



 **SPUR** CORP.
LEADING FOR THE GREATER GOOD



Supplementary
Report **TWENTY 22**

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	<ul style="list-style-type: none"> • Co₂e 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	<ul style="list-style-type: none"> • Employees • Customers • Transformation • Community • Supply chain 	Page 16
Governance	<ul style="list-style-type: none"> • 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.

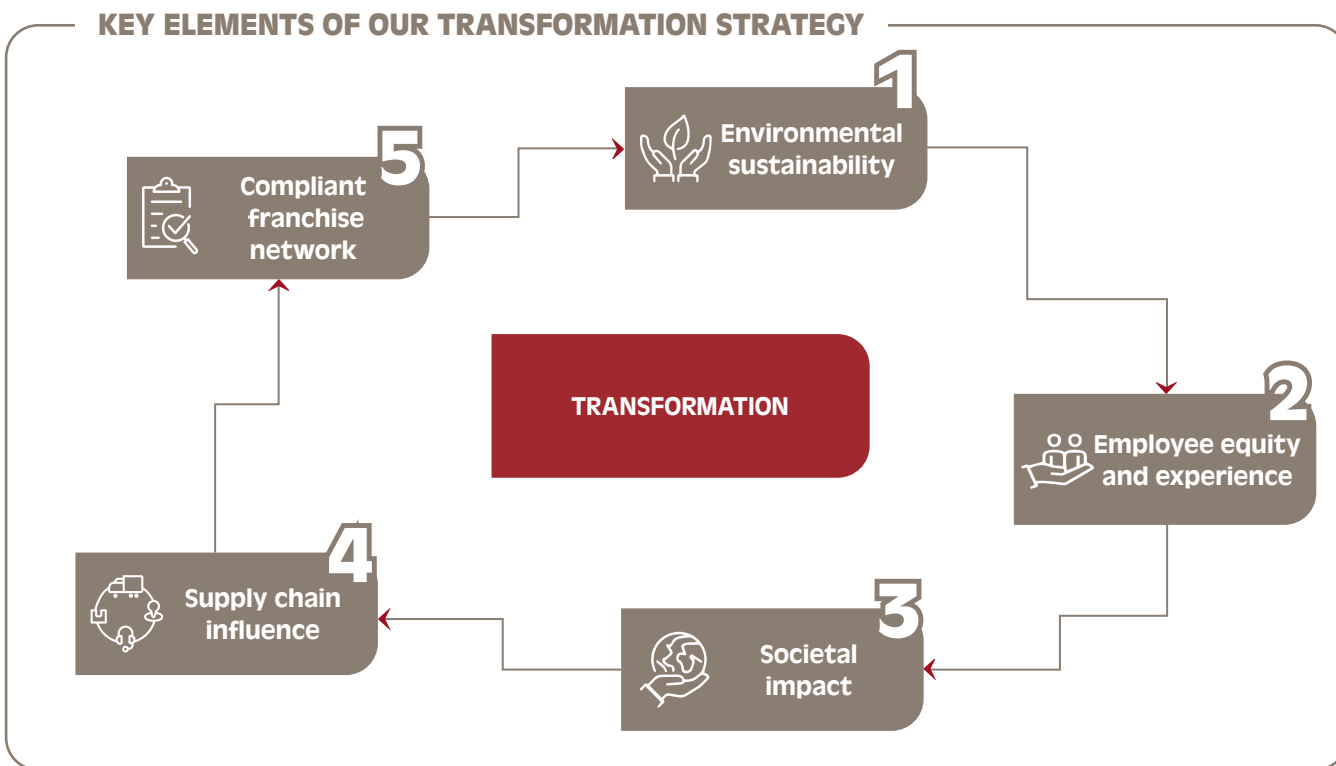


Lerato Molebatsi
Chairman

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

5

ENVIRONMENTAL SUSTAINABILITY



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.

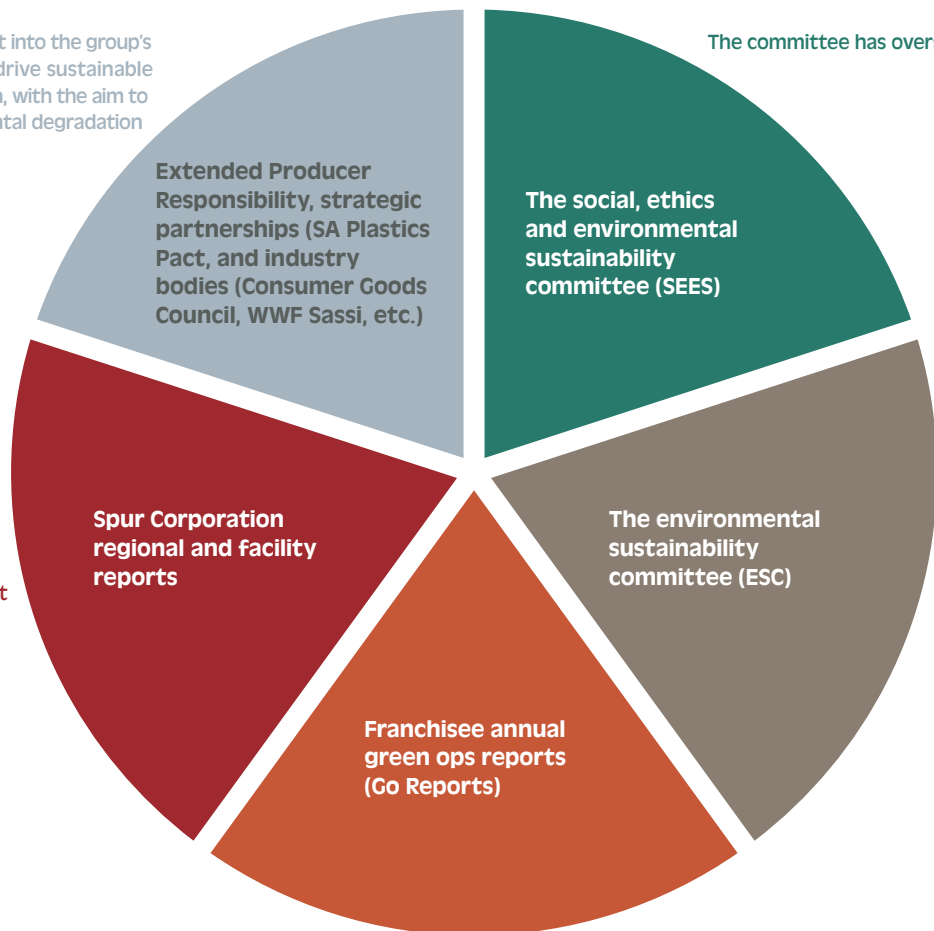


Key reporting platforms

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



The committee has oversight and a guidance role.

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 2014¹ 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.

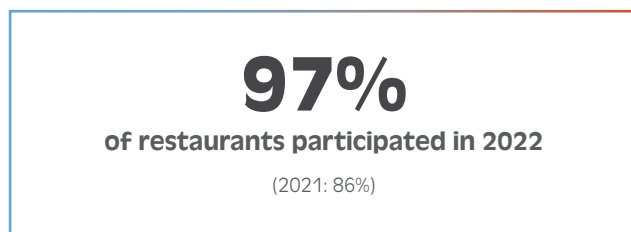
¹ The GO Reports were piloted at Spur Steak Ranches before it rolled out to the other brands. In 2022 all the group's brands participated.

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.



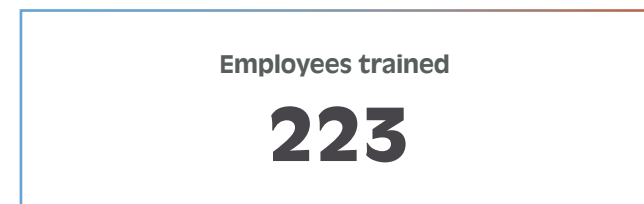
Restaurant sustainability awareness

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.





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.

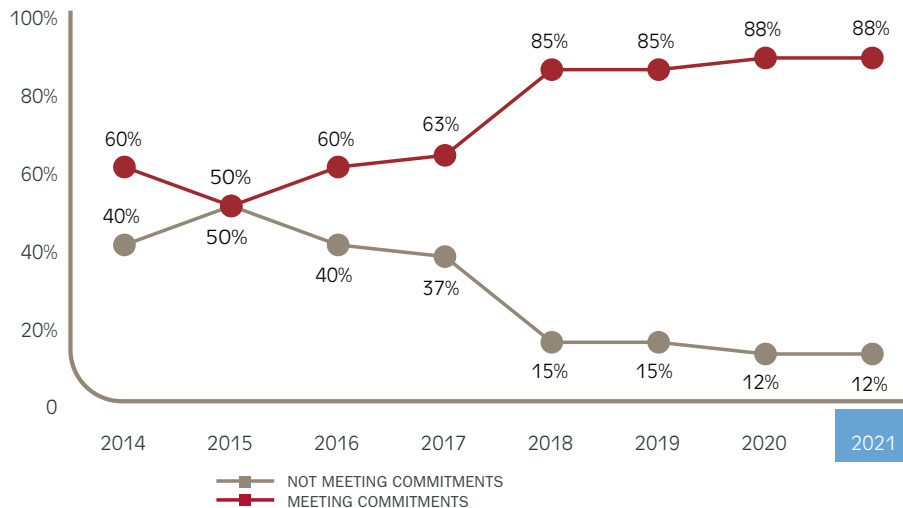
We identify unlocked value to optimise our supply chain and potential for circular opportunities. The procurement team will continue to prioritise raw material supply, with specific focus areas being seafood and beef.

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

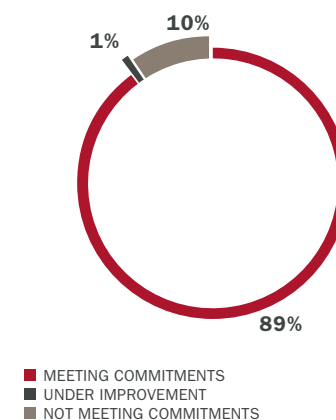
We remain committed to procuring sustainable seafood products that are certified by the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC). In partnership with WWF SASSI, John Dory's has played a meaningful role in supporting sustainable fishing practices. We are fully compliant 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 regions¹.

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 identify practical and sustainable solutions.

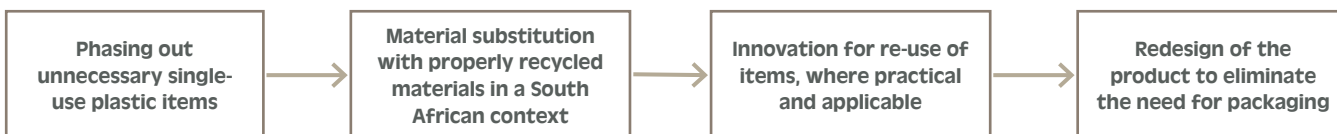
SA Plastics Pact

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.

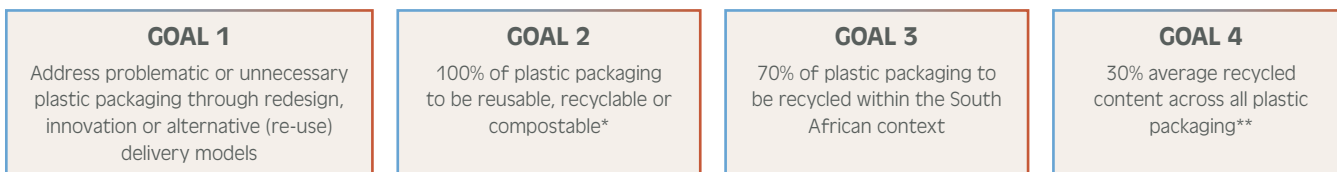
The Pact has ambitious targets for 2025 to prevent plastic from becoming waste or pollution, with the overarching goal of creating closed loop systems and circular economies related to non-renewable materials. We completed our second Plastics Pact Report in July 2022.

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:



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:



* 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.

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.

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)

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 system¹.

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 CO₂e.

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 CO₂e (2021: 176 673 kg CO₂e).

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 report² to monitor the group's impact on climate change and to determine organisational boundary. Within the GHG³ 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 party⁴ 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 five⁵ 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.

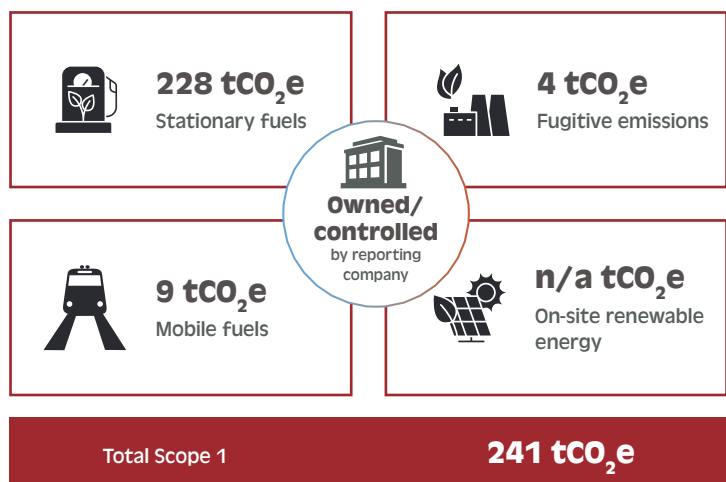
³ The GHG Protocol is the most widely used standard for mandatory and voluntary corporate GHG reports and is compatible with other international GHG reporting standards such as ISO 14064. It is derived from a multiple-stakeholder partnership of businesses, NGOs and governments led by the World Resources Institute and The World Business Council for Sustainable Development.

⁴ Ref: SC CFR Report 2022 – Carbon Calculated

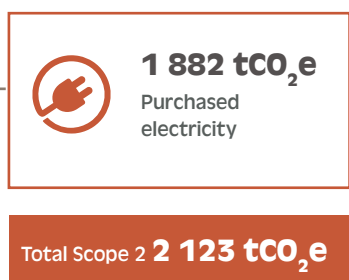
⁵ MODROCKERS (est. November 2022) is still in a proof of concept and have been excluded from the 2022 report due to insufficient data

Summary of Spur Corporation's emissions and company metrics reported for 2022

Scope 1



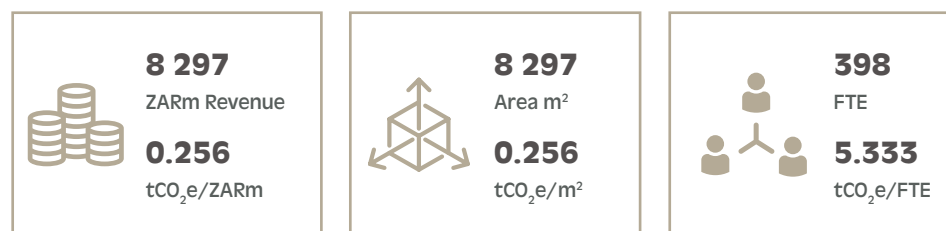
Scope 2



Scope 3



Company metrics



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 implications¹.

¹ Ref. SC CFR 2022

KEY ENVIRONMENTAL STRATEGIES FOR F2023

The group's environmental sustainability team focuses on ten key themes.

 <p>ENVIRONMENTAL SUSTAINABILITY (Alignment with international frameworks, UN SDGs GRI and national requirements: NDP)</p>
 <p>REDUCTION OF SINGLE-USE PACKAGING (Driving circularity)</p>
 <p>EFFECTIVE WASTE MANAGEMENT</p>
 <p>EFFECTIVE RESOURCE MEASUREMENT AND MANAGEMENT (Energy and water)</p>
 <p>TRANSFORMATION AND EMBEDDING ENVIRONMENTAL SUSTAINABILITY PRINCIPLES</p>

 <p>SUSTAINABLE TRANSPORT AND REDUCTION IN CO₂</p>
 <p>GREEN BUILDING AND BUILT ENVIRONMENTS</p>
 <p>SUSTAINABLE CONSUMPTION AND PRODUCTION</p>
 <p>STAKEHOLDER ENGAGEMENT</p>
 <p>CLIMATE ACTION</p>

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

- 17 EMPLOYEE EQUITY AND EXPERIENCE
- 22 SOCIETAL IMPACT
- 23 COMPLIANT FRANCHISE NETWORK
- 25 STAKEHOLDER ENGAGEMENT



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

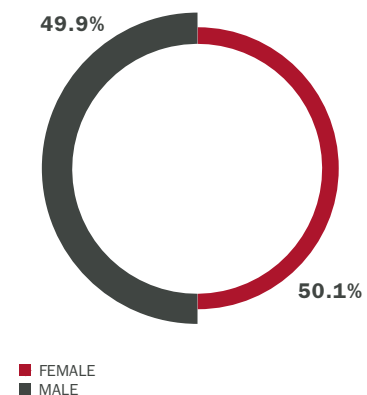
The group's external verification process for its B-BBEE rating was finalised by the end of October 2022 and an updated scorecard issued. Refer BBBEE scorecard on the group's website

Employee profile

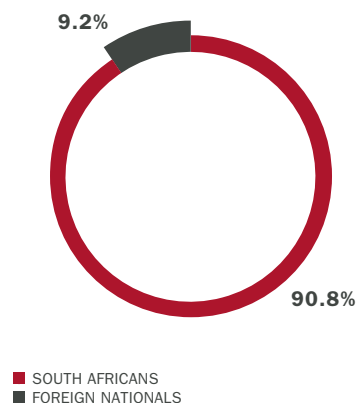
The tables below align with the submissions to the Department of Employment and Labour. The next submission will be at the end of calendar 2022.

South African workforce as at 1 December 2021

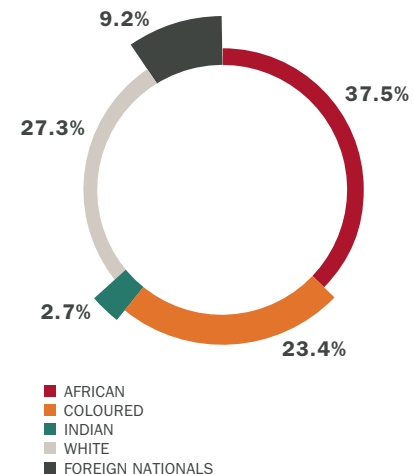
GENDER



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?	<ul style="list-style-type: none"> 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 they remain connected?	<ul style="list-style-type: none"> 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 and strategic roles?	<ul style="list-style-type: none"> We have improved the structure of feedback processes to employees and have identified employees for critical roles for succession planning <p>We have launched development programmes, such as the Rising Leaders and Ignite programmes. Refer to pages 20 and 21.</p>

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	<ul style="list-style-type: none"> • Engagement with and support from managers • Company vision and strategic alignment • Values and behaviours • Brand perception 		
Areas for improvement	<table border="1" style="width: 100%;"> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Communication • Rewards and recognition • Career development • Managing workload and stress </td> <td style="vertical-align: top;"> <p>Actions taken</p> <p>We had a feedback session, which explored ideas for improvement.</p> <p>We are rolling out additional change leadership sessions focusing on the alignment of our values and increasing levels of communication, trust and collaboration.</p> <p>During the year, the CEO travelled nationally to engage with teams.</p> </td> </tr> </table>	<ul style="list-style-type: none"> • Communication • Rewards and recognition • Career development • Managing workload and stress 	<p>Actions taken</p> <p>We had a feedback session, which explored ideas for improvement.</p> <p>We are rolling out additional change leadership sessions focusing on the alignment of our values and increasing levels of communication, trust and collaboration.</p> <p>During the year, the CEO travelled nationally to engage with teams.</p>
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Learning and development

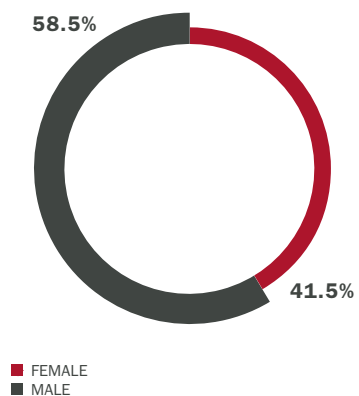
The learning and development of group and franchisee employees ensures that we not only retain, but also develop our employees for career progression. We aim to empower employees to execute their functions effectively through updating our learning content, intellectual property and facilitation methodologies. We monitor progress through feedback and reports.

Employees

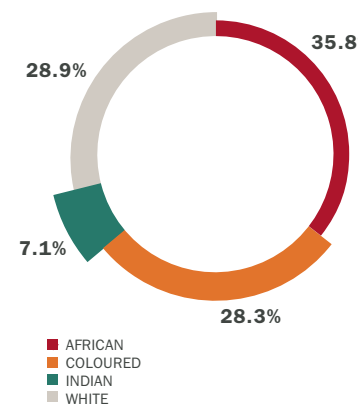
The group significantly increased its investment in development programmes.

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

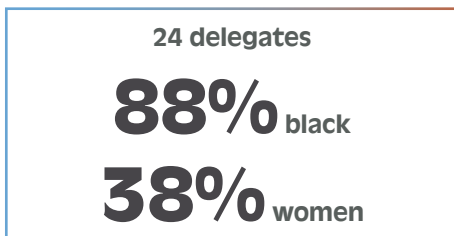
We launched our own talent development academy, the Rising Leaders Academy. This is a key milestone in the group’s purpose of **Leading for the Greater Good** and transitioning into an employer of choice. The Academy is focusing on formal career development and fast-tracking quality candidates.

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.



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.



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

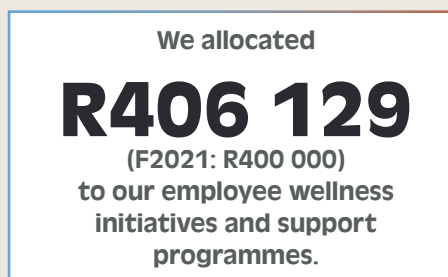
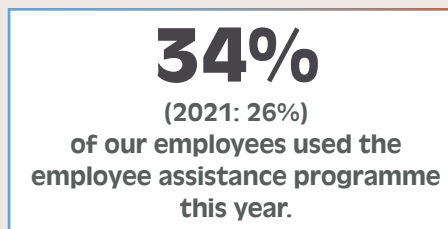
EMPLOYEE ASSISTANCE

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.



The top issues identified:

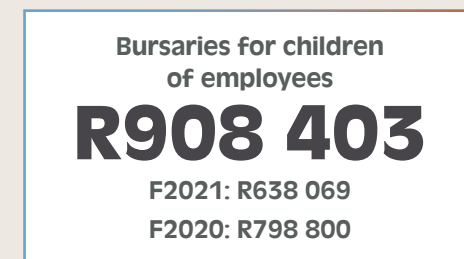
- Child and family care
- Work/life balance
- Depression
- Financial wellbeing

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.



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 Indianapolis 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.	<ul style="list-style-type: none"> Directly with and by participating in public forums Discussions with industry bodies Stakeholder engagement sessions
Their key concerns and expectations	
<ul style="list-style-type: none"> 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	
<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> In-person and virtual meetings, roadshows and conferences Interim and annual results announcements Annual and interim reports SENS announcements
Their key concerns and expectations	
<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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	
<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> • 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	
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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	
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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
<p>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.</p> <p>Our partnerships with franchisees are crucial to our success.</p>	<ul style="list-style-type: none"> • 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	
<ul style="list-style-type: none"> • 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
<p>Our relationships with the communities in which we operate can impact our brand and reputation.</p> <p>We aim to be a responsible business and understand the impact of our activities on communities.</p>	<ul style="list-style-type: none"> • Partnerships with non-profit organisations (NPOs) • Community activities
Their key concerns and expectations	
<ul style="list-style-type: none"> • 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

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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	<ul style="list-style-type: none"> Group CEO Group CFO Group COO Group CMO People, leadership and culture executive Transformation executive Group supply chain executive Franchise executive: International 	<ul style="list-style-type: none"> Group CEO Group CFO Group COO Group CMO Certain brand COOs Group finance executive Other functional heads and managers within the group 	<ul style="list-style-type: none"> 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
	<p>Develops and recommends corporate strategy to the board, including defined business plans and budgets per areas of business.</p> <ul style="list-style-type: none"> 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 	<p>Assists the social, ethics and environmental sustainability committee with reports and input.</p> <ul style="list-style-type: none"> 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 	<p>Confirms key decisions concerning IT infrastructure.</p> <ul style="list-style-type: none"> 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), LL.M., 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, BEEd (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, BA, MPA 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, AECL, 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	<p>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.</p> <p>These structures and procedures are implemented in a manner that supports the entrepreneurial characteristics that remain fundamental to the success of the group.</p> <p>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.</p> <p>All deliberations, decisions and actions of the board are based on fairness, accountability, responsibility and transparency.</p>	Governance review
2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	Governance review
3	The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen	<p>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.</p> <p>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.</p> <p>The group is committed to environmental sustainability and is continually striving to improve operations to limit environmental impacts and to operate within natural boundaries.</p> <p>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.</p> <p>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.</p>	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	<p>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.</p> <p>The board has delegated the detailed formulation and implementation of the approved strategy and the realisation of the expected returns to the leadership.</p> <p>The board is responsible for approving the policies and operational plans developed by management.</p> <p>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.</p> <p>Financial statements of the group are circulated to board members prior to each board meeting.</p> <p>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).</p> <p>The audit committee reviews management's documented assessment of the going concern premise of the group.</p>	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	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Main section of the integrated annual report</p> <p>Consolidated annual financial statements</p> <p>Governance review</p>
6	The governing body should serve as the focal point and custodian of corporate governance in the organisation	<p>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.</p> <p>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.</p> <p>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.</p> <p>The board charter confirms that board members have unrestricted access to all group information, records, documents and property.</p> <p>Non-executive directors have access to management and may meet separately with management, without the attendance of executive directors.</p> <p>The board meets formally three times a year, to attend to governance matters and discuss operations, strategy, risk and other key issues.</p> <p>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.</p>	<p>Governance review</p>
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	<p>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.</p> <p>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™.</p> <p>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.</p> <p>The group has a unitary board structure comprising:</p> <ul style="list-style-type: none"> seven independent non-executive directors three executive directors <p>The group's diversity policy stipulates that the board will not comprise less than 20% female directors and 25% black directors.</p> <p>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.</p> <p>The board has sufficient members to serve on the various committees of the group.</p>	<p>Main section of the integrated annual report</p> <p>Governance review</p>
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	<p>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.</p> <p>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.</p> <p>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.</p> <p>The standing committees of the board are:</p> <ul style="list-style-type: none"> Risk Audit Nominations and remuneration Social, ethics and environmental sustainability 	<p>Governance review</p>

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	<p>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.</p> <p>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.</p>	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	<p>The CEO is not a member of the audit committee, but is invited to attend these meetings or sections of the meetings.</p> <p>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.</p> <p>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.</p> <p>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.</p>	Governance review
11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives	<p>The board's responsibility for risk governance is expressed in the board charter and the risk management plan and policy.</p> <p>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.</p> <p>The board delegates the responsibility to continuously identify, assess, mitigate and manage risks within the existing operating environment to the leadership and management.</p> <p>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.</p> <p>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.</p> <p>The audit committee provides guidance to the internal audit function on the priority of risks to be reviewed and assured.</p> <p>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.</p> <p>The committee works closely with internal audit to enhance the existing risk management process on a continuous basis.</p> <p>The risk committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.</p>	<p>Main section of the integrated annual report</p> <p>Governance review</p>
12	The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives	<p>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.</p> <p>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.</p> <p>The organisational capacity of the IT function was expanded significantly during the year.</p> <p>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.</p> <p>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.</p> <p>IT arrangements are included in the reviews of the internal auditor who reports to the audit committee in this regard.</p>	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	<p>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.</p> <p>Compliance is an area that will continue to remain on the board agenda.</p> <p>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.</p>	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	<p>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.</p> <p>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.</p> <p>The nominations and remuneration committee engages with stakeholders on any concerns they may have relating to the remuneration policy and implementation report.</p>	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	<p>A combined assurance approach is in place to effectively cover the group’s significant risks and material matters.</p> <p>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.</p> <p>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.</p> <p>The internal audit function is sufficiently skilled and resourced to fulfil its mandate within the group.</p> <p>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.</p> <p>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.</p>	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	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Main section of the integrated annual report</p> <p>Social review</p> <p>Remuneration report</p>
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.

Requirement	Principle	Approach and compliance
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. <ul style="list-style-type: none"> 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.

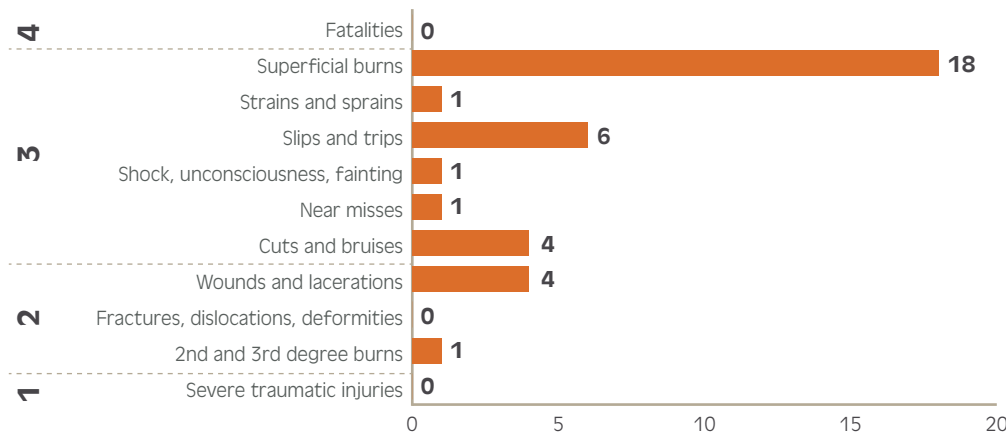
At least every two months, corporate operations managers conduct detailed food, hygiene and safety audits at restaurants. Regular service and standards audits are also conducted. CCTV cameras are in place in many restaurants to monitor front-of-house and back-of-house kitchen adherence to strict hygiene 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:	<ul style="list-style-type: none"> 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.