



## STAKEHOLDER ENGAGEMENT POLICY

Quantum Foods Holdings Ltd and its subsidiaries (“Quantum Foods”, “the Group” or “the Company”) is a fully-integrated primary agricultural business that consists of animal feeds; layer and broiler farming, eggs and related businesses on the African continent outside South Africa.

The King IV Report on Corporate Governance™ for South Africa, 2016, (“King IV”)<sup>1</sup> requires the Board to assume responsibility for the governance of stakeholder relationships. This includes setting the direction for how stakeholder relationships should be approached and conducted by the Company.

Responsible corporate citizenship, social responsibility, sound business practice and natural resource management are fundamental to Quantum Foods’ sustainability and the creation of stakeholder value.

The Group is committed to adding sustainable value for identified key stakeholders. These include:

- Shareholders and investors;
- Customers and consumers;
- Suppliers and contractors;
- Government and regulatory bodies;
- Employees, and
- Communities in the context of broader society.

To ensure sustainable value creation, the Group recognises its responsibility to maintain inclusive and responsive relationships with its most material stakeholders to ensure open, transparent and efficient communication. This is premised on the understanding that stakeholder perceptions can affect Quantum Foods’ reputation and should inform its strategy and related activities.

Quantum Foods’ engagement with its stakeholders is therefore informed by the following:

- **Inclusivity:** The Group follows an inclusive approach to stakeholder engagement. This includes consulting its stakeholders to develop and achieve a responsible and strategic response to sustainability-related matters.
- **Materiality:** The Group determines the relevance and significance of issues affecting its business and stakeholders. The materiality of issues concerns the legitimate interests and expectations of stakeholders in the context of the legal and strategic considerations of the business.
- **Responsivity:** The Group aims to respond appropriately to stakeholder issues through its decisions, actions, performance and communication.

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## Guiding principles that govern Quantum Foods' stakeholder consultation / relationship management

Quantum Foods' continually strives to improve its stakeholder engagement approach, and stakeholder engagement and relationship management is fully integrated into the ongoing management activities of the Group's divisions and functionaries.

The Board delegates the responsibility of stakeholder engagement to the executive committee. The chief executive officer and executive management in each division are then responsible and accountable for stakeholder engagement. Responsibility for group functions rests with the relevant executive head.

In each division and group function, key stakeholders are identified by objective criteria including:

- **Role and/or Responsibility:** Stakeholders to which Quantum Foods has, or in the future may have, legal, financial or operational responsibilities (as enshrined in regulations, contracts, policies or codes of conduct).
- **Influence:** Stakeholders that influence, or in future may be able to influence, the ability of Quantum Foods to meet its goals.
- **Proximity:** Stakeholders with whom Quantum Foods interacts most – this includes internal stakeholders; those with long-standing relationships with the Group; those on whom the Group depends as part of its day-to-day operations; and those living near its operating sites.
- **Dependency:** Stakeholders that are most dependent on Quantum Foods – for example, employees and their families, customers who depend on the Group's products and services for their safety, livelihood, health or welfare, and suppliers of which Quantum Foods is a large customer.
- **Representation:** Stakeholders that are entrusted to represent other individuals due to regulatory structures or culture/tradition. This includes, for example, representatives of government, local communities, trade unions and membership-based organisations.

Each division and group function continuously seek ways to better manage and improve their stakeholder engagement procedures and performance.

Appropriate stakeholder engagement methodologies and processes are developed at divisional and group functional level. Each division and group function then implements appropriate initiatives to ensure the significant issues and concerns of their key stakeholders are proactively identified and addressed.

Material engagements are appropriately recorded and reported by:

- Stakeholder group
- Frequency
- Type of engagement
- Issues raised and addressed.



Risk management at divisional and functional levels ensure that stakeholder risks are continually assessed, evaluated and addressed. Significant changes to the Group's business strategies and/or the business environment may give rise to new stakeholder groups.

Through ongoing engagement, Quantum Foods strives to inform stakeholders at group, divisional and functional levels of the implications and impacts of its activities in an appropriate, fair, transparent and timely manner. The Group further strives to ensure that any disputes are resolved effectively, efficiently and expeditiously.

Processes are implemented and sustained to ensure the chief executive officer and the Board are fully informed of pertinent stakeholder concerns and any associated risks or opportunities.

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