STAKEHOLDER ENGAGEMENT POLICY

Quantum Foods Holdings Limited ("Quantum") and its subsidiaries ("the group") is a fully integrated primary agricultural business that consists of animal feeds; layer and broiler poultry farming; eggs and related businesses on the African continent outside South Africa.

King IV requires the Board to assume responsibility for the governance of stakeholder relationships by setting the direction of how stakeholder relationships should be approached and conducted in the Company.

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

The group is committed to adding sustainable value for identified key stakeholders. These specifically include:
- Shareholders;
- Customers;
- Suppliers;
- Employees, and
- Communities in the context of broader society.

Stakeholder value creation is enhanced by ongoing stakeholder relationships, fundamental principles of which are inclusivity, materiality and responsiveness, as well as the understanding that stakeholder perceptions affect the group’s reputation.

Such relationships ensure open, transparent and efficient communication with identified stakeholders and inform group strategy and related activities.

In the context of sustained value creation for all its stakeholders, Quantum’s engagement with its stakeholders includes:

- An inclusive approach: consultation with stakeholders in developing and achieving an accountable and strategic response to sustainability;
- Materiality: determining the relevance and significance of issues to both the group and its 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; and
- Responding appropriately to stakeholder issues through decisions, actions, performance and communication.

The board of directors delegate responsibility for proactively dealing with stakeholder relationships to the Executive committee.

The group strives to continually improve its stakeholder engagement performance.
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STAKEHOLDER CONSULTATION / RELATIONSHIP MANAGEMENT

Stakeholder engagement and relationship management is integrated into the ongoing management activities of the divisions and group functionaries.

The Chief Executive Officer and executive management in each division are responsible and accountable for stakeholder engagement. Responsibility for group functions rests with the relevant executive heading the group function.

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

a) Role and/or Responsibility: stakeholders to which Quantum has, or in the future may have, legal, financial or operational responsibilities enshrined in regulations, contracts, policies or codes of conduct.

b) Influence: Stakeholders that influence, or in future may be able to influence, the ability of Quantum to meet its goals;

c) Proximity: Stakeholders with whom Quantum interacts most, including internal stakeholders, those with longstanding relationships, those on whom the group depends most in its day-to-day operations, and those living in proximity to its operating sites;

d) Dependency: Stakeholders that are most dependent on Quantum, for example employees and their families, customers who are dependent on its products and services for their safety, livelihood, health or welfare, and suppliers for whom Quantum is a large customer;

e) Representation: stakeholders that are, through regulatory structures or culture/tradition, entrusted to represent other individuals; e.g. representatives of government, local communities, trade unions and membership-based organisations; and

f) Significant changes to business strategies and/or the business environment may indicate additional sets of stakeholders to be engaged.

Appropriate initiatives are implemented by each division and group function to ensure a process for proactively identifying and addressing the significant issues and concerns of their key stakeholders.

Appropriate stakeholder engagement methodologies and processes and systems are developed, recorded and implemented at divisional and group functional level.

Significant stakeholder engagements are appropriately recorded and reported.

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

Established risk management processes at divisional and functional levels ensure that stakeholder risks are continually assessed, evaluated and addressed.

Board August 2020
Through ongoing and appropriate stakeholder engagements, Quantum strives to inform, in an appropriate and timely manner, stakeholders at group, divisional and functional levels of the implications and impacts of its activities in a fair and transparent manner. Also, to ensure that any disputes are resolved as effectively, efficiently and as expeditiously as possible.

Processes are implemented and sustained to ensure that the Chief Executive Officer and Board of Directors are fully informed about pertinent stakeholder concerns as well as the risks and opportunities which may emanate from these.

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