

1. Background

Tsebo Solutions Group (Proprietary) Limited, its holding companies and its subsidiaries (collectively referred to as the "Group" and/or "Tsebo") have always been a **conscious corporate citizen**, committed to the highest standards of **good corporate governance and ethics**. The Group's divisions and operating countries disparately run their own initiatives on everything from oil recycling to measuring energy consumption.

Tsebo's grasp of local market requirements and logistics translates into meaningful solutions to deliver sustainable development initiatives across Africa. Tsebo strives to create community-based programmes alongside its business operations by building **local upliftment and environmental responsibility** into contracts and business relationships wherever possible.

Grassroots training, a high-performance service culture, community development, small-business creation, health, safety and wellness awareness programmes work in tandem across our contracts, resulting in vibrant new marketplaces for the communities in which we operate.

These programmes and projects have not been identified, measured and reported on centrally in the past. Tsebo has noted the sea change being experienced and required, the world over, for corporate citizens **to see more, do more and say more** when it comes to sustainability and the impact their operations have on their stakeholders.

2. Objectives and Scope

This policy is valid for all of the Group's holding companies and its subsidiaries and applies to all our employees, as well as our supply chain and service providers. This policy provides our employees and partners with an overview of Tsebo's commitment to sustainability.

The objective is to support and enable employees at all levels in Tsebo to act in line with our values, guiding principles and expectations. We expect every employee to support the Sustainability Policy and continuously improve initiatives defined and anchored throughout the organisation.

2.1 Principles and Goals

The Group subscribes to the principles of good corporate governance as espoused in **King IV** and understands what good governance can do for the security and livelihood of its employees, suppliers and clients alike.

Similarly, Tsebo has always been an early adopter of the ten principles set out in the **UN Global Compact**. Many of Tsebo's informal sustainability initiatives already fall within the **17 Sustainable Development Goals of the UN Global Compact**. Therefore, Tsebo has started a process to become an official participant.

2.2 The Tsebo Sustainability Framework

Tsebo's sustainability framework is conducted from a **triple bottom line perspective**, which considers business, social and environmental aspects.

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The framework is built on the foundation of our **four Core Values**, and comprises **four Drivers**, namely:

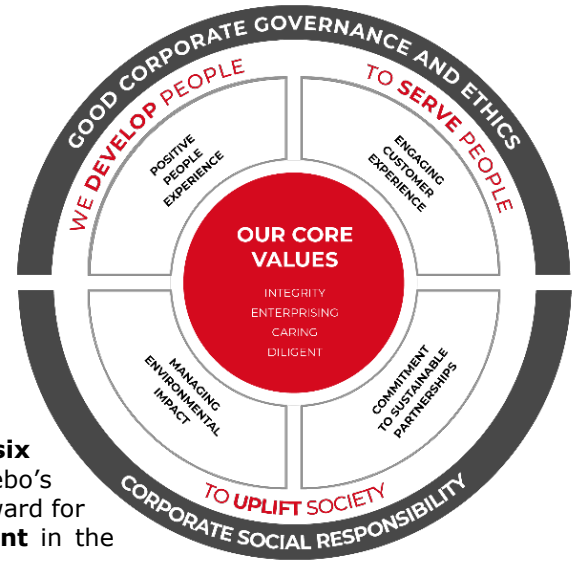
- **Positive People Experience;**
- **Engaging Customer Experience;**
- **Commitment to Sustainable Partnerships;**
- **Managing Environmental Impact.**

These Drivers are reinforced by

- **Good Corporate Governance and Ethics** and a
- **Corporate Social Responsibility** mindset,

and are propelled by our group purpose statement: We **DEVELOP** people, to **SERVE** people to **UPLIFT** society.

The four drivers and their two reinforcers stipulate the **six main focus areas** identifying the scope of Tsebo's sustainability approach. The focus areas pave the way forward for continuous **measurement, reporting, and improvement** in the years to come.



2.3 The Six Focus Areas of the Tsebo Sustainability Framework:

2.3.1 POSITIVE PEOPLE EXPERIENCE

Our employees are the public faces of Tsebo and we recognise and respect the value each employee adds to the business by delivering excellent service day after day. At Tsebo, we place great focus on attracting and retaining the right talent at all levels to ensure the continued success and sustainability of the organisation.

We continuously strive to create a **high-performance service culture** with a **diverse, motivated** and **capable workforce** who live our values and are proud to work for Tsebo. We will build on our commitment to developing strong leaders and engaged employees who are trusted and equipped to make the right decisions for our clients and the communities we serve.

Tsebo believes that it is vital to clarify the organisation's expectations regarding the working environment, practices, and behaviours required throughout the business relating to our people management. By measuring and comparing our people management performance both internally and externally, we continuously identify areas of improvement that will beneficially impact our business, clients, and employees. To this end, we have developed people standards across our business aligned to the end-to-end employee lifecycle.

Our People Standards intend to inspire, educate, and support leaders, managers, and employees regarding the fundamental role people management practices have in creating an effective and sustainable organisation.

2.3.2 ENGAGING CUSTOMER EXPERIENCE

Tsebo is committed to the Group's fully integrated **Customer Experience (CX) strategy**. Customer Experience is fully understood and trained at all levels of the organisation. Listening to and understanding client needs, striving to exceed expectations, and responsiveness are vital attributes of the Tsebo DNA.

On average, Tsebo conducts over 2 000 voluntary, one-on-one client surveys annually. The **independent survey process** is outsourced to an external research company to ensure objectivity. If any individual score falls below our minimum satisfaction benchmark, a **unique alert management process** is triggered to remedy any issues immediately.

The Group believes in forming close working partnerships with our clients, allowing us to understand the intricacies of our clients' businesses and **innovate** and **evolve** according to their changing needs. We stay abreast of international trends and use **technology** to simplify processes and improve efficiencies.

2.3.3 COMMITMENT TO SUSTAINABLE PARTNERSHIPS

Tsebo is committed to building sustainable partnerships with our clients by investing in community supplier projects that create new SMMEs (Small Business Economic Developments) through our **Enterprise and Supplier Development programme**. Our programme, known as **Tsebo Phakiso**, allocates approximately 40% of our procurement spend to local suppliers.

Our **Enterprise Development (ED) approach** includes identifying SMMEs in the areas in which we operate intending to support local-to-local SMME development through capacity building, grant funding and mentorship. SMME suppliers linked to our supply chain receive technical training to enable growth in profits, job opportunities and increased economic participation.

This aligns with our **Transformation agenda** as a Group.

2.3.4 MANAGING ENVIRONMENTAL IMPACT

The Group is committed to reducing our impact on the environment. We aspire to achieve this through partnering with our clients' Environmental Impact Policies as well as the training and enforcement of **Tsebo's Environmental Policy**.

Managing environmental impact is central to all operations. From providing intelligent metering and monitoring to help our clients minimise water and energy consumption to eco-friendly cleaning products and recyclable food packaging. We challenge our employees to develop innovative product solutions that drive commercial and environmental benefits. We also work closely with our clients to minimise environmental impact and set ongoing targets for improvement.

2.3.5 GOOD CORPORATE GOVERNANCE AND ETHICS

The Group is committed to the highest standards of social and business practices. Our standards adhere to the **UK Bribery Act** and the **South African Prevention and Combatting of Corrupt Practices Act**.

The Group's **Anti Bribery and Corruption Policy** and the **Code of Ethics and Good Business Practice** are the cornerstones of our approach to governance and ethics. These two vital policies, together with Tsebo's **Whistleblower Policy** and **Procedure, Gifts and Entertainment Policy**, provide guidance for maintaining and improving a robust framework for overall good corporate governance and ethics. The policies are trained on, communicated and enforced from shareholders and directors to employees and through to our supply chain and service providers.

Tsebo subscribes to the ethical principles underpinning good corporate governance as outlined in **King IV** and the **Companies Act 2008**, namely **responsibility, accountability, fairness and transparency**. Tsebo endeavours to implement these principles in its governance structures, policies and procedures across the Group.

2.3.6 CORPORATE SOCIAL RESPONSIBILITY

Tsebo strives to enhance community potential in every country of operation by partnering with local communities through a participative approach that integrates them into our value chain.

The Group supports initiatives that enable people to **support themselves, employ others, create economic stability** and **develop communities** in the areas we operate. Those initiatives include but are not limited to youth employment, skills development, job creation, SMME and rural enterprise development and community upliftment.

Overseen by **Tsebo's Social Ethics and Transformation Committee** and guided by our **Corporate Social Responsibility Policy**, Tsebo's CSR function fulfils two mandates – **entrepreneurship development** and **community support**.

3. Roles and Responsibilities

The Group CEOs bear ultimate responsibility for Tsebo's operations, including the sustainability of the Group. The CEOs have delegated operational responsibility to dedicated functions and managers.

As environmental and social issues are national and sometimes differ between countries, with varying regulations and practices, the responsibility for sustainability work lies with the respective countries of operation. To ensure the necessary coordination and control, a **Sustainability Committee** has been appointed to report directly to the Executive Management Team.

The Sustainability Committee prepares proposals for policies, overall objectives and the framework of sustainability governance for the entire Group. The Sustainability Committee is also tasked with setting, measuring and monitoring the annual indicators and, annually, based on a stakeholder and business intelligence perspective, propose specific measures in the area of sustainability for decision in the Executive Management Team.

4. Monitoring and Compliance

Tsebo is monitoring and following up on KPIs within all sustainability focus areas, which will be presented in the **Group's Sustainability Report** each year. The Group's Sustainability Report shall report Tsebo's sustainability efforts and provide information to the extent necessary to understand Tsebo's development, performance, status and impact of its operations, at least in matters relating to the six framework focus areas.

As part of its whistleblowing programme, Tsebo operates an **independent 24/7 hotline monitored by Deloitte**, where suppliers, employees and clients can notify the business of any irregularities and infringements, which will be investigated at the highest level.

5. References to associated policies

Apart from this Sustainability Policy, Tsebo has a number of related Group-wide policy documents, which can be found on TseboNet/ the Group intranet:

- Anti Bribery and Corruption Policy
- Code of Ethics and Good Business Practice Policy
- Whistleblower Policy and Procedure
- Procedure, Gifts and Entertainment Policy
- Environmental Policy
- Health and Safety Policy
- Communications Content Policy and Procedure
- Procurement Policy
- Corporate Social Responsibility Policy
- People Standard Policy_Learning and Development Strategy and Standards
- People Standard Policy_Diversity and Inclusion Strategy and Standards
- People Standard Policy_Employee Performance and Reward Strategy and Standards
- People Standard Policy_Employee Engagement Strategy and Standards
- People Standard Policy_Organisational Design and Workforce Optimisation
- People Standard Policy_HR Standards Compliance and Reporting Standards
- People Standard Policy_Recruitment of Best People Strategy Standards