital (bankers), with research and information on the Group, its performance and challenges.	• In-person and virtual meetings, roadshows and conferences • Interim and annual results announcements • Annual and interim reports • SENS announcements • Investor presentations

Their key concerns and expectations

- Transparency
- Access to leadership and information
- Operational performance

How we responded

- Multiple media and analyst meetings during the year within the guidelines of the JSE regulations
- Issued media releases on key developments, including results and new management appointments

Employees

Why we engage	How we engaged this year
Our employees are crucial ambassadors for our brand. They also assist us to deliver our strategy with their skills, experience and productivity.	• Internal communication campaigns • Change leadership sessions • Training and development programmes • Culture and values programme • Employee culture survey and feedback sessions • Transformation sessions • Formalised performance management sessions and career development sessions

Their key concerns and expectations

- Providing a safe and inclusive working environment
- Ensuring job security and business sustainability in a challenging macroeconomic environment
- Skills development and career progression
- Providing competitive remuneration
- Driving transformation
- More efficient and effective communication

How we responded

- Roll out of the hybrid working model – three days in the office and two days from home
- Conducted an employee satisfaction survey
- Developing a succession planning process
- Launched an internal communications programme
- Launched leadership development programmes
- Completed the remuneration grading of all roles
- Reviewed salary bands and benchmarks and improved alignment towards the group's stated intent of paying on 50th percentile on salary bands
- We awarded an average salary increase programme of 6.5%. For certain lower-grade employees we offered a 10% increase, as we continue improving the pay structures within the group
- The first allocation of STI and LTI incentives in terms of the shareholder-approved share scheme was allocated

Customers

Why we engage	How we engaged this year
Our customers purchase our products and services, participate on our platforms and provide the primary source of our revenue.	• Offering a brand experience at our franchised and owned restaurants • Interactions on our social media channels and through our customer call centre • Advertising and marketing

Their key concerns and expectations

- Providing affordable and quality products and experiences
- Providing safe spaces for enjoyment
- Providing digital solutions, such as click and collect, efficient takeaways
- Protecting personal information
- Providing swift customer service and resolving service-related issues promptly

How we responded

- Diverse menu offering at different value propositions
- Focus on management of supply costs to limit price increased and impact on consumer
- Introduced two new drive thru restaurants for RocoMamas
- Hosting consumer focus groups
- Review and risk assessment of consumer protection legislation. It was found that there are no matters that constitutes a material risk to the group
- Introduced sensor tags for children's safety in more than 60% of restaurants. 100% compliance is scheduled by early next year

Collaborators (franchises, suppliers, property owners, intermediaries)

Why we engage	How we engaged this year
Our extensive network of property owners and intermediaries as well as key suppliers and a resilient franchise network acts as important ambassadors for our brand. Our partnerships with franchisees are crucial to our success.	• Regular franchise advisory council meetings • Franchise network engagements One-on-one business sessions • Training sessions and roadshows • Restaurant visits • Engagement with property owners in support of franchisees • Ongoing engagement and negotiation with suppliers • Ongoing engagement and negotiation with outsourced distribution partner

Their key concerns and expectations

- Operational and strategic support
- Increasing input costs
- Brand relevance
- Prompt payments for services and products

How we responded

- Restructured our franchisee engagement forums to continue to improve how we work with them
- Negotiated with landlords at franchisee requests, where required
- Focused supply chain activities that ensured quality purchase at best price
- Ongoing supplier collaboration and reviews to ensure compliance
- Reduced the distribution cost to franchisees on certain products and promotions, which improves the food cost for franchisees
- Assisted with a review of energy solutions for franchisees, as requested

Communities

Why we engage	How we engaged this year
Our relationships with the communities in which we operate can impact our brand and reputation. We aim to be a responsible business and understand the impact of our activities on communities.	• Partnerships with non-profit organisations (NPOs) • Community activities

Their key concerns and expectations

- Addressing the negative socio-economic impact of COVID-19
- Job opportunities
- Responsible operations
- Managing and reducing our environmental footprint

How we responded

- Spur Foundation continued to engage with communities and contributed R1.6 million to community programmes
- Our company-owned restaurants and franchisees continue to employ from communities
- Ongoing improvements in our environmental footprint

GOVERNANCE

GOVERNANCE REVIEW

INTRODUCTION

The group is committed to high standards of corporate governance and ethical business practices to ensure the sustainability of its operations and to contribute to long-term value creation.

The group is in the process of formalising its approach to environment, social and governance developments. Governance practices will continue to be reviewed to align with best practice and advances in the regulatory and compliance environment. King IV™ was applied during the 2022 financial year. The directors confirm that the group has in all material respects applied the principles of the code.

KEY BOARD ACTIVITIES IN 2022

- Following the appointment of a new CEO and CFO last year, the board, with assistance from the nominations and remuneration committee, monitored the change management process under the new executive leadership
- Regular engagement with the leadership team to support the implementation of the strategy
- Ongoing support to the leadership team with their transformation initiatives
- Assisting the leadership team to mitigate business risks
- Approving the payment of the delayed dividend for the period ended 31 December 2019, which was declared on 26 February 2020, with a payment date of 25 October 2021
- At the request of executive directors, supporting the team with the recruitment of a chief marketing officer through conducting final interviews. Following a rigorous recruitment process, Vuyo Henda was appointed in May 2022
- Evaluating the external environment and ongoing challenges, including macro-economic conditions and the impact of civil unrest in July 2021
- Finalising the appropriate implementation plan for the short- and long-term incentive schemes and critically assessing the first allocations to ensure alignment with rules and stakeholder expectations
- Adopting a Delegation of Authority Framework, as recommended by King IV™. The existing Limits of Authority Policy was enhanced to formalise the powers reserved for the board and those delegated to the leadership team through the CEO
- On recommendation from the audit committee, appointing an internal auditor with effect from 1 July 2022
- Updating the Trading in Securities and Price Sensitive Information Policy
- Reviewing and approving the group's code of conduct and ethics
- Approving the budget and business plan for the 2023 financial year. This has included:
  - Considering and approving the allocation of capital initiatives
  - Introducing a delegation of authority framework
  - Assessing risk management processes, with support from the risk committee
  - Adopting the group's updated whistleblowing and ethics hotline following the recommendation from the social, ethics and environmental sustainability committee

REMUNERATION POLICY AND SHAREHOLDER ENGAGEMENT

The nominations and remuneration committee continued with its engagement with shareholders, with the most recent shareholder consultation process in August 2021. This focused on presenting the group's implementation plan of the new short- and long-term incentive scheme to align with shareholder expectations. Following these engagements, 76.67% of shareholders voted in favour of the group's remuneration policy and 81.69% voted in favour of the remuneration implementation report at the AGM in December 2021.

BOARD FOCUS AREAS FOR 2023

Ongoing support to management with:

- Strategic initiatives that will broaden the group's customer base
- Initiatives to build leadership capabilities at varying levels across group
- The ongoing refinement and roll out of the group's strategy to remain relevant in changing markets
- Transforming the supply chain through enterprise development
- The formalisation of the ESG strategy at group and franchisee level
- Effective risk monitoring in a changing landscape
- Effective stakeholder management

BOARD AND LEADERSHIP

Governance structures and processes are implemented without compromising the entrepreneurial culture that remains fundamental to the success of the group.

Management reports to the board on the material risks and opportunities that could impact the group's performance and provides directors with the information necessary to make objective judgements and effective decisions regarding the group's affairs.

Directors have unrestricted access to the group's information, records, documents, property, management and employees to fulfil their legal duties. They also have access to the advice and services of the company secretary and are entitled to seek independent professional advice at the group's expense after consultation with the chairman of the board and/or the group chief executive officer.

Non-executive directors have direct access to management and may meet with management without the executive directors.

BOARD COMPOSITION

At the date of this report, the board comprised three full-time salaried executive directors and seven non-executive directors. All non-executive directors, including the chairman, are independent in terms of King IV™ and the guidelines outlined in the JSE Listings Requirements. Brief biographies of the directors appear on pages 37 – 38.

During the financial year:

Sacha du Plessis resigned as an executive director from the group, with effect from 15 September 2021

After the financial year:

At its meeting on 18 August 2022, the board of directors of the company appointed Dr Shirley Zinn to succeed Cora Fernandez as lead independent director, with effect from 18 August 2022. Ms Fernandez served as lead independent director for two years. Dr Zinn's appointment as lead independent director is for a period of one year (subject to reappointment) in terms of the company's lead independent director charter.

DIRECTORS' APPOINTMENTS AND ROTATION

The board has a policy that outlines a formal and transparent procedure for appointing board directors. The board formally adopted a policy regarding diversity at board level. New board appointments are made in line with the diversity targets set by the board. While recommendations are made by the nominations and remuneration committee, the appointment of directors is a matter for the board and all appointments are subject to shareholder approval.

In terms of the group's Memorandum of Incorporation, and in compliance with the JSE Listings Requirements, no less than one third of the non-executive directors must retire by rotation at the AGM each year. Consequently, at the forthcoming AGM, Jesmane Boggenpoel, Cora Fernandez, Dr Shirley Zinn, and Mike Bosman will retire. They have offered themselves for re-election.

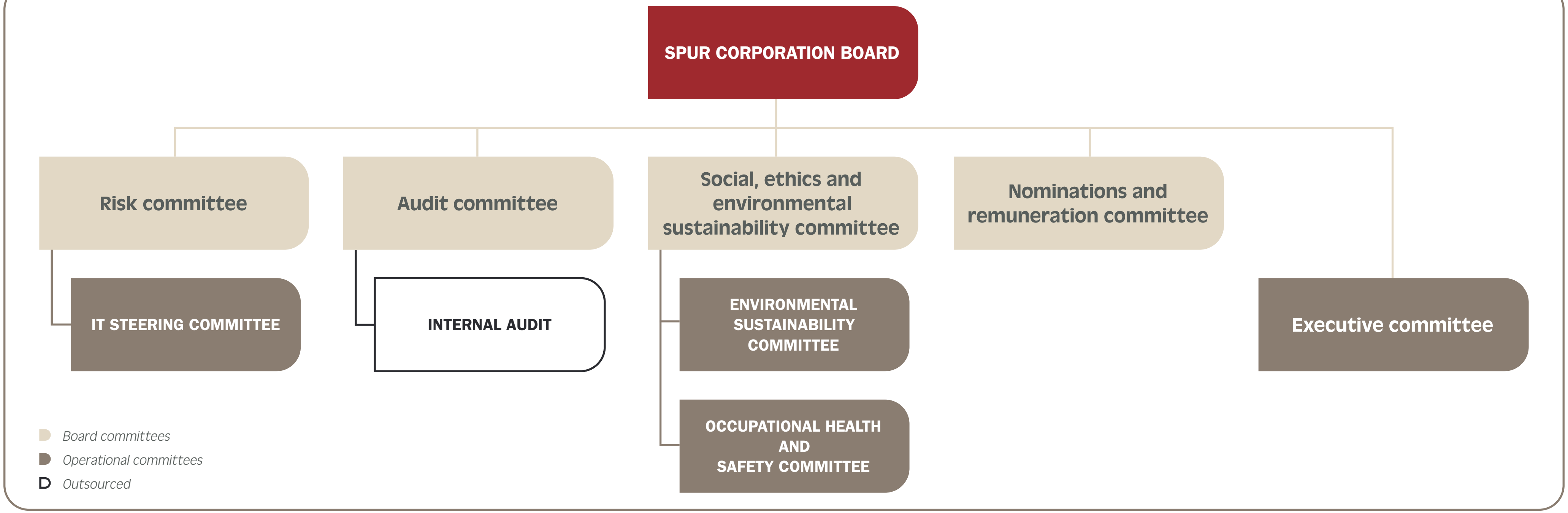
The nominations and remuneration committee has nominated these directors for re-election to the board.

COMPANY SECRETARY

The company secretary, Donfrey Meyer (ACG), assists the chairman in coordinating and administering the functioning of the board, the induction of new non-executive directors and ensuring statutory compliance. The appointment and removal of the company secretary is a matter for the board and not executive management.

The board has evaluated the performance of the company secretary during the period under review at the August 2022 board meeting and considered whether Mr Meyer has the necessary knowledge, qualification and experience to act as company secretary to the group. The board concluded that he demonstrated that he has the required skills to deliver the requirements of this role.

THE BOARD AND ITS COMMITTEES



ROLES AND RESPONSIBILITIES

The board is the custodian of corporate governance and ethics. It is responsible for developing and adopting strategic plans that align with stakeholder interests and expectations, result in sustainable outcomes and do not give rise to risks that have not been thoroughly assessed by management.

Governed by a formal charter, the board's roles and responsibilities include ensuring that the group is, and is seen to be, a responsible corporate citizen. It also ensures that the group has an effective and independent board and statutory committees.

The board's roles and responsibilities are outlined on pages 34 – 35.

The board retains ultimate responsibility for the fulfilment of all functions. It delegates certain powers to elected committees, each with defined roles and responsibilities, under their respective formal terms of reference.

The board mandates the executive directors and senior management to implement the strategy and manage the activities of the business daily through the leadership of the CEO. The chairman and the CEO have clearly defined and separate roles.

The board is satisfied that it has fulfilled its responsibilities according to its charter during the financial year.

COMPOSITION AND ATTENDANCE

All non-executive directors are classified as independent. The board meets formally three times a year to address governance matters and discuss operations, strategies, risks and other key issues. Additional meetings are convened, when required, to discuss urgent matters.

The board reviewed and confirmed the Diversity at Board Level Policy last year. This incorporates the JSE's amended requirements for broader diversity at board level. The diversity targets for race and gender requires the board to comprise no less than 20% female and 25% black directors. The board currently exceeds these targets.

A formal Limits of Authority Policy is in place, which grants specific levels of management (including individual directors and groups of directors) authority to commit the group to financial obligations of set limits. This policy prohibits a veto by any one director. Other policies grant certain directors and senior managers specific decision-making powers.

The board considered the requirement for a Delegation of Authority Framework, as recommended by King IV™. During the year, this was developed. The existing Limits of Authority Policy was enhanced to formalise the powers reserved for the board and those delegated to the leadership team through the CEO.

The group does not have a controlling shareholder, and there is no shareholder with the right to appoint a director to the board.

LEAD INDEPENDENT DIRECTOR

While the chairman is an independent non-executive director, the board believes that in the interest of independence and good governance, it is prudent to have a lead independent non-executive director (LID) in place. Independent non-executive director Cora Fernandez was appointed as the LID for a one-year term, with effect from 2 November 2020. Although the board's intent is to rotate this assignment annually, she was nominated and re-appointed by the board as the LID for an additional one-year term on 22 September 2021.

At the board meeting held on 18 August 2022, Shirley Zinn was appointed as the lead independent non-executive director for year ahead.

SELF-EFFECTIVENESS EVALUATION

As formal self-evaluations of the board, the committees, its chairmen and individual directors were conducted by an internally facilitated process for the year ended 30 June 2021, the next evaluation will take place in the coming year. This is in line with the recommended practice of King IV™ that requires evaluations to take place at least every two years.

BOARD COMMITTEES

AUDIT COMMITTEE

The audit committee has a range of statutory and other duties that include overseeing the group's engagements with its external and internal auditors, ensuring compliance with requirements of the Companies Act and reporting to the board regarding the group's accounting policies, financial controls, records and reporting. The audit committee held three scheduled meetings and one special meeting. Refer to page 2 of the consolidated financial statements for the audit committee report.

RISK COMMITTEE

The risk committee meets twice a year and oversees the assessment, management and reporting of risk in the group. Refer to page 22 in the main section of the integrated annual report for the material issues and risks.

NOMINATIONS AND REMUNERATION COMMITTEE

The nominations and remuneration committee oversees the nomination, appointment and development of directors and governs the setting and implementation of the group's remuneration policy. The committee had three scheduled meetings and three special meetings during the year. Refer to the remuneration report.

SOCIAL, ETHICS AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE

The social, ethics and environmental sustainability committee assists the board with the monitoring and reporting of social and ethical matters in the group in line with the Companies Act. The committee met twice during the year. The committee report is available on page 3.

BOARD AND COMMITTEE ATTENDANCE

Attendance at meetings for the year ended 30 June 2022 was as follows:

	Board	Audit	Nominations and remuneration	Risk	Social, ethics and environmental sustainability
Number of meetings					
Non-executive directors					
Mike Bosman	3/3+	–	6/6	–	–
Shirley Zinn[1]	3/3	–	6/6+	–	2/2
Cora Fernandez[2]	3/3	4/4+	6/6	2/2	
Jesmane Boggenpoel	3/3	4/4	–	–	2/2
Lerato Molebatsi	3/3	–	–	2/2	2/2+
André Parker	3/3	4/4	–	2/2+	–
Sandile Phillip	3/3	4/4	–	2/2	–
Executive directors					
Val Nichas	3/3	–	–	–	–
Cristina Teixeira	3/3	–	–	–	–
Kevin Robertson[3]	3/3	–	–	2/2	2/2
Sacha du Plessis[4]	–	–	–	–	–
% meeting attendance					

The table reflects attendance as members of the committee or board and excludes attendance as invitees/optional.

\+ *Chairman.*

[1] *Appointed lead independent director on 18 August 2022.*

[2] *Reappointed as lead independent non-executive director on 22 September 2021 to 17 August 2022.*

[3] *Appointed to social, ethics and environmental sustainability and risk committees on 16 September 2021.*

[4] *Resigned on 15 September 2021.*

COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

Spur Corporation is committed to compliance with relevant laws, codes and frameworks that apply to its operations and activities. The group risk officer, assisted by the CFO, is responsible for monitoring compliance within the organisation, assessing potential consequences or risks associated with new legislation, and reporting to the social, ethics and environmental sustainability committee in this regard. Significant non-compliance with mandatory laws and rules is escalated to the board, if required. The risk committee monitors management's actions taken on any non compliance with policies and what action is taken. No material or immaterial, but often repeated, regulatory penalties, sanctions or fines for contraventions or non-compliance with statutory obligations were imposed on the group or any of its directors. A focus area for the 2023 financial year is to update the compliance risk monitoring plan, per discipline and department, with detailed bi-annual assessments and feedback to the risk committee.

ORGANISATIONAL ETHICS

The board subscribes to governance practices that align with the philosophy of responsible leadership, incorporating the ethical values of responsibility, accountability, fairness and transparency. Supplier and employee agreements include provisions regarding ethics and compliance with laws.

The board is satisfied that the company has the processes in place to address any material breaches of ethical behaviour and confirms that the group continues to comply with the highest standards of business practice.

CODE OF CONDUCT

Spur Corporation's code of conduct and ethics (the code) is a principle-based document that aims to ensure that employees are aware of the requirement for mutual respect and integrity in all their dealings with one another and when they represent the group. The code was reviewed and approved by the board during the year. The code has been circulated to employees and includes the contact details of the group's anonymous and independently managed ethics hotline.

The service is available permanently and allows employees to report unethical behaviour. Reports are circulated to a list of recipients, which include the chairman of the board.

Reports are monitored by the social, ethics, environmental and sustainability committee, investigated by a special team and presented to an appointed panel to consider recommendations and required actions. There were no significant complaints or disclosures reported through the anonymous ethics hotline during the year.

A focus area for the 2023 financial year will be to add additional mediums in which tip-offs can be received, as well as the enhancement of the anonymous categorisation of queries for reporting and management purposes. We will also increase awareness of the hotline.

HUMAN RIGHTS

We are committed to respecting and upholding human rights. The group subscribes to the principles of the South African Constitution and the international accords and conventions to which South Africa is a signatory. The social, ethics and environmental sustainability committee provides additional guidance and oversight regarding adherence to human rights.

Spur Corporation's human resources practices align with the requirements of United Nations Global Compact Human Rights principles and the International Labour Organisation's Labour Protocols. During the year, the company addressed suggested areas of improvement that emanated from a voluntary ethical audit conducted last year. Recommendations included that the human rights policy should be communicated to all relevant parties on a regular basis. During the year, the group implemented ethical sourcing guidelines that require suppliers to align with our commitment to human rights and fair labour practices.

We also monitored the implementation of our updated policies on sexual harassment, discrimination, land rights and forced and child labour.

Regulations required employers to continue enforcing COVID-19 protocols of symptom screening, masking, social distancing, and hand hygiene for the duration of the National State of Disaster. The group adhered to these until they were repealed in June 2022. During the year. the group also introduced COVID-19 care packages that were sent to COVID-19 positive employees.

CONFLICTS OF INTEREST

The group's Conflict of Interest Policy governs gifts and prohibits kickbacks and bribes. It restricts personal employee relationships with suppliers, governs the use of company resources for non-company purposes, and limits the extent of employee business interests.

Employees, including executive directors, are prohibited from having any direct or indirect interest in a competing restaurant business, franchise or chain that is considered (at the discretion of the board) to operate in a similar market as the group. The historic policy relating to employee interests in group franchises were amended last year to reduce the risk of a conflict of interest. The policy now prohibits a direct or indirect investment by employees in group franchises. Where employees hold current pre-approved interests, these franchise agreements require a change in shareholding to external unrelated parties before the expiry date of the franchise agreement to allow a renewal. The majority of affected employees have already divested of their interests in group franchises or terminated their employment relationship with the group to focus on permanently running their franchise interests. Refer to note 43 of the annual financial statements for disclosure.

SHARE DEALINGS AND PRICE SENSITIVE INFORMATION

There are two formal closed periods ahead of the publication of the interim and annual results. During these times, directors and employees are restricted from trading in the shares of the company. The group's Trading in Securities and Price Sensitive Information Policy, which was updated during the year, requires directors to obtain formal clearance prior to dealing in the company's shares. This is facilitated by the company secretary from the chairman of the board or the lead independent director in the chairman's absence. All share dealings are disclosed to the company secretary and released on SENS within 48 hours of any trade.

The group entered into a share repurchase programme, registered with the JSE, which enabled the repurchase of the company's shares during a closed period. The closed period and repurchase programme commenced on 1 July 2022 and terminated following the publication of the company's annual financial results for year ended 30 June 2022 on 19 August 2022.

IT GOVERNANCE

The board ultimately assumes the responsibility for the governance of information technology (IT) by determining how technology and information should be approached and addressed in the group. The general management of the IT function has been delegated to the group technology executive. The IT steering committee acts as the operational committee that addresses matters related to technology and information. The IT steering committee meets quarterly and comprises senior executives of the group.

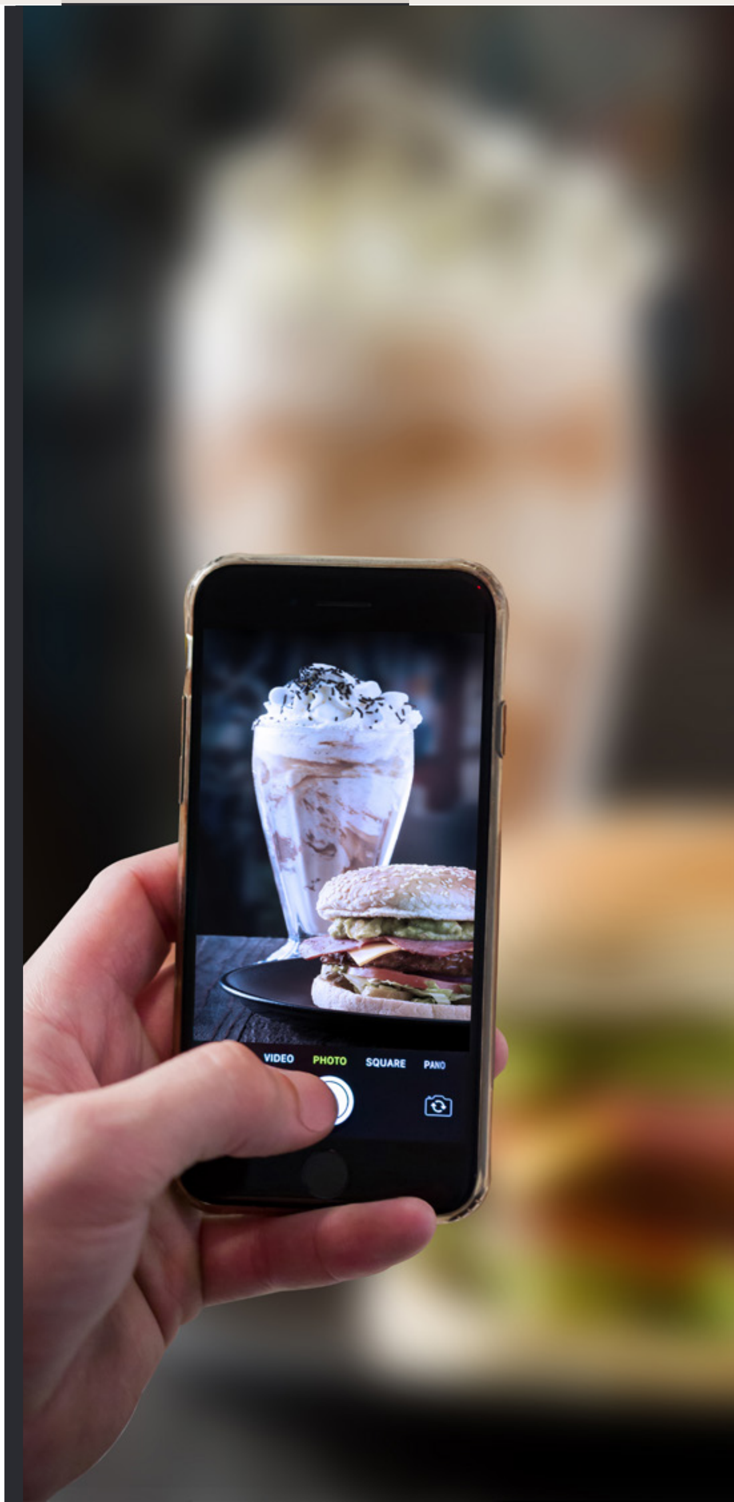
The IT steering committee monitors the effectiveness of technology and information management and addresses any identified shortcomings. It reports and rates risks in the company's risk register and, together with the information executive, manages third party and outsourced service providers. The material findings of the internal and external auditors regarding the integrity of IT systems are reported to the board. The board has had no reason to believe that information provided is not complete, timely, relevant or accurate.

The committee's charter stipulates that the committee is responsible for:

- Optimising the value IT contributes to the business in a cost-effective manner
- Ensuring that adequate and appropriate IT resources are available to support the group's objectives
- Effectively managing IT risk

The IT business plan for 2023 was developed with guidance from the IT steering committee. It was approved by the executive team and presented to the audit committee. The plan includes considerations around IT risks and governance and value-enhancing initiatives. Priority initiatives include cloud migration of financial and HR systems, enhancements to customer-facing technologies and further maturation of the IT governance framework.

Medium- and long-term projects have been identified to ensure the group's technology continues to support its strategic delivery and competitiveness. Progress is monitored quarterly by the executive team and twice a year by the audit and risk committees. Key activities for the year included improvements to security protocols, continued roll out of our cloud migration strategy and improving customer-facing technology offerings.



SUMMARY OF ROLES AND RESPONSIBILITIES OF THE BOARD AND ITS COMMITTEES

Committees	Roles and responsibilities
Board	• The custodian of corporate governance and ethics • Develop and adopt strategic plans that align with stakeholder interests and expectations, result in sustainable outcomes and do not give rise to risks that have not been thoroughly assessed by management • Approve financial objectives and targets • Monitor operational performance and management • Ensure that: – the company is, and is seen to be, a responsible corporate citizen by having regard for the financial aspects of the business and the impact the business has on the environment and society – the group has effective and independent board and statutory committees – risks are managed and internal controls are in place (including a risk-based internal audit) – IT governance is managed – reputational risk is minimised – the company adheres to legislation and regulations – the integrity of annual and interim reports is ensured and that the integrated annual report and annual financial statements are approved • Monitor solvency and liquidity and considering remedial responses in the event of indicators of financial distress

Committees	Roles and responsibilities
Audit	**Statutory duties** • Nominate the appointment of the external auditor for approval by shareholders at the AGM • Assess the independence of the external auditor • Determine: – the fees paid to the external auditor – the nature and extent of any non-audit services that the external auditor may provide and -approving engagement for such services • Ensure that the company complies with the Companies Act provisions in terms of appointing the external auditor • Prepare a report, as part of the annual financial statements of the company, for the relevant financial year that addresses the items listed in the Companies Act • Receive and deal appropriately with any concerns or complaints in relation to matters, as set out in the Companies Act • Make submissions to the board on any matter concerning the company's accounting policies, financial controls, records and reporting **Other duties** • Review: – the objectivity and effectiveness of the external auditor – various documents generated by the internal and external audit service providers – internal audit reports and management's responses thereto – the performance and objectivity of the internal auditor annually and approving the charter and fee structure – the functioning of internal audit – and commenting on all financial reporting, including the interim and annual financial statements, provisional results announcements, trading statements, circulars and the release of price-sensitive information before submission to the board for approval – the expertise, resources and experience of the group chief financial officer and finance function annually • Discuss the nature and scope of the audit (including key audit risks) with the external auditor before the audit commences and ensuring coordination with other group entity auditors • Address any problems or issues arising from the audit and any matters incidental thereto with the external auditor • Approve the appointment of the outsourced internal audit service provider • Oversee reporting processes and recommending the approval of the integrated annual report to the board

Committees	Roles and responsibilities
Risk	• Make recommendations to the board concerning the levels of risk tolerance and appetite, as well as monitoring that risks are managed within the levels of tolerance and appetite, as approved by the board • Oversee: – the implementation and regular review of a policy for risk management – the implementation and annual review of the risk management plan – that the risk management plan is widely disseminated throughout the company and integrated into the group's day-to-day activities – the management of liquidity and credit risks – the management of IT risks • Ensure: – that risk management assessments are performed on a continuous basis – that management considers and implements appropriate risk responses – that management conducts continuous risk monitoring • Express the committee's formal opinion to the board on the effectiveness of the system and process of risk management • Review the reporting of risk management in the integrated annual report, and ensuring that it is timely, comprehensive and relevant
Nominations and remuneration	• Ensure: – the establishment of a formal process for appointing directors to the board – that, if required, new directors are developed through a mentorship programme • Identify and recommend directorship candidates • Assess the board's balance of skills, experience and diversity • Advise on the composition of the board to ensure a balance between executive and non-executive directors • Make recommendations in respect of directors retiring by rotation, or by contract, to be put forward for re-election • Establish a formal and transparent procedure for developing, reviewing and amending the policy on executive remuneration • Determine and developing remuneration policies for all levels of employees • Determine remuneration packages for executive directors • Consider criteria to measure the performance of executive directors in discharging their functions and responsibilities • Identify and recommend a replacement/successor for the CEO and CFO to the board • Approve the award of shares/options to executives and employees • Review and approve all profit share or share-linked incentive allocations and the terms thereof • Regularly review incentive schemes to ensure continued contribution to shareholder value

Committees	Roles and responsibilities
Social, ethics and environmental sustainability	• Assist the board with the monitoring and reporting of social and ethical matters according to the Companies Act • Monitor the group's social impact in the following material areas in line with legislation: – social and economic development – good corporate citizenship – labour and employment practices – employment equity and broad-based black economic empowerment legislation – consumer relationships – environment, health and public safety • Evaluate the company's governance of ethics • Assist the board to monitor and report on strategies implemented to address economic, social and environmental sustainability issues. It is assisted in this regard by the environmental sustainability operational committee

OPERATIONAL COMMITTEES

Certain committees assist the board in the discharge of its duties. These committees comprise senior management and certain executive directors. Although these are not formal sub-committees of the board, they provide valuable insight into the day-to-day operations of the group and assist in the identification of risks and the formulation of strategy.

Committees	Executive committee	Environmental sustainability committee	IT steering committee
Chairman	Val Nichas, group CEO	Joe Stead, group creative head	Cristina Teixeira, group CFO
Meeting frequency	Twice a month	Quarterly	Quarterly
Composition	• Group CEO • Group CFO • Group COO • Group CMO • People, leadership and culture executive • Transformation executive • Group supply chain executive • Franchise executive: International	• Group CEO • Group CFO • Group COO • Group CMO • Certain brand COOs • Group finance executive • Other functional heads and managers within the group	• Group CFO • Group COO • Group CMO • Group technology executive • Group information executive • Group supply chain executive • Certain brand COOs • Group finance executive • Other functional heads and managers within the group
	Develops and recommends corporate strategy to the board, including defined business plans and budgets per areas of business. • Implementation of the strategy • Ongoing management of risk • Implementation of transformation strategy • Identifies and tracks key short-, medium- and long-term goals • Plans and allocates resources	Assists the social, ethics and environmental sustainability committee with reports and input. • Provides guidance on the sustainability strategy of the group • Assists the board to measure compliance with environmental policies and strategies • Collaborates with the sub-committees in each region and in certain specific functional areas	Confirms key decisions concerning IT infrastructure. • Considers and responds to IT-related risks. • Prioritises IT development projects • Identifies opportunities to leverage IT and data to enhance profitability

OUR BOARD

Mike Bosman (61)
Independent non-executive chairman

BCom (Hons), LLM, AMP (Harvard), CA(SA)

Appointed 2018

Member of the nominations and remuneration committee

Mike was appointed chairman of the board on 1 March 2019. He is an independent non-executive director of AVI, MTN South Africa and EOH Holdings, and serves on the audit and risk committees of these companies.

He is non-executive chairman of Vinimark, the largest independent wine distribution company in South Africa. Mike has a background in advertising and in corporate and project finance. He served as CEO of communications groups FCB and TBWA, as well as CEO and later chairman of One Digital Media.

Dr Shirley Zinn (61)
Lead independent non-executive

BA, HDipEd, BEd (Hons), MEd, EdM and EdD (Harvard)

Appointed 2019 and as lead independent in August 2022

Chair of the nominations and remuneration committee

Member of the social, ethics and environmental sustainability committee

Shirley is an acclaimed human resources practitioner who has held senior positions in the corporate and public sectors. She holds a doctorate from Harvard University and was formerly the head of human resources at Woolworths Holdings, Standard Bank South Africa, Nedbank Group and the South African Revenue Service. She currently provides consulting and advisory services in human resources, transformation, leadership and education. Shirley serves on the boards of Sanlam, MTN South Africa, BCG-SA, WWF and V&A Waterfront, where she is the chairman.

Val Nichas (60)
Chief executive officer

Oxford Strategic Leadership Programme - Said Business School - University of Oxford

Diploma in Public Relations and Franchise Management

Appointed January 2021

Val is a highly experienced strategist and leader with extensive experience in the restaurant sector. She served as marketing director of Edgars, senior vice president of multinational food company, Rich Products Corporation, and managing director of Tequila Advertising. Val joined Famous Brands in 1999 as marketing director of Debonairs Pizza and later served as managing executive of Wimpy (then 506 restaurants) and Steers (then 492 restaurants) before her appointment as head of the quick-service restaurant brands. Val ran her own consultancy for the last eight years, specialising in business strategy and planning, before joining the group.

Cristina Teixeira (49)
Chief financial officer

BCom, BCompt (Hons), CA(SA), AMP (Insead)

Appointed February 2021

Cristina has 14 years' experience as a CFO in listed companies and was voted Businesswoman of the Year (corporate category) by the Businesswomen's Association of South Africa in 2013. After qualifying as a chartered accountant, she joined Group Five and was appointed as CFO in 2008. Cristina has led finance teams that have been consistently recognised in the Investment Analysts Society annual awards for reporting and disclosure, and in the Institute of Chartered Secretaries/ JSE reporting awards.

Kevin Robertson (56)
Chief operating officer

Appointed as a director in October 2020

Member of the risk committee

Member of the social, ethics and environmental sustainability committee

Kevin has been with the group for 30 years. He started as an operational manager at Spur Steak Ranches (Spur), and was soon promoted to regional manager of KwaZulu-Natal.

Kevin assisted the group with the building the international business in Mauritius, Australia and the United Kingdom. Kevin was appointed managing director of Panarottis in 1999. In 2011 he was appointed as the national franchise restaurant executive and became chief operating officer (COO) of Spur in 2018 before becoming group COO on 15 October 2020.

Jesmane Boggenpoel (49)
Independent non-executive

BCom, BAcc, MPub Admin (Harvard), CA(SA)

Appointed October 2020

Member of the audit committee

Member of the social, ethics and environmental sustainability committee

Jesmane is a chartered accountant with private equity, high technology and entrepreneurial experience. She is a Managing Partner of private equity firm AIH Capital and was head of business engagement for Africa for the World Economic Forum (WEF) in Switzerland. She currently serves on the boards of EOH Holdings and Murray & Roberts and is chairman of Dubai-based ETG Inputs Holdco. Jesmane is the author of a book on diversity and inclusion, *My Blood Divides and Unites*. She is the creator of the online Udemy course: *Dealing with the Heart of Race* and *Gender Inequality in the Workplace*. Jesmane was nominated as a Young Global Leader of the WEF in 2013.

Cora Fernandez (49)
Independent non-executive

BCompt (Hons), Chartered Accountant

Appointed 2019

Chair of the audit committee

Member of the risk committee

Member of the nominations and remuneration committee

Cora is a chartered accountant with extensive board experience. She is a non-executive director of Tiger Brands, Capitec Bank and Sphere Holdings, and serves as an independent trustee on retirement funds in the Allan Gray stable. She serves on the investment committees of 27Four Black Business Growth Fund and the National Empowerment Fund. Cora previously served as managing director of Sanlam Investment Management and CEO of Sanlam Private Equity.

Lerato Molebatsi (53)
Independent non-executive

Senior Executive Leadership Prog. for Africa (Harvard Business School), Senior Management Development Programme (USB), PG Diploma in Rural Development and Management (Wits), BA (Psych) University of the Johannesburg

Appointed October 2020

Chair of the social, ethics and environmental sustainability committee

Member of the risk committee

Lerato is the lead independent director of the SA Reserve Bank, acting chair of the Cross-Border Road Transport Agency and member of the remuneration committee of the Financial Sector Conduct Authority. Over the past 25 years, she attained extensive experience across functional areas such as strategy formulation, communications, marketing corporate social investments, stakeholder relations, black economic empowerment, administration, governance and policy development and upliftment of the broader African continent. She was formerly CEO of General Electric South Africa, executive vice president of Lonmin plc and held senior positions in corporate communications, public affairs and corporate social investment, and worked in the Departments of Labour and Transport, Old Mutual and Sanlam.

André Parker (71)
Independent non-executive

MCom

Appointed October 2020

Chair of the risk committee

Member of the audit committee

André spent most of his career with the SAB/SAB Miller group and was managing director of SAB Miller's Africa and Asia portfolio for ten years. He is currently a non-executive director of Distell (lead independent director). He previously served as chairman of Tiger Brands and Remgro's TSB, and on the boards of SAB plc, SAB Ltd, AECI, Standard Bank and Carozzi SARL.

Sandile Phillip (40)
Independent non-executive

BCom, BCompt (Hons), CA(SA)

Appointed October 2020

Member of the audit committee

Member of the risk committee

Sandile is a non-executive director of the SAICA Enterprise Development and previously served as a board member of the SA Institute of Chartered Accountants and the South African Post Office. His business experience is mainly in the areas of general banking, structured funding and leveraged finance in business banking at First National Bank, private banking at Investec and financial management at British American Tobacco and Peninsula Beverages.

KING IV™ APPLICATION REGISTER

This register has been prepared in terms of the JSE Listings Requirements and endeavours to explain Spur Corporation's application of the King IV™ principles.

Where relevant, we reference other reports where additional information can be found.

No	Principles	Application	Reference areas
1	The governing body should lead ethically and effectively	The board is committed to ensure that formal corporate governance structures and procedures are in place to maintain ethical and balanced decision-making practices that consider the interests of all stakeholders. These structures and procedures are implemented in a manner that supports the entrepreneurial characteristics that remain fundamental to the success of the group. The code of conduct sets the tone for ethical conduct throughout the group and requires that all directors and employees maintain the highest standards of integrity and ethical conduct. All deliberations, decisions and actions of the board are based on fairness, accountability, responsibility and transparency.	Governance review
2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	The board has established a code of conduct and ethics-related policies, including ethical sourcing guidelines and a supplier code of conduct, through which the group's ethical standards are clearly articulated and implemented. The board and management ensure that the code of conduct is integrated into the strategy and operations of the group to reflect the ethical organisational culture in the group's vision and mission, strategies and operations, decisions and conduct, and the manner in which it engages with stakeholders. The board has delegated the implementation of the code of conduct and the ethical sourcing guidelines to management, who is required to report material breaches to the social, ethics and environmental sustainability committee. Employees can report contraventions of the code of conduct, or any other conduct inconsistent with the ethical culture of the company, to the ethics hotline on an anonymous basis. The hotline is available 24 hours a day.	Governance review
3	The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen	The board's responsibilities include ensuring that the group is, and is seen to be, a responsible corporate citizen by having regard for the financial aspects of the business and the impact the business has on the environment and society. The board is assisted by the social, ethics and environmental sustainability committee in fulfilling this role, which includes compliance with the applicable laws, regulations and standards impacting the group, as well as its own code of conduct and policies. The group is committed to environmental sustainability and is continually striving to improve operations to limit environmental impacts and to operate within natural boundaries. Environmental sustainability, including the implementation of sustainability policies and the tracking, measurement and verification of environmental data streams, are overseen by the environmental sustainability committee that reports to the social, ethics and environmental sustainability committee. The Spur Foundation manages the group's social investment initiatives with the aim of playing a role in uplifting and improving the lives of South African families, especially children.	Governance review Environmental review Social review
4	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process	The board is responsible for developing and adopting strategic plans that align with stakeholder interests and expectations, resulting in sustainable outcomes that do not give rise to risks that have not been thoroughly assessed by management. The board has delegated the detailed formulation and implementation of the approved strategy and the realisation of the expected returns to the leadership. The board is responsible for approving the policies and operational plans developed by management. The leadership team collaborates with the executive directors to formulate the group's short-, medium- and long-term strategies, which are then presented to the board for its approval and recommendations. Financial statements of the group are circulated to board members prior to each board meeting. A solvency and liquidity assessment is prepared for any matter where it may be required (including the declaration of dividends, acquisition of the group's own shares or provision of financial assistance). The audit committee reviews management's documented assessment of the going concern premise of the group.	Main section of the integrated annual report

No	Principles	Application	Reference areas
5	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects	The board, assisted by its committees, monitors that the various reports of the group are compliant with legal reporting requirements and meet the reasonable and legitimate needs of the stakeholders. The board assumes responsibility for the integrity and transparency of the group's reporting and is assisted by the audit and risk committees and the internal and external auditors. The board, assisted by the audit committee, ensures that the integrated annual report conforms to the Companies Act and the JSE Listings Requirements. The audit committee approves the basis for determining materiality for reporting purposes.	Main section of the integrated annual report Consolidated annual financial statements Governance review
6	The governing body should serve as the focal point and custodian of corporate governance in the organisation	The board's objective is to provide responsible business leadership to the group with due regard to the interests of all stakeholders. It is fully committed to business integrity, fairness, transparency and accountability of its activities. The board charter, which is updated and approved by the board on an annual basis, ensures that the roles, responsibilities and areas of accountability of the board and its members are documented and adhered to. The board charter stipulates that board members may, where necessary, consult independent professional advice at the group's expense. This protocol is further amplified in each committee's terms of reference which permits the committee to obtain independent and external professional advice should it be deemed necessary. The board charter confirms that board members have unrestricted access to all group information, records, documents and property. Non-executive directors have access to management and may meet separately with management, without the attendance of executive directors. The board meets formally three times a year, to attend to governance matters and discuss operations, strategy, risk and other key issues. Additional meetings are convened at short notice, as required, to discuss urgent business. The directors also participate with management in ad hoc strategy and planning sessions.	Governance review
7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	The names of the board members during the review period, together with details of their age, qualifications, knowledge, skills and experience, are disclosed in the main section and supplementary section of the integrated annual report. The independence of the non-executive directors is reviewed on an annual basis by the nominations and remuneration committee against the criteria stipulated in King IV™. The board has delegated the responsibility of assessing the skills and composition of the board to the nominations and remuneration committee. This committee recommends the appointment of directors to the board for consideration and approval when the requirement to fill vacancies on the board arises. The group has a unitary board structure comprising: • seven independent non-executive directors • three executive directors The group's diversity policy stipulates that the board will not comprise less than 20% female directors and 25% black directors. The board is satisfied that the composition of the board is appropriate and constitutes a balance of power and authority to prevent any individual or block of individuals from dominating the board's decision-making process. The board has sufficient members to serve on the various committees of the group.	Main section of the integrated annual report Governance review
8	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties	The board retains ultimate responsibility for the fulfilment of its functions and delegates certain powers to elected committees, each with defined roles and responsibilities, in accordance with their respective formal terms of reference. The board is assisted in carrying out its mandate by the various committees. Feedback from board committees is a standard agenda item at each ordinary board meeting. Committees are entitled to obtain independent professional advice at the cost of the group on any issue within the ambit of its scope, subject to following a board-approved process. The standing committees of the board are: • Risk • Audit • Nominations and remuneration • Social, ethics and environmental sustainability	Governance review

No	Principles	Application	Reference areas
9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, supports continued improvement in its performance and effectiveness	A performance appraisal is conducted every two years, in line with King IV™. The board evaluations are conducted on an anonymous basis and in a questionnaire format. The evaluation is a formal process and the results are submitted to the company secretary. Results are tabled and discussed at the following board meeting. Evaluations for each committee are also conducted and this feedback is reported to the board.	Governance review
10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities	The CEO is not a member of the audit committee, but is invited to attend these meetings or sections of the meetings. The board charter, together with the group's limits of authority policy, sets out the direction and parameters of power of the board and management. The CEO's role and responsibilities are also set out in the CEO's employment contract to ensure that her duties are clearly articulated and distinct from the board's duties and responsibilities. The company secretary provides guidance to the board of directors on their legal and fiduciary duties and serves as the gatekeeper of corporate governance within the company. The performance and independence of the company secretary is evaluated by the board, and the board has satisfied itself of the appropriateness and arm's-length nature of this appointment. The board considered the requirement for a Delegation of Authority, as recommended by King IV™. During the year, this was developed. It enhances the existing Limits of Authority to confirm the powers reserved for the board and those delegated to the executive through the CEO.	Governance review
11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives	The board's responsibility for risk governance is expressed in the board charter and the risk management plan and policy. Management is tasked with demonstrating to the board that its risk responses provide for the identification and exploitation of opportunities to improve the performance of the company. The board delegates the responsibility to continuously identify, assess, mitigate and manage risks within the existing operating environment to the leadership and management. Mitigating controls are in place to manage these risks, which are monitored on a continuous basis. Each functional executive is responsible for identifying, evaluating and managing risk on a daily basis in their respective functional areas and reporting the results of these processes to the risk committee. In line with good practice, the internal audit function reviews the group's risk management process every financial year at the request of the audit committee. The audit committee provides guidance to the internal audit function on the priority of risks to be reviewed and assured. The risk committee reports on the effectiveness of the risk management process at each board meeting and provides an analysis of the residual risk rating of each risk. In determining these assessments, the committee considers assurance provided by internal audit, management, and any relevant external assurance provider, using the combined assurance approach. The committee works closely with internal audit to enhance the existing risk management process on a continuous basis. The risk committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.	Main section of the integrated annual report Governance review
12	The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives	The group technology executive is responsible for the general management of the information technology (IT) function and is assisted by the group information executive and IT steering committee. IT governance risk items are reported to the risk committee, which is chaired by an independent non-executive director. IT is recognised as a key enabler for the group and its activities. The organisational capacity of the IT function was expanded significantly during the year. The IT and IT user policies are reviewed by the IT steering committee, the risk committee and ultimately the board. The board is required to approve policies prior to implementation. The IT strategic plan, which is developed and approved by the IT steering committee and the board, includes considerations around IT risks, controls and governance. Comprehensive risk analysis and prioritisation exercises inform the contents of the IT risk register and the IT governance work plan, and progress against this is monitored by the board. IT arrangements are included in the reviews of the internal auditor who reports to the audit committee in this regard.	Governance review

No	Principles	Application	Reference areas
13	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen	The group chief financial officer, assisted by the group's in-house legal team, is responsible for monitoring compliance within the organisation, assessing potential consequences or risks associated with new legislation, and reporting to the social, ethics and environmental sustainability committee and the risk committee in this regard. Compliance is an area that will continue to remain on the board agenda. A core function of the legal department is to monitor legislative developments that could have an impact on the group or its franchisees. The group proactively engages on matters impacting the company or its industry at large.	Governance review
14	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term	The group redesigned its remuneration policy in 2021 to provide the group with a framework within which to determine and approve remuneration which will effect fair, responsible and transparent remuneration. The board, assisted by the nominations and remuneration committee, ensures that executives and other employees are remunerated fairly and responsibly in line with industry standards. The nominations and remuneration committee engages with stakeholders on any concerns they may have relating to the remuneration policy and implementation report.	Remuneration report
15	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports	A combined assurance approach is in place to effectively cover the group's significant risks and material matters. The approach includes, but is not limited to, the group's established outsourced internal audit function, its risk management and compliance functions, the external auditors and regulatory inspectors, together with other external assurance providers, as may be appropriate or deemed necessary from time to time, including the company secretary, which provides guidance on aspects of corporate governance, and a JSE sponsor which advises on the JSE Listings Requirements. The audit committee is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority within the group to enable it to discharge its duties. The committee also oversees cooperation between the internal and external auditors and serves as a link between the board and these functions. The internal audit function is sufficiently skilled and resourced to fulfil its mandate within the group. The internal audit charter governs the authority and responsibilities of the various role players. The engagement partner of the outsourced service provider has been appointed as the chief audit executive (CAE) in terms of the charter and reports directly to the audit committee. The CAE is an independent, outsourced service provider and has a standing invitation to the following board committee meetings: risk, audit and social, ethics and environmental sustainability.	The audit committee report in the consolidated annual financial statements
16	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time	The board guides the approach to stakeholder relationships and delegates the responsibility for implementation and execution thereof to management. The social, ethics and environmental sustainability committee assists the board with monitoring stakeholder management and with setting the approach to stakeholder relationships. There is a corporate communications stakeholder engagement policy which facilitates coordinated communication between the company and its various stakeholders, which is considered by the social, ethics and environmental sustainability committee and approved by the board. The remuneration policy provides mechanisms for engaging with shareholders on related matters while the corporate communications policy governs persons authorised to communicate with stakeholders. In addition, the group conducts interim and annual results presentations twice a year to which stakeholders and interested parties are invited to attend.	Main section of the integrated annual report Social review Remuneration report
17	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests	Spur Corporation is not a financial institution, as defined in terms of the Financial Services Board Act, No 97 of 1990.	Not applicable

REPORTING ON SECTION 3.84 OF THE JSE LISTINGS REQUIREMENTS ON BOARD GOVERNANCE PROCESSES

Requirement	Principle	Approach and compliance
3.84 (a)	There must be a policy evidencing a clear balance of power and authority at board level to ensure that no one director has unfettered powers.	The board charter records that there is a clear balance of power and authority at board level and that no one director has unfettered powers.
3.84 (b)	Issuers must have a CEO and a chairperson and these positions must not be held by the same person. The chairperson must either be an independent director or the issuer must appoint a lead independent director as defined in King IV.	The positions of CEO and chairman are separate, the chairman is independent and the board has a lead independent director.
3.84 (c)	All issuers must in accordance with King IV appoint an (i) audit committee, (ii) a committee responsible for remuneration and (iii) a social and ethics committee. The composition of such committees must comply with the Companies Act and should be considered in accordance with King IV and each committee must consist of three members. The composition of such committees, a brief description of their mandates, the number of meetings held and any other relevant information must be disclosed in the annual report.	Committees include the audit committee, risk committee, nominations and remuneration committee, social ethics, environmental and sustainability committee. Details of these committees are included in this review.
3.84 (d)	A brief CV of each director standing for election or re-election must accompany the relevant notice of meeting.	Refer to AGM notice .
3.84 (e)	Capacity of directors in relation to executive, non-executive and independent must be categorised and disclosed in the relevant documentation.	Refer to pages 37 – 38.
3.84 (f)	Issuers must have an executive financial director.	Spur Corporation has a full-time executive chief financial officer (CFO), Cristina Teixeira.
3.84 (g)	The audit committee must consider on an annual basis and satisfy itself of the appropriateness of the expertise and experience of the financial director, and report thereon in the annual report in compliance with paragraph 3.84(g)(i).	The audit committee has reviewed and satisfied itself of the appropriateness of the expertise and experience of the CFO. The company has appropriate financial reporting procedures in compliance with 3.84(g)(i) and 3.84(g)(ii) of the JSE Listings Requirements. • ensure that appropriate financial reporting procedures exist and are working, including consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the issuer to allow the issuer to effectively prepare and report on the financial statements of the issuer; • report back on its responsibilities pursuant to paragraph 22.15(h); and • ensure that the appointment of the auditor is presented and included as a resolution at the annual general meeting pursuant to section 61(8) of the Companies Act
3.84 (h)	The provision deals with the competence, qualifications and experience of the company secretary and the board of directors' responsibility in relation thereto.	The board is satisfied with the competence, qualifications and experience of the company secretary. Refer to page 30.
3.84 (i)	The provision deals with a broader diversity policy.	The board diversity policy includes additional diversity criteria, as required by the JSE Listings Requirements. Refer to page 40.
3.84 (j)	The provision deals with the remuneration policy and implementation report.	The remuneration policy and implementation report are tabled at every annual general meeting for a non-binding advisory vote. Refer to the remuneration review and the notice of annual general meeting.
3.84 (k)	The provision deals with the CEO and financial director's responsibility statements in respect of the annual financial statements.	The responsibility statements are included in the annual financial statements.

COMPLIANCE AND SAFETY

INTRODUCTION

The group subscribes to the Constitution of South Africa, the laws of the country, relevant standards, and its own codes of conduct and policies.

During the year, we conducted a comprehensive compliance review, with assessments on key pieces of legislation which are pertinent to the sector in which we operate:

- Occupational Health and Safety
- Basic Conditions of Employment
- Employment Equity Act
- National Environmental Management Act
- Companies Act
- Labour Relations Act
- Broad-Based Black Economic Empowerment Act
- Income Tax Act
- National Environmental Management Waste Act
- Competition Act
- Compensation for Occupational Injuries and Diseases Act
- Consumer Protection Act
- Value Added Tax Act
- Trade Marks Act
- Protection of Personal Information Act
- Foodstuffs, Cosmetics and Disinfectants Act
- Meat Safety Act

The analysis confirmed that there are no known infringements or non-compliance with laws and regulations. The group plans to conduct compliance assessments on an ongoing basis, with formal reporting on a bi-annual basis. Group policies are also reviewed regularly to ensure alignment with best practice.

Franchisees are responsible for compliance with laws and regulations. Their obligations are outlined in our franchise agreements and regularly communicated through formal franchisee meeting forums.

FOOD SAFETY

Central procurement suppliers are required to comply with the group's procurement policy regarding food safety.

Before being included in the group's supplier base, they have to present a valid food safety certificate. The group accepts:

- Hazard Analysis and Critical Control Point (HACCP)
- Global Food Safety Initiative intermediate and higher
- Food Safety System Certification 22000 (FSSC 22000)

For smaller suppliers, the Food Standards Agency audit related to food safety, with a documented process to gain certification, is acceptable. The food safety certificate has to be endorsed by a recognised certification body.

Major suppliers are regularly audited against HACCP and/or FSSC 22000 standards, and suppliers are encouraged to achieve full compliance. All non-conformances are addressed within the audit standard guidelines. A loss of certification results in a review of the supplier relationship.

Environmental sustainability assessments are conducted at certain suppliers, and two qualified food technologists monitor quality control in the sauce manufacturing facility.

All our suppliers within the procurement network are compliant with food safety standards. Franchise and company-owned stores are subject to operational audits on a monthly basis where food safety is paramount.

Our sauce manufacturing facility is HACCP certified.

Supplier agreements concluded between suppliers and the group contain terms and conditions relating to:

- Product standards
- Inspections and testing of products
- Trade returns and product recalls
- Warranties and indemnities
- Insurance

STORAGE AND DISTRIBUTION

Spur Corporation restaurants source the majority of their products from four major distribution hubs through Vector Logistics, the group's third-party logistics provider. Vector is FSSC 22000 certified, with established and certified food safety systems in place. They are compliant with Regulation R638, which governs general hygiene requirements for food premises and the transport of food and related matters. This extends to delivery vehicles. The group's third-party logistics provider also maintains occupational health and safety standards and is certified in accordance with ISO 18001. They also maintain environmental standards in accordance with ISO 14001.

Supplier agreements concluded between suppliers and the group contain terms, conditions, obligations and warranties relating to handling, storage, conveyance, supply and distribution of products in accordance and in compliance with all applicable laws. These include, but are not limited to, laws relating to food safety, consumer protection, occupational health and safety, and environmental laws. These include obligations relating to maintenance of their facilities and audit rights.

Suppliers are required to have and maintain relevant licenses, approvals, certifications, permits and authorisations.

Operations teams inspect at all restaurants on a monthly basis. These evaluations include the auditing of storage facilities and the evaluation of stock rotation management. Restaurant operators are required to conduct daily checks on products stored within restaurants.

CONSUMER PROTECTION AND CONSUMER RELATIONS

The Consumer Protection Act No 68 of 2008 mainly deals with the social and economic welfare of consumers in a market-based society.

> The Act deals with consumers in several contexts. One such context contemplates a consumer in respect of any particular goods or services as a person to whom those particular goods or services are marketed in the ordinary course of the supplier's business, or as a person who has entered into a transaction with a supplier in the ordinary course of the supplier's business. The definition of "consumer" is expanded, if the context requires or permits, to a user of those particular goods or a recipient or beneficiary of those particular services, irrespective of whether that user, recipient or beneficiary was a party to a transaction concerning the supply of those particular goods or services or a person to whom those particular goods or services were marketed in the ordinary course of the supplier's business. A consumer also includes a franchisee in terms of a franchise agreement.

The Consumer Protection Act guides several consumer rights and prohibited conduct, both generally and specifically regulating particular market practices. The Act also deals with discriminatory practices in the consumer market, agreements with consumers and transactions for the supply of goods and services to consumers, franchising, product liability and product safety, and an administrative framework for the enforcement of consumer rights.

The group undertakes regular workshops to ensure compliance with laws and regulations relating to marketing. The relevant laws that are evaluated include the Consumer Protection Act and the Protection of Personal Information Act. Franchisees are required to adhere to laws and regulations pertaining to marketing.

During the year, management conducted a review and risk assessment of consumer protection legislation. It was found that there are no matters, within their knowledge or belief, that constitutes a material risk to the group.

ITEMS DEEMED TO BE UNHEALTHY

Spur Corporation remains committed to the undertakings made by the industry to the DoH, and the "Better for You" meals now feature on the children and adult menus of Spur, Panarottis and John Dory's. The group will continue to review menu content to promote healthier eating options. The group is currently embarking on a detailed nutritional analysis of all meals. In addition, the group launched a unique plant-based quick service restaurant called MODROCKERS during the year.

HEALTH AND SAFETY

The group's corporate offices, manufacturing facilities and restaurants have health and safety systems in place, with appointed health and safety officers.

Manufacturing sites are independently audited on a monthly basis and non-production sites quarterly. Findings are reported to the group's occupational health and safety committee. Monthly health and safety reports are submitted to the group's compliance officer, and progress on health and safety compliance is reported to the chief executive officer and to the social, ethics and environmental sustainability committee every quarter.

The group undertakes regular risk workshops pertaining to occupational health and safety and reviews on compliance with occupational health and safety laws and regulations.

The group has training facilities and accredited trainers to offer training relating to health and safety at all levels.

Health and safety at franchise restaurants

Franchisees are responsible for health and safety at their restaurants. Franchisees are contractually bound through franchise agreements to comply with health and safety laws and regulations, as well as the group's operational standards.

Franchisees' health and safety procedures and policies are reviewed by the operations management teams to ensure these comply with the relevant legislation.

The health and safety of employees and customers is a key priority and a major focus of the operations teams in their regular inspections of restaurants.

During the COVID-19 pandemic, franchisees were trained on Department of Health and National Institute for Communicable Diseases protocols, with all requirements strictly adhered to.

Franchise employees receive extensive training in food preparation and food safety. Kitchen and front-of-house employees are trained in the "clean as you go" principle.

Before restaurants open, a prescribed opening checklist is followed that covers food safety and hygiene. Kitchens have trained quality coordinators, who check meals before delivery to customers. Managers in each restaurant conduct food quality and hygiene checks several times a day.

At least every two months, corporate operations managers conduct detailed food, hygiene and safety audits at restaurants. Regular service and standards audits are also conducted. CCTV cameras are in place in many restaurants to monitor front-of-house and back-of-house kitchen adherence to strict hygiene standards.

Incidents

36 incidents were reported for the financial year, with minor injuries (Class 3) being the most prevalent.

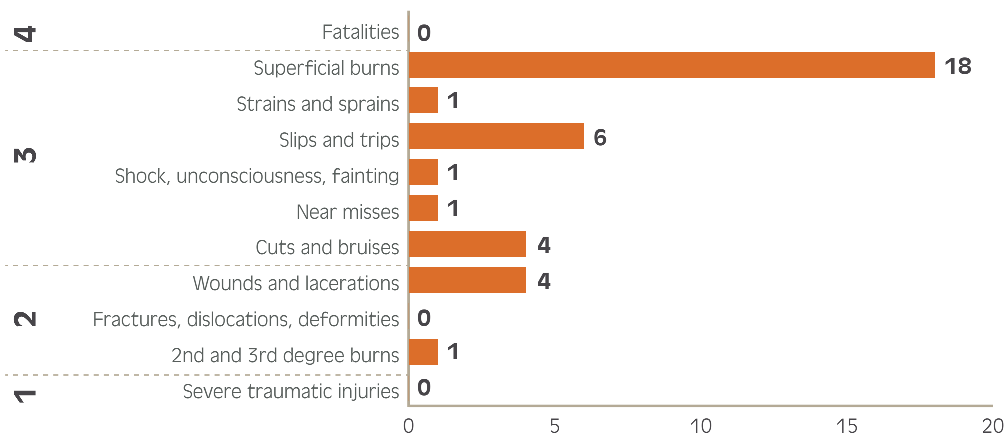
Class 1: Severe traumatic injuries that are life threatening, damage that permanently alters a person's life – paraplegia, amputation, severe psychological damage. None reported.

Class 2: Moderate to serious, non-life-threatening injury that temporarily alters a person's life – e. g. broken limbs, deep lacerations: 5 incidents reported in the restaurants.

Class 3:
- Minor injuries: Near-miss incident reported at the Décor Facility
- 4 incidents related to cuts and bruises
- 6 slip and trip injuries reported
- 1 incident related to sprains and strains reported at a restaurant
- 18 incidents related to superficial burns
- 1 incident of fainting

Class 4 Fatalities: None reported

INCIDENTS PER CLASS – JULY 2021 TO JUNE 2022



Training

We conducted training sessions at the Cape Town office in July 2022 for first aid, firefighting, health and safety representative and incident investigation. 24 delegates attended the training.

GUIDANCE DOCUMENTS

THE GLOBAL REPORTING INITIATIVE

The group has utilised the Global Reporting Indicators (GRI) for environmental reporting since 2011.

Focus	Description	GRI ref	2020 Actual	2021 Target	2021 Actual	2022 Target	2022 Actual	2023 Target	2025 Target	Comment
ENERGY										
Electricity – Regional Offices[21]	Electricity consumption for regional offices (total MWh per annum)	G4-EN3	485 MWh	550 MWh	347 MWh	550 MWh	405 MWh	550 Mwh	560 MWh	Johannesburg includes estimates due to Power Star M&V system non-operational over the reporting period
Electricity – Facilities	Electricity consumption for facilities (total MWh per annum)	G4-EN3	542 MWh	550 MWh	561 MWh	550 MWh	545 MWh	550 MWh	560 MWh	Includes Baker Street (Décor) with new cold storage & Central Kitchens
Diesel	Diesel used for generators at facilities and regional offices (total litres per annum)	G4-EN3	3 081 Litres	3 000 Litres	2 766 Litres	3 000 Litres	6 494 Litres	6 000 Litres	8 500 Litres	Consumption influenced by load shedding
Paraffin	Paraffin use at SCK (total litres per annum)	G4-EN3	33 480 Litres	45 000Litres	43 480 Litres	45 000 Litres	48 100 Litres	45 000 Litres	50 000 Litres	
Liquid Petroleum Gas	LPG used for cooking at HO facilities and regional offices (total kilograms per annum)	G4-EN3	478 kg	600 kg	0kg	600 kg	288 kg	600 kg	800 kg	Used at Cayuga
WATER										
Water – Regional Offices	Water consumption for regional offices (total kilolitres per annum)	G4-EN8	1 508 Kilolitres	2 400 Kilolitres	869 Kilolitres	2 400 Kilolitres	1 213 kilolitres	2 400 kilolitres	2 500 Kilolitres	Regional offices in Johannesburg, Cape Town and Durban
Water – Facilities	Water consumption for HO facilities (total kilolitres per annum)	G4-EN8	3 279 Kilolitres	4 500 Kilolitres	2 645 Kilolitres	4 500 Kilolitres	4 717 kilolitres	4 500 kilolitres	5 000 Kilolitres	Facilities at Baker Street (Décor) and Kestrel Close
WASTE										
Waste – Regional Offices	Percentage of waste **diverted** from landfill through recycling or composting for facilities and regional offices (% of total kg per annum)	G4-EN23	66%	75%	Insufficient Data	75%	60%	75%	80%	Johannesburg and Durban are estimates only
Waste – Facilities	Percentage of waste **diverted** from landfill through recycling or composting for Spur Central Kitchen (% of total kg per annum)	G4-EN23	16%	22%	16%	22%	Insufficient data[1]	25%	50%	Includes Central Kitchens and Baker Street
SPENT OIL										
Oil – litres sold by Vector to stores	Total volume of oil bought by stores (total kilolitres per annum)	G4-EN23	3 360 Kilolitre	3 500 Kilolitre	2 359 Kilolitre	3 500 Kilolitre	3 059 Kilolitre	3 800 Kilolitre	4 000 Kilolitre	Anticipated to increase with higher trade
Palm oil reduction	Percentage of palm oil, based on total volume of oil	G4-EN23	60%	47%	54%	50%	69%	50%	10%	Aim to reduce use % palm oil used for cooking
Spent oil – litres recycled	Total volume of spent oil collected for recycling, mostly used for biodiesel (total kilolitres per annum)	G4-EN23	929 Kilolitre	1 050 Kilolitre	749.5 Kilolitre	1 050 Kilolitre	800,3 Kilolitre	1 050 Kilolitre	1 140 Kilolitre	Aim for 30% of spent oil
Spent oil – percentage recycled	Percentage spent oil collected for recycling (% based on total oil purchased)	G4-EN23	28%	30%	32%	30%	26%	30%	30%	30% is the target ratio for spent oil collection

[1] *Central Kitchens appointed a new waste collection partner. Improved reporting and recycling should result in this new appointment.*
[21] *Continuous increase due to growth in the business, but aim to reduce through energy efficiency*

Focus	Description	GRI ref	2020 Actual	2021 Target	2021 Actual	2022 Target	2022 Actual	2023 Target	2025 Target	Comment
PAPER & PACKAGING										
Office paper	Weight of office paper used at offices and facilities	G4-EN1	3 484 kg	5 000 kg	1 698 kg	4 000 kg	2 877 kg	3 500 kg	5 000kg	The intention is to continue to drive digital and paperless communication where appropriate. *Overall reduction since 2017: 67%*
Packaging material – percentage renewable material	Percentage of takeaway packaging made from renewable material	G4-EN1	88%	90%	84%	90%	88%	90%	90%	
Marketing material – percentage renewable material	Percentage of marketing material made from renewable material	G4-EN1	92%	95%	83%	95%	85%	95%	95%	
Generic stock items – percentage renewable material	Percentage of generic stock items made from renewable material	G4-EN1	NEW	90%	89%	90%	83%	85%	90%	
TRAVEL & ACCOMMODATION										
Travel – flights	Number of local and international flights	G4-EN30	1 021 flights	1 500 flights	497 flights	1 500 flights	811 flights	1 500 flights	2 000 flights	The intention remains to keep flights to essential business requirements only to reduce CO_2e
Travel – flights	Distance flown for local and international flights	G4-EN30	3 410 467 km flown	4 000 000 km flown	949 702 km flown	4 000 000 km flown	1 836 604 km flown	3 500 000 km flown	5 000 000 km flown	
Travel – accommodation	Number of hotel nights booked	G4-EN30	2 040 Nights	4 200 Nights	1 103 Nights	4 200 Nights	2 159 Nights	4 200 Nights	4 500 Nights	
Travel – car hire	Distance travelled in hired vehicles (kilometres per annum)	G4-EN30	101 932 km	200 000 km	24 258 km	200 000 km	95 897 km	150 000 km	230 000 km	
TRAVEL										
Fleet vehicles	Fuel used in company fleet vehicles (litres per annum)	G4-EN30	213 231 litres	245 000 litres	222 897 litres	245 000 litres	194 014 litres	245 000 litres	255 000 litres	Including two external fleets
Ad hoc fuel claims	Fuel used in private vehicles for company purpose (kilometres driven per annum)	G4-EN30	18 333 km	20 000 km	2 943 km	20 000 km	7 996 km	16 000 km	20 000 km	Based on SARS rate of R3,61/km
Logistical distribution	Fuel used by 3rd-party logistic distributors (kilometres driven per annum)	G4-EN30	–	–	–	–	4 046 420 km	Includes Vector and décor distribution	Logistical distribution	Fuel used by 3rd-party logistic distributors (kilometres driven per annum)

JSE SUSTAINABILITY DISCLOSURE GUIDANCE AND CLIMATE DISCLOSURE GUIDANCE

Our reporting is guided by the principles and requirements in the International Financial Reporting Standards (IFRS); the International <IR> Framework; King IV; the JSE Limited (JSE) Listings Requirements; the Companies Act No 71 of 2008, as amended.

This year we also consulted the Task Force on Climate-related Financial Disclosures (TCFD) and the newly-released JSE Sustainability Disclosure Guidance and Climate Disclosure Guidance and considered this in terms of our reporting. Refer to page 30 in the main section of the integrated annual report for our consideration of TCFD.

As a board and leadership, we are conscious of improving our reporting and maturing how we integrate guidelines into our decision-making and strategy formulation. The social, ethics and environmental sustainability committee will oversee the formalisation of the group's environment, social and governance strategy in conjunction with the leadership and senior management team.

Governance Disclosure Metrics

GOVERNANCE METRICS: Core (C) and Leadership (L)

G1 BOARD COMPOSITION		Metric	Unit	Other frameworks	Our approach
G1.1 Board diversity	C	Composition of the board and its committees by race, gender, age group (under 30, 30 – 50, over 50) and, where relevant, any under-represented social groups.	# and %	GRI 2-9 ESRS G1-1	Refer to page 42 of the main section of the report.
G1.2 Board competence	C	Description of the specific skills, competencies, and experience on the board to address the organisation's significant sustainability-related impacts, risks, and opportunities.	Description	GRI 2-9 ESRS G10-3	Partially disclosed on pages 40 – 42 of the main section of the report. In addition, the supply chain executive and environmental sustainability manager are invitees to the SEES committee meeting which guides the board on the impacts, risks, and opportunities in relation to sustainability across the group. The supply chain executive is a food technologist with more than 20 years' experience in quality assurance roles, food safety systems and legislative requirements. He is active in the occupational health and safety and environmental sustainability initiatives within various sectors of the food industry. The environment sustainability manager has completed a Business Sustainability Management programme through Cambridge University in 2017. She serves on the SA Plastic Pact Steercom and workgroups on behalf of the group, represents the group on the Consumer Good Counsel of SA and other environmental bodies and offers specialist support to the business on aspects relating to environmental sustainability.
G1.3 Board independence	C	Composition of the board regarding: executive or non-executive; independence; tenure on the governance body; and number and nature of each individual's other significant positions and commitments.	# and %	GRI 2-9 ESRS G1-1	The board comprises seven non-executive directors, all of whom are independent. There are three executive directors serving on the board. Refer to page 42 of the main section of the report.
G2 REMUNERATION					
G2.1 Remuneration practices	C	How the remuneration policies for board members and senior executives relate to their objectives and performance in relation to delivery of the organisation's strategy and management of its impacts on people, the environment and the economy, noting the split between fixed pay and variable pay, and with variable pay split into short- and long-term incentives	Description	GRI 2-19 ESRS G1-6	Board members and employees have clear key performance areas to ensure delivery. Refer to page 34 of the main integrated annual report for executive director key performance areas and to the remuneration review for additional information on the board and employee remuneration.

GOVERNANCE METRICS: Core (C) and Leadership (L)

G3 ETHICAL BEHAVIOUR		Metric	Unit	Other frameworks	Our approach
G3.1 Anti-corruption G3.1a	C	Total percentage of governance body members, employees and business partners who have received training or awareness-raising on the organisation's anti-corruption policies and procedures, broken down by employee category and region.	% board members	GRI 205-2 ESRS G2-5 SASB 510	All levels of employees have received awareness training on the organisation's anti-corruption policies.
G3.1b	C	Total number and nature of incidents of corruption confirmed during the current year, related to this year and previous years, with a description of the activities taken to address confirmed incidents, and of the outcomes of these activities.	# and description	GRI 205-3 ESRS G2-3	The were no reportable incidents of corruption during the period.
G3.1c	C	A description of: (i) the internal and external grievance mechanisms (including whistle-blowing facilities) for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity; (ii) mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity; and (iii) the extent to which these various mechanisms have been used, and the outcomes of processes using these mechanisms.	# and description	GRI 2-25 GRI 2- GRI 205-3 ESRS G2-6 ESRS G2-7 SASB 510	Employees can report concerns about unethical or unlawful behaviour through the anonymous whistleblowing line.
G3.1d	L	Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, to combat corruption.	Description	GRI 205 ESRS G2-3	Franchise and supplier agreements have provisions to ensure that franchisees and suppliers adhere to laws and regulations. As part of the roll-out of the independent whistleblowing line for internal employees, posters informing them of the channels to report fraud and corruption were placed at each business premises. In the coming year, the group will consider the most effective manner to incorporate engagements to discuss and initiate engagements to combat corruption.
G3.2 Lobbying and political contributions G3.2a	C	Total monetary value of financial and in-kind political contributions made directly and indirectly by the organisation, by country and recipient/beneficiary.	ZAR, $US or other currency	GRI 415-1 ESRS G2-9	There are no financial and in-kind political contributions made directly or indirectly by the organisation.
G3.2b	C	Identify the significant issues that are the focus of the company's participation in public policy development and lobbying, including within any business association that the company is a member of; describe the company's strategy relevant to these areas of focus, identifying any differences between its lobbying positions and its purpose, policies, goals and other public positions	Description	GRI 415-1 ESRS G2-9	Spur Corporation is a member of a certain business organisations where it actively contributes to the relevant industry and country issues. These organisations include the Consumer Goods Council of South Africa, which in turn is a member of Business Unity SS. Through this body, during the year we participated on matters including amendments to the Employment Equity Bill. We are also members of the SA Plastics Pact.

GOVERNANCE METRICS: Core (C) and Leadership (L)

G4 COMPLIANCE AND RISK MANAGEMENT		Metric	Unit	Other frameworks	Our approach
G4.1 Incidents	C	Number and nature of significant environmental, social and/or governance related incidents during the reporting period, including incidents of legal non-compliance (whether under investigation, pending finalisation, or finalised) and directives, compliance notices, warnings or investigations, and any public controversies.	# and description	GRI 2-27 SASB 510 SASB 270	No major non-compliance reported. We ensure that our franchisees have public liability insurance.
G4.2 Fines and monetary loss	C	Total number and monetary value of fines, settlements, penalties, and other monetary loss suffered in relation to ESG incidents or breaches, including individual and total cost of the fines, settlements and penalties paid in relation to ESG incidents or breaches; and description of plans to address any incidents or breaches.	#/ZAR, $US or other currency; and description		No fines or penalties levied. We ensure that our franchisees have public liability insurance.

G5 TAX TRANSPARENCY

G5.1 Tax paid and estimated tax gap **G5.1a**	C	A description of the organisation's approach to tax, including: (i) whether the organisation has a tax strategy and, if so, a link to this strategy if publicly available; (ii) the governance body or executive-level position within the organisation that formally reviews and approves the tax strategy, and the frequency of this review; and (iii) how its approach to tax is linked to the business and sustainability strategies of the organisation	Description	GRI 207-1	The group strives to be a responsible corporate citizen. We ensure timeous submission and resolution of queries. We report to the audit committee at least three times a year on taxation. We ensure we obtain taxation opinion on any new tax treatments.
G5.1b	C	For each tax jurisdiction: the total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.	ZAR, $US or other currency	GRI 207-4	Not disclosed at this stage. Corporate tax payments of R76 million.
G5.1c	L	Extent of exposure to countries and jurisdictions recognised for their corporate tax rate, tax transparency and tax haven status; estimated tax gap (gap between estimated effective tax rate and estimated statutory tax rate).			The group operates in South Africa and in the Netherlands Franchisees operate in 15 countries. In South Africa, the group pays tax at the corporate rate and is subject to withholding tax in most of the other regions in which it operates.

Social Disclosure Metrics

SOCIAL METRICS: Core (C) and Leadership (L)

S1 LABOUR STANDARDS		Metric	Unit	Other frameworks	Our approach
S1.1 Diversity and inclusion S1.1a	C	Number of allegations and confirmed incidents of discrimination and/or human rights incidents relating to workers incidents during the reporting period, noting the investigation status of reported and actual incidents, actions taken, and total amount of monetary losses due to legal proceedings associated with labour law violation, employment discrimination, and/or human rights violations.	# and description	GRI 406-1 ESRS-S1-18 ESRS-S1-25 SASB 310	No cases reported.
S1.2 Pay equality S1.2a	C	Ratio between the CEO's total annual remuneration and the median, lower quartile, and upper quartile of the total annual remuneration of all the organisation's employees (excluding the CEO).	Ratio	GRI 2-21 GRI 202-1 ESRS-S1-14 ESRS-S1-17	Partially measured. Refer to page 22 of remuneration report
S1.2b	L	The ratio of the average annual remuneration of the top 10% of the organisation's top earners, and the average annual remuneration for the bottom 10% of the lowest earners in the organisation.	Ratio		Not yet defined.
S1.2c	C	The total annual remuneration of both the highest paid employee and the lowest paid employee; the average remuneration; and the median remuneration of all employees.	ZAR		Not yet defined.
S1.3 Wage level and living wage S1.3a	C	When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the standard entry level wage by race and gender compared to the applicable legislated minimum wage for the sector.	Ratio	GRI 202-1 SASB 310	We pay above the minimum wage. When our wage is above the bargaining council agreements, we are guided by these agreements.
S1.3b	C	Ratio of lowest wage to living wage for employees and non-employee workers for each significant location of operation.	Ratio	Accounting for a Living Wage (Shift and Capitals Coalition)	There are no employees or non-employee workers whose wages fall below the living wage.
S1.3c	L	Percentage of employees and non-employee workers whose wages fall below a specific living wage methodology or benchmark.	% workforce		There are no employees or non-employee workers whose wages fall below the living wage.
S1.4 Freedom of Association and Collective Bargaining S1.4a	C	Describe how the organisation manages freedom of association and collective bargaining, noting any policy or policies considered likely to affect workers' decisions to form or join a trade union, to bargain collectively or to engage in trade union activities.	Description	GRI 407 ESRS-S1-2	We do not have union representation and only our Gauteng company-owned stores in Morningside fall within a bargaining council.
S1.4b	C	Percentage of total employees covered under collective bargaining agreements.	% workforce	GRI 2-30 ESRS-S1-22 SASB 310	Our Gauteng company-owned restaurants in Morningside fall within a bargaining council. This represents 7.6% of employees. Our franchised restaurants fall within the Johannesburg and Pretoria bargaining council.

SOCIAL METRICS: Core (C) and Leadership (L)

S1 LABOUR STANDARDS		Metric	Unit	Other frameworks	Our approach
S1.4c	C	Disclose the extent of major work stoppages (including both strikes and lockouts) due to disputes between the undertaking and its workforce, including the number of major work stoppages, and for each: number of workers involved; length in days of stoppage, reasons, and steps taken to resolve each dispute.	No. and description	ESRS-S1-23	There were no work stoppages.
S1.4d	L	An explanation of the due diligence assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk including measures taken by the organisation to address these risks.	Description	GRI 407-1	We have stringent supplier programmes and processes in place and monitor risks carefully.
S1.5 Characteristics of employees and workers in workforce S1.5a	C	Describe key characteristics of employees in own workforce, including: total number of all employees by country; permanent employees; temporary employees; non-guaranteed hours employees; full-time employees; and part-time employees – with breakdown by race and gender for each.	Ratio workers	ESRS-S1-7	Partially disclosed in Human Capital report .
S1.5b	C	Describe key characteristics of non-employee workers in the organisation's own workforce, including: total number of non-employee workers, noting the most common type of workers and their relationship with the organisation.		ESRS-S1-8	Spur Corporation does not have non-employee workers. We have four consultants, with the rest full-time employees. The 162 employees in company-owned stores are on permanent or fixed-term contracts.

SOCIAL METRICS: Core (C) and Leadership (L)

S2 COMMUNITY DEVELOPMENT		Metric	Unit	Other frameworks	Our approach
S2.1 **Community human rights** **S2.1a**	C	Total number and percentage of operations that have been subject to a human rights due diligence process or impact assessments, by country.	# and % operations and description	GRI 408-1 GRI 409-1 GRI 410-1 GRI 205-1	Spur Corporation did not have a human rights due diligence process this year.
S2.1b	C	Nature of processes for engaging with affected communities and their representatives, and channels for affected community members to raise concerns.	Description	ESRS S3-2 ESRS S3-3 SASB 210	Refer to stakeholder engagement in the main section of the integrated annual report and on page 28 in this section of the report.
S2.1c	C	Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period, and an explanation of the % of these that are remedied in agreement with those who expressed the grievance.	# and description	UN Guiding Principles on Business and Human Rights	No human rights grievances reported.
S2.1d	L	Number and percentage of relevant sites (typically those involved in extracting, harvesting, or developing natural resources or energy) that implement a human rights and security approach consistent with the Voluntary Principles on Security and Human Rights.	# and % operations		Not applicable.
S2.1e	L	Number and percentage of sites at which the ownership, use of or access to land is contested, and an explanation of actions taken to address related social risks.	# and % operations		Not applicable.
S2.2 **Skills for the future**	C	Describe the employee and external skills development programmes aimed at developing skills that increase the recipient's future mobility, career development, and/or income earning potential.	Description	GRI 404-2 SASB 101	Partially disclosed in the Human Capital report.
S2.3 **Employment and wealth creation** **S2.3a**	C	Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity, and region.	# and rate	GRI 401-1 GRI 202-2 SASB 310	Joined: 121 **Male** / **Female** / **Foreign national** / **White** / **Coloured** / **Indian** / **African** 39 / 34 / 1 / 14 / 6 / 4 / 48 **Western Cape** / **Durban** / **Guateng** 55 / 1 / 1
S2.3b	C	Total number and rate of employee turnover (for permanent employees) during the reporting period, by age group, gender, other indicators of diversity, and region.	# and rate	GRI 401-1 SASB 310	Not yet defined.
S2.4 **Economic contribution** **S2.4a**	C	Direct economic value generated and distributed (EVG&D) on an accrual basis, covering the basic components for the organisation's global operations, ideally split out by: (i) Revenue (ii) Operating costs (iii) Employee wages and benefits (iv) Payments to providers of capital (v) Payments to government (taxes, royalties, levies, etc.) (vi) Community investment (including charitable giving, impact investment and other social investment).	ZAR, $US or other currency	GRI 201-1	We will start measuring this in F2023.

SOCIAL METRICS: Core (C) and Leadership (L)

S2 COMMUNITY DEVELOPMENT		Metric	Unit	Other frameworks	Our approach
S2.4b	C	Description of significant identified indirect economic impacts of the organisation, including for example: number of jobs supported in supply or distribution chain; number of suppliers/enterprises supported from defined vulnerable groups; nature of economic development in areas of high poverty; availability of products and services for those on low incomes or previously disadvantaged; enhanced skills and knowledge in a professional community or geographic location.	Description – with # and spend where relevant	GRI 203-2 GRI 204-1 GRI 413-1 GRI 413-2 SASB 210	Not yet defined.
S2.4c	C	Percentage of the procurement budget used for significant locations of operation that is spent on local suppliers, noting the organisation's definitions of 'local' and for 'significant locations of operation'.	% of spend	GRI 204-1	Not yet defined.
S2.4d	L	Description (quantitative and qualitative) of the extent of significant infrastructure investment and services supported.	ZAR, $US or other currency Description	GRI 203-1	The group does not invest in significant community infrastructure and services. Refer to page 25 for information on its socio-economic commitment information.
S2.4e	L	Total monetary value of financial assistance received by the organisation from any government during the reporting period.	ZAR, $US or other currency	GRI 201-4	The group does not receive assistance from governments.

S3 HEALTH AND SAFETY

S3.1 Workplace health and safety S3.1a	C	Number and rate of fatalities as a result of a work-related injury or ill-health during the reporting period across the organisation; the disclosure should include both employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation.	# and rate	GRI 403-9 GRI 403-10 ESRS-S1-11 SASB 320	No fatalities
S3.1b	C	Number of recordable work-related injuries, and number of work-related illnesses or health conditions arising from exposure to work-related hazards during the reporting period; the disclosure should include both employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation.	No./rate	GRI 403-9 GRI 403-10 SASB 320	Refer to page 45.
S3.1c	L	An explanation of how the organisation facilitates workers' access to non- occupational medical and healthcare services and the scope of access provided for employees and workers, and a description of any voluntary health promotion services and programmes offered to workers to address major non-work-related health risks, including the specific health risks addressed.	Description	GRI 403-6	Medical aid and employee assistance programmes through our medical aid provider, as well as introducing GAP cover for medical aid. No additional occupational medical facilities are on site.

SOCIAL METRICS: Core (C) and Leadership (L)

S4 CUSTOMER RESPONSIBILITY		Metric	Unit	Other frameworks	Our approach
S4.1 High risk products and services S4.1a	C	Description of products and services that present specific risks to individuals, communities, or the environment; an outline of the nature of these risks, and the measures taken to mitigate these.	Description	GRI 416-1 GRI 417-1 SASB 250 SASB 0 SASB 270	Perishable foodstuffs are regularly checked in terms of quality and lifespan. We minimise stockholding on short-life perishables and ensure compliance with laws and regulations relating to food. We ensure that comprehensive public liability insurance is in place at a group and franchise level.
S4.1b	C	Number and nature of any product recalls.	# and description	GRI 416-2 GRI 417-2 SASB 270	We had no recalls during the year. We ensure compliance with laws and regulations relating to food. We ensure that comprehensive public liability insurance is in place at group and franchise level.
S4.2 Product innovation S4.2a	C	Total research and development spend.	ZAR, $US or other currency	Adapted from US GAAP ASC 730	Not yet defined
S4.2b	L	Total costs related to research and development aimed at enhancing social or environmental attributes of products and services.	ZAR, $US or other currency	Adapted from US GAAP ASC 730	Not yet defined
S4.2c	L	Percentage of revenue from products and services designed to deliver specific social or environmental benefits or to address specific sustainability challenges; if the company applies a taxonomy or benchmark to label their activities as sustainable, they should report on the benchmark used and how they meet the criteria of the benchmark.	% Revenue	Adapted from GRI (FiFS7 + FiFS8) and SASB FN0102-16.a, EPIC)	Not yet defined
S4.3 Consumer data and privacy S4.3a	C	A description of the mechanisms and steps taken to ensure privacy of consumer data.	Description	GRI 418-1 SASB 230	We have a no tolerance risk appetite for non-compliance with data privacy laws and regulations, and have ensured that we are compliant. Franchisees are responsible for compliance with laws. Refer to page 44.
S4.3b	C	Total number of substantiated complaints received concerning breaches of customer privacy (categorised by complaints received from outside parties and substantiated by the organisation, and complaints from regulatory bodies), and total number of identified leaks, thefts, or losses of customer data.	# and description	GRI 418-1 SASB 230	No breaches reported this year.

SOCIAL METRICS: Core (C) and Leadership (L)

S5 SUPPLY CHAIN		Metric	Unit	Other frameworks	Our approach
S5.1 Supply Chain (Social) S5.1a	C	Description of the operations and suppliers considered to have a significant risk of child labour, forced or compulsory labour, or other significant actual and potential negative social impacts, given the type of operation, commodities, or geographic region, and the nature of the measures taken by the organisation intended to contribute to eliminating these risks.	Description	GRI 408-1 GRI 409-1 ESRS S2-2 ESRS S2-3 ESRS S2-5 SASB 430 SASB 440	We have a no tolerance risk appetite for non-compliance with employment laws and regulations, and have ensured that we are compliant. Franchisees are responsible for compliance with laws. All supplier agreements concluded between suppliers and the group contain terms, conditions, obligations and warranties relating to compliance with laws.
S5.1b	C	The number and percentage of identified child labour, or forced and compulsory labour incidents in its operations or value chain; and percentage of these where the reporting entity has played a role in securing remedy for those affected.	# and %		
S5.1c	C	Report wherever material across the supply chain: mechanisms (e.g. supplier screening, and audits) to identify and address significant actual and potential negative social impacts, nature of these impacts, and measures to address these.	Description	GRI 414-1 GRI 414-2 ESRS S2-5 SASB 430 SASB 440	Supplier agreements concluded between suppliers and the group contain terms, conditions, obligations and warranties relating to handling, storage, conveyance, supply and distribution of products in accordance and in compliance with all applicable laws. These include, but are not limited to, laws relating to food safety, consumer protection, occupational health and safety, and environmental laws. These include obligations relating to maintenance of their facilities and audit rights.
S5.1d	L	% of products certified by external agencies, % of traceable origin.		SASB 430	Not yet defined

Environmental Disclosure Metrics

ENVIRONMENTAL METRICS: Core (C) and Leadership (L)

E1 CLIMATE CHANGE		Metric	Unit	Other frameworks	Our approach
E1.1 **GHG Emissions** **E1.1a**	C	Absolute gross greenhouse gas emissions expressed as metric tonnes of CO_2 equivalent and measured in accordance with the Greenhouse Gas Protocol for: Scope 1, Scope 2, and Scope 3 emissions. Scope 1 and Scope 2 emissions should be disclosed separately for (i) the consolidated accounting group (the parent and its subsidiaries) and (ii) associates, joint ventures, unconsolidated subsidiaries or affiliates not included in (i).	Metric tonnes of carbon dioxide equivalent (tCO_2e)	IFRS S2 GRI 305:1-3 ESRS E1-7 ESRS E1-8 ESRS E1-9 ESRS E1-10 SASB 110 TCFD GHG Protocol	In accordance with the GHG Protocol, clear organisational and operational boundaries have been defined and agreed. Relevant data has been supplied for measurement and verification. This CFR covers emissions from the business activities of Spur Corporation in their regional offices (Cape Town, Johannesburg, and Durban), Central Kitchen (SCK) and Décor. All restaurants, besides five company-owned restaurants, are franchises. The company-owned restaurants have been incorporated within the scope of the group's footprint. The CFR covers 233 FTEs (excl. restaurants), 8 297 square metres (m^2) of floor area and 946.36 million Rand revenue. All scope 3 emissions, (i.e. those from supply chain activities), are reported at the discretion of the reporting company. The group measures the impact of full time-employees (FTEs), on areas in square metres (m^2), volumes of production, and/or a monetary factor such as EBITDA, revenue, or turnover. The group predominantly makes use of Eskom-purchased electricity, and diesel generation. We report according to both the location-based or market-based approach.
E1.1b	L	Scope 3 emissions should include upstream and downstream emissions. The categories of Scope 3 emissions and basis for measurement for information provided by entities in the value chain should be disclosed. Recognising the challenges related to the disclosure of Scope 3 emissions, including data availability, reasons should be provided when Scope 3 emissions or categories of Scope 3 emissions are omitted.	Metric tonnes of carbon dioxide equivalent (tCO_2e)	IFRS S2 GRI 305:1-3 ESRS E1-9	
E1.1c	C	GHG emissions intensity for Scope 1, 2 and 3, expressed as metric tonnes of CO_2 equivalent per unit of physical or economic output.	$MtCO_2$-e per unit of output	GRI 305:1-3 ESRS E1-10	
E1.2 **Energy mix**	C	Total energy use and share of energy usage by generation type noting use of energy from renewable non-fossil sources, (namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas).	MWhs or GJ/ Percentage by type	GRI 302 ESRS E1-5 SASB 130	
E1.3 **Science-based targets**	L	Define and report progress against time-bound short-, medium-, and long-term science-based GHG emissions targets that are in line with the goals of the Paris Agreement and Glasgow Climate Pact. This includes reducing global carbon dioxide emissions by 45% by 2030 relative to the 2010 level, and to net zero around mid-century, based on the best available scientific knowledge and equity, taking into account common but differentiated responsibilities and respective capabilities, and in the context of sustainable development and efforts to eradicate poverty. Science-based emissions reduction targets should be informed by recognised scientific methodologies and verified through approved processes; they should (as an absolute minimum) be consistent with relevant host country/ies' Nationally Determined Contribution.	Description	GRI 305 SASB 110	The GHGs reported on take into consideration carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). As described above, all these gases are amalgamated and reported in terms of their carbon dioxide equivalency (CO_2e).

ENVIRONMENTAL METRICS: Core (C) and Leadership (L)

E1 CLIMATE CHANGE		Metric	Unit	Other frameworks	Our approach
E1.4 Just transition E1.4a	C	Existence and nature of a 'transition plan' that commits to stakeholder engagement with affected workers and communities (see the JSE Climate Disclosure Guidance for further detail).	Description	TCFD consultation WBA	Not material
E1.4e	L	Nature of provision for delivery of the transition plan within executive remuneration.	Description		The group has various strategies and activities in place to ensure we minimise impact and reduce carbon emissions. Data gathering and reporting is becoming more robust, providing greater insights and understanding of our extended environmental considerations. Through ongoing mitigation, such as single-use plastic reduction, sustainable sourcing, considered procurement and distribution, resource efficiencies and waste reduction, we aim to chase our targets, ensuring we continue to operate well within the environmental boundaries. KPI's have been set across the business units to collectively achieve our environmental goals.
E1.4f	L	Nature of provision for impacts on workers and communities within climate scenario plans.	Description		
E1.4g	L	Amount of capital and expenditure deployed on direct and indirect climate adaptation and climate mitigation efforts.	ZAR/US$ etc.		

E2 WATER SECURITY

E2.1 Water usage E2.1a	C	Total water consumption from all areas, and from areas with water stress.	Megalitres	GRI 303-5 ESRS-E3-4 SASB 140	75% of water measured is used by the group's manufacturing plant (SCK: 4.5 Megalitres). The regional offices have minimal usage and water-efficient taps and toilets have been installed. Water is predominantly potable water with access to borehole water and grey water for gardening at the KwaZulu-Natal and Cape Town offices.
E2.1b	L	Total water withdrawal from all areas with water stress, with a breakdown by following sources if applicable: surface water, groundwater, seawater, produced water, third-party water.	Megalitres	GRI 303-3 ESRS-E3-4 SASB 140	
E2.1c	L	Freshwater consumption intensity: total freshwater use per material unit (e.g. sales revenue, unit of production, m^2 of building, or other).	Megalitres/ per unit	ESRS-E3-4 SASB 140	

E3 BIODIVERSITY AND LAND USE

E3.1 Biodiversity footprint (ecosystems) E3.1a	C	Number and area of sites owned, leased, or managed in or adjacent to areas of high biodiversity value (Key Biodiversity Areas – KBAs), for operations (if applicable) and full supply chain (if material).	# and hectares (or km^2 if applicable)	GRI 304-1 ESRS-E2-6	Not material
E3.1b	C	Area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities).	Total surface Hectares	GRI 304-2 ESRS-E4-5	Not material
E3.1c	C	Level of capital and expenditure deployed towards implementation of measures undertaken to manage positive impacts and avoid, minimise, restore/ rehabilitate and/or offset negative impacts on biodiversity and ecosystems.	ZAR, $US or other currency	ESRS-E4-7	Not material
E3.1d	L	Describe wherever material across the value chain mechanisms aimed at enhancing management of biodiversity and ecosystem impacts (such as policies, targets, certifications, and audits).	Description	GRI 304 ESRS-E4-7	Not material

ENVIRONMENTAL METRICS: Core (C) and Leadership (L)

E3 BIODIVERSITY AND LAND USE		Metric	Unit	Other frameworks	Our approach
E3.1e	L	Describe and report results of any processes aimed at identifying, assessing and/or managing the biodiversity footprint of the organisation, including for example: size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals; and status of each area based on its condition at the close of the reporting period, noting the standards and methodologies used.	Description Hectares (or km^2)	GRI 304-3	The group is a member of WWF-SASSI and supports their efforts to promote voluntary compliance with the law – specifically the South African Marine Living Resources Act – through education and awareness. It also aims to shift consumer demand from over-exploited species to more sustainable ones.

E4 POLLUTION AND WASTE					
E4.1 Solid waste E4.1a	C	Total weight of waste generated (non-recycled), with a breakdown by composition of waste, noting % directed to disposal (including landfill and incineration), and % diverted from disposal (e.g. reuse, recycling, recovery).	Tonnes and %	GRI 306-3 ESRS-E5-6 SASB 150	Waste reported refers to the group's regional offices and facilities, with data supplied by Cape Town Head Office and Spur Central Kitchen Facilities. Johannesburg and Durban office waste data is insufficient.
E4.1b	C	Total weight of hazardous waste generated, noting % directed to disposal (including landfill and incineration), and % diverted from disposal (e.g. reuse, recycling, recovery).	Tonnes and %	GRI 306-4 GRI 306-5 ESRS-E5-6 SASB 150	The Décor facility produces low volumes of hazardous waste, including paint tins (± 150 kg per annum). Waste paper is shredded for packaging. 210 kg of lead was returned to the supplier for recycling and 150 kg of leather off-cuts were given to an NPO for arts and crafts in March 2022.
E4.1c	C	Waste intensity: total waste per material unit (e.g. sales revenue, unit of production, or other).	Tonnes/ ZAR or US$ etc./unit	GRI 306-3	The group produces products using PP, PET, PE, LDPE, LLDPE.
E4.2 Single use plastic	L	Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed and share (%) of single-use plastic weight of total plastic weight.	Tonnes/%	ESRS-E5-4 ESRS-E5-5 SASB 410	Non-renewable packaging increased by 2%, while renewable increased by 47%. There was a slight shift in the ratio towards more renewable resources based on weight.
E4.3 Atmospheric pollution E4.3a	C	Report wherever material along the value chain: nitrogen oxides (NOx), sulphur oxides (SOx), volatile organic compounds (VOC), persistent organic pollutants (POP), particulate matter, and other significant air emissions identified in relevant regulations.	Kilograms or multiples per emission type	GRI 305-7 ESRS-E2-4 SASB 120	Not applicable
E4.3b	L	Wherever possible estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.	Percentage	ESRS-E2-5	Not applicable
E4.4 Water pollution	L	Total water discharge to all areas in megalitres, and list of priority substances of concern for which discharges are treated, including how these substances were defined, approach to setting discharge limits, and number of incidents of non-compliance with discharge limits.	Megalitres, description and # of incidents	GRI 303-4 ESRS-E2-5 ESRS-E2-6	Not applicable

ENVIRONMENTAL METRICS: Core (C) and Leadership (L)

E5 SUPPLY CHAIN AND MATERIALS		Metric	Unit	Other frameworks	Our approach
E5.1 Supply chain (environmental)	L	Report wherever material across the supply chain: mechanisms (e.g. supplier screening, and audits) to identify and address significant actual and potential negative environmental impacts, nature of these impacts, and measures to address these.	Description	GRI 308-1 GRI 308-2 SASB 440 SASB 430	Not yet defined
E5.2 Materials of concern E5.2a	C	Process to identify and manage emerging materials and chemicals of concern in products (materials of concern could include conflict minerals or recognised high impact raw materials such as palm oil).	Description	GRI 417-1 SASB 430	Refer to page 8 of the environmental review.
E5.2b	L	Percentage of materials identified in point 1 above that are covered by a sustainability certification standard or formalised sustainability management programme.	% materials	SASB 430	Not yet defined

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