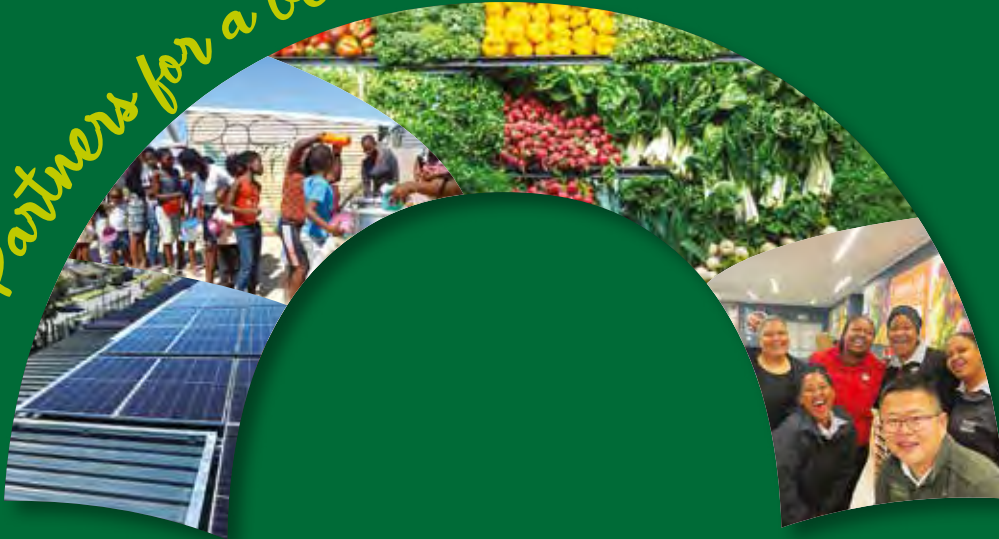


Partners for a better tomorrow



**FOOD
LOVER'S
MARKET**

EARTH LOVERS REPORT

2022/2023





FROM OUR 
FAMILY TO YOURS
*for generations
to come*



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**EARTH LOVERS**
PARTNERS FOR A BETTER TOMORROW

OUR STORY

OUR STORY

The little brand with a big heart



From a single fruit and veg store

that opened in Access Park, Cape Town, in 1993 with a team of 6 colleagues, the Food Lover's Market Group has thrived over the past 30 years to become the country's largest privately-owned retailer. We have hundreds of stores across Southern Africa and the Group employs 17,000 colleagues across the business.

Founded by brothers Brian and Mike Coppin, The Food Lover's Market Group is a family-owned business that incorporates a number of sister brands - Food Lover's Market Eatery, FreshStop, FVC International, Seattle Coffee Company, Diamond's Discount Liquor and Market Liquors. Fruit & Veg City was the origin of the business, but thanks to an amazing team of colleagues, Food Lover's Market has evolved into a modern experiential retail store that includes a gourmet butchery, bakery, seafood, grocery and health and wellness departments.

Our brand promise continues to be 'The Best in Fresh, Guaranteed'. It speaks to not only the great products we have on offer but to the service we provide to our customers on a daily basis. To deliver on this promise, we need to embody our fundamental value of excellence, which means taking responsibility to ensure that every day we deliver the best value, quality, range and service, while always having fun.

Our commitment extends beyond our customers and stores - to our colleagues, our suppliers, the communities in which we operate, and the greater world which we inhabit.



FOOD LOVER'S MARKET HOLDINGS

The Food Lover's Market Group is a collection of extraordinary brands that are setting new standards in the South African retail sector. A passion for excellence and customer satisfaction is at the forefront of everything we do.

IT IS THE LARGEST
PRIVATELY-OWNED
RETAILER IN
SOUTH AFRICA.

FOOD LOVER'S MARKET

A family-run business with over **100 stores** across Southern Africa, Food Lover's Market has been a leading retailer in fresh produce for 30 years. The business has not only seen exceptional growth in fresh produce but also in butchery, bakery and grocery offerings across the board.

FRESH STOP

fill up, fresh up!

FreshStop is the fastest-growing convenience store chain in South Africa, opening over **340 stores**. Our fresh produce offering, wide variety of established quick service food brands, market leader coffee brand and our diverse product offerings are what sets us apart from other forecourt convenience retailers.

FOOD LOVER'S EATERY

Our **7 Eateries** cater to working professionals offering delicious on-the-go meal options, onsite consumption and a theatre of food.

STREATERY

ALL DAY EATERY

A trendy eatery and full restaurant concept inspired by street food from around the world.

MARKET LIQUORS



With **13 Market Liquors** and **19 Diamond's Liquor stores**, we are the leading liquor suppliers, stocking brands from around the world, catering to a broad consumer group.

fvc^{INT.}

A dynamic import and export brand and one of the leading players in the global fresh produce sector.



A leading coffee brand in South Africa with integrated roasting infrastructure and a dedicated customer following. Seattle Coffee Company operates over **260 outlets**, and that number is continuously growing.



"Earth Lovers is the practical way we live our values every day." – Brian Coppin



For 30 years, Food Lover's Market has been committed to making a positive impact on our people, our planet, our suppliers, our communities and our customers. In 2016, Earth Lovers was born to entrench the family values in an ever growing business, to ensure that in spite of our rapid growth, we would remain a company bonded by our family values.

Earth Lovers has become an important cornerstone in building a brand that does not incorporate ESG metrics to simply become more efficient, but is able to take an honest look at itself, its impact on the world, our people, the communities we serve, and then take action to add value wherever possible.

Earth Lovers is at the heart of our sustainable business journey, it is the way we do business.

Our goal is to become a truly values-driven purpose-led business filled with exceptional people working day in and day out to make things better for each other, for our customers and for our world, while always having fun. This report shows some of the key initiatives that underpin this goal.



Our PURPOSE

To provide our customers with fresh, healthy, affordable food for generations to come.



Our VISION

To be the best in fresh.

FLM FAMILY VALUES



F
HAVE FAITH

As a family we're all about believing in ourselves, each other, and believing in our success. We show each other **RESPECT** by treating others the way we wish to be treated and earn **LOYALTY** through our honest actions.



L
LEAD WITH LOVE

We empower one another and **SHARE** in each other's **SUCCESS**. Living with **INTEGRITY** means doing the right thing even when no one is watching.



M
BE THE MIRACLE

We show up every day and **WOW** others by shining our inner light. We use our **ENERGY** to go the extra mile and focus on **EXCELLENCE** to be extraordinary in everything we do.

A WORD FROM OUR CO-FOUNDER

Brian Coppin



When Mike and I began the business

all those years ago, we could never have envisaged the business growing into what it is today - with over 17,000 colleagues serving millions of customers every week. It makes me incredibly proud when I see the dedication and the commitment that so many people have made to this brand over the years; and the family and I will always be deeply touched by this.

While we are proud of the growth of the business, I am particularly proud of the way that the business has continued to enhance and deepen its values-based approach to how we do business. Since the beginning, we have been committed to creating a brand that is more than just a retailer, rather a brand that can make a genuine impact in our world.

From our refills of milk and honey in our earliest stores, to our market feel that uses less packaging, to the longstanding relationships with our amazing suppliers and partners. And most importantly, ensuring that we see each person in our business for the potential that he or she has. We have travelled a long road, and continue to do so.

This ethos really came to the fore in 2015 when we launched our Conscious Capitalism journey. A year later, we rebranded this to Earth Lovers to reflect the Food Lover's Market way of doing things, and we have never looked back. We are absolutely committed to looking ourselves in the mirror and asking difficult questions about our impact in society, both positive and negative, and then finding solutions to ultimately make a net positive impact. We are not there yet, however, we are on the journey and committed to building a genuine purpose-led, values-driven business.

This report is not a definitive statement of all we have done, nor is it a statement of good intentions. It is simply a reflection of some of our key initiatives that we have worked on over the past year. We will build upon this as we secure our place as the freshest retailer in Southern Africa, built on our family values, and the best store in every community that we serve

To all our people working in the hectic world of retail, who find time for each other, find time to live and breathe our values, find time to smile and have fun and who ultimately bring our brand to life and fulfil our purpose, I'd like to say a massive thank you.

All the best
Brian Coppin



A WORD FROM OUR GROUP HR and Sustainability Executive Andrew Millson



Welcome to our first Earth Lovers report!

While we are delighted to showcase some of the work we have done, it is worth noting that we don't see Earth Lovers as a sustainability strategy. It is quite simply just the way we do business. It's how we show up for work every single day, seven days a week.

It's the way we treat our colleagues around us, it's how we think about the planet, it's how we enfold our retail arms around the communities we serve. Most importantly, it's a philosophy about how we see ourselves in the world. It's about using our influence as individuals, as teams, as a business, to shine a light on the social and environmental challenges we face in this incredible country we call home, and then doing all we can to fix those challenges.

It's about taking an honest look at ourselves and our role in those very challenges that threaten the fabric of our society and the fragile ecological system we all rely on, and then putting in place plans to address these. Mobilising people. Empowering people.


It's about the collective effort of every single one of our people. Ultimately, it's about falling in love with ourselves, each other and the planet so that we can reimagine "a more beautiful world that our hearts know is possible" [Charles Eisenstein]. Are we there yet? Far from it. But we're on our way. This is a journey without ending. There is no such thing as a truly sustainable business. There are just those that are further along their journey, their introspection, than others.

This report is not a technical ESG report. It is a story of some of the initiatives we have implemented as South Africa's largest independent retailer, some of the challenges we have faced and some of our plans as we move forward. It hopefully reflects our heartfelt desire to support the transition from "business as usual" to business with purpose. Business that adds value back to society. Business that is able to reclaim and reimagine its position as a genuine force for good. Business that is able to weave a new way of 'being' in a country, in a world, crying out for a new story.

It has been an immense privilege to be a part of Food Lover's. Why? Because from the Founders, Brian and Mike, to the Board and executive team, and then into the heart of the business; to our colleagues in the DCs, production facilities and on the shop floor, there are just so many people that truly live and breathe the FLM values every day.

We hope this report serves its purpose to give you some insight into the way our journey is unfolding. We hope the following is seen as an invitation to get involved. An invitation to help us do more ... and become more. Thank you for being a part of this journey!

With love,
Andrew Millson

A close-up photograph of a person's hands, wearing a grey long-sleeved shirt, gently cupping a small green seedling with three leaves and a mound of dark brown soil. The background is a soft, out-of-focus green field.

*Ultimately, it's about falling in love
with ourselves, each other and the
planet so that we can reimagine a
more beautiful world that our
hearts know is possible.*

THE HEART of the BUSINESS

OUR CUSTOMERS

Offering the Best in Fresh through our brand promise of offering:



"EARTH LOVERS IS THE PRACTICAL WAY WE LIVE OUR VALUES EVERY DAY"

OUR SUPPLIERS

Growing suppliers & producers that align to our values.

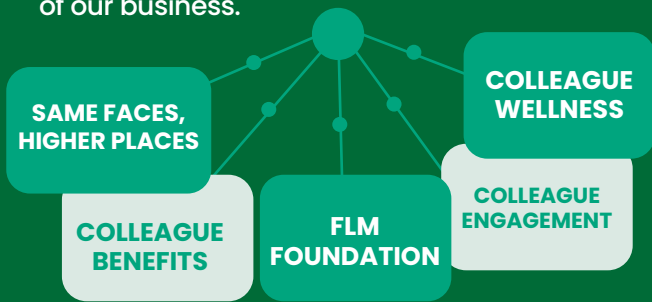
- SEEDS OF CHANGE SUPPLIER DEVELOPMENT PARTNERSHIP
- ALIGN OURSELVES WITH SUPPLIERS THAT SHARE OUR VALUES
- GROW OUR YOU FIRST HEALTH RANGE
- EXPAND THE RANGE OF FAIR TRADE, ORGANIC, FREE RANGE AND SUSTAINABLY SOURCED PRODUCTS ON OUR SHELVES
- WORK WITH OUR FARMERS TO INCREASE SUSTAINABLE AND REGENERATIVE FARMING PRACTICES

DRIVEN *By our* PURPOSE



OUR FAMILY

Building a conscious leadership culture and addressing inequality through the power of our business.



OUR COMMUNITIES

Using the power of our business to support the eradication of hunger.



WITH OUR LONG-TERM PARTNERSHIP with FoodForward SA and our World Hunger Month initiative we have created:

EACH STORE SUPPORTS a child-centric organisation in their immediate community through **FEEDING SCHEMES & DONATIONS.**



3.6 MILLION MEALS FOR THOSE IN NEED



FOOD LOVER'S MARKET was the **FIRST RETAILER** in South Africa to offer paper straws and paper bags **EXCLUSIVELY.**



OUR WORLD

Tackling environmental challenges through the power of our business.



3.5% IN ENERGY REDUCTION LAST YEAR



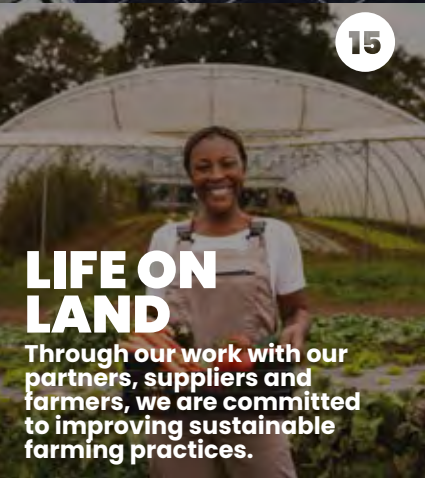
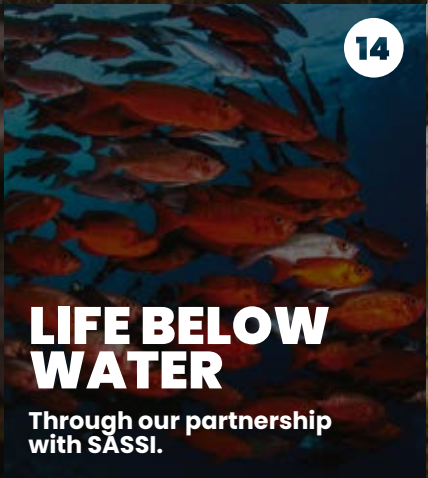
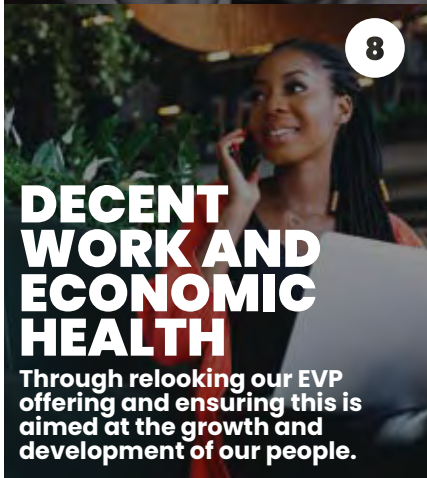
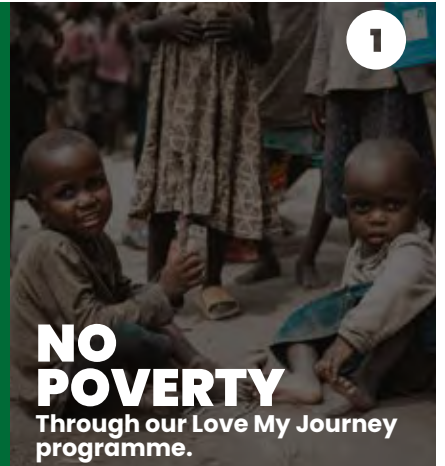
77% INCREASE IN RENEWABLE ENERGY CAPACITY BY MARCH 2024.

RENEWABLE ENERGY, WASTE MANAGEMENT PACKAGING & WASTE



SUSTAINABLE DEVELOPMENT GOALS

Like other businesses around the globe, we are committed to supporting the Sustainable Development Goals, and have aligned our Sustainability Strategy to these 11:






EARTH LOVERS
PARTNERS FOR A BETTER TOMORROW

**OUR
FAMILY**

OUR FAMILY

Our colleagues

are the heart of our business and represent a huge opportunity to enable real change in our communities. Food Lover's Market has always been a relational business and we feel very passionate about entrenching that culture and the connection we have with our fellow colleagues as our business continues to grow.

It is our deep desire to not only improve the lives of the people who work at Food Lover's Market but to touch the lives of all the people in the communities we serve.

We have grown from a small founder-based single site retailer, to one that now has an annual salary bill of over a R1.5b and serves 732 communities across Southern Africa.

KEY STATISTICS:

17 000
COLLEAGUES

36 AVERAGE AGE OF CORPORATE COLLEAGUES

9,338
CORPORATE COLLEAGUES

1,000 JOBS CREATED

R1.5b PER YEAR
TOTAL FLM SALARY (CORPORATE)

59.3% **40.7%**

HR SPECIFIC DATA:

12,108,829
HOURS WORKED IN COMPANY

0
WORK RELATED FATALITIES

0
SERIOUS SOCIAL INCIDENTS

0
LOCAL STAKEHOLDER GRIEVANCES

368
DAYS LOST DUE TO INJURY

4 SAFETY INCIDENTS REPORTED

2
TRAFFIC INCIDENTS

0
CYBER BREACHES

N/A
SEVERITY THEREOF

RECOGNISING INDIVIDUALS FOR WHO THEY ARE

It is our responsibility, and also an opportunity, to create a culture of inclusivity. We recognise that not all our colleagues have the same access to education as others, or the same access to resources as others.

As we start off on this journey, we choose to see past this and instead, recognise the talent that each individual has and determine how that talent can be unearthed and set free to develop and ultimately put every individual on the course to growth and empowerment.

EMPLOYMENT EQUITY DATA FOR CORPORATE COLLEAGUES

67% AFRICAN **19%** COLOURED **7%** WHITE **6%** FOREIGNER **1%** INDIAN

4,381
WOMEN EMPLOYED

594
WOMEN IN MANAGEMENT

607
MEN IN MANAGEMENT

PRODUCTIVITY AND COLLEAGUE TURNOVER

A huge amount of work has been done to address our colleague turnover, with a drop in turnover of 12,29% since 2017. In the past 3 years colleague turnover has been relatively consistent (26.73% average), however still above our target of 25%. We are continuing to address this, with a key challenge being in our recruitment of colleagues as seen by the substantially high turnover figure of colleagues in their first 6 months of work. **We are incredibly proud to have 1,367 colleagues, representing 15% of our workforce, who have been with the business for 10 years or more.**

Productivity (salary as a percentage of sales) is 9.2%, compared to 9.0% last year. This comprises:

Total Stores:	10.5% compared to	10.2% last year
Total Butcheries:	6.2% compared to	6.4% last year

Our colleague productivity is higher than the industry average. This is due to the huge volumes of fresh produce that we handle, and more importantly, the fact that we place a huge emphasis on customer service, with exceptional service being one of the cornerstones of our brand promise. This means we have more people on the shop floor, ready to serve our customers and improve their shopping experience.





BUILDING A CONSCIOUS AND INCLUSIVE CULTURE

At Food Lover's Market,

we believe that to become a truly purpose-led business, we need to create a conscious leadership culture. According to John Mackey, founder of Whole Foods Market, a conscious leader is "one who's more conscious of their purpose, emotions, and what motivates them to move forward in a successful direction with their business".

In addition, we would say that a conscious leader is one who is self-aware, willing to look beyond any racial, gender, religious, educational, sexual or other stereotypes, able to look for the good in people, and support people to grow and flourish, personally and professionally. We believe a conscious leader puts people first, allows for innovation, is willing to give things a go and is able to look in the mirror and not only acknowledge their own strengths and weaknesses but work on them too.

The first way we've gone about growing this culture is through our **Conscious Leadership programmes**, which incorporate leadership training that focuses on our shared values and leading with love. These programmes centre on management vs leadership, leadership styles and encouraging our senior leadership teams to look within and approach their roles in this business with authenticity and open hearts. In this reporting period, 134 of our managers and assistant managers completed our **4 day Leadership Training**, 23 colleagues have been part of our **Trainee Manager Development Programme**, and 11 have finished our **Leader as Coach Programme**.

Since we began our leadership programme, every store manager, assistant manager and butchery manager has now been on this course.

Food Lover's Market has an incredibly entrepreneurial spirit at heart, which gives us our unique culture and we believe that the future leaders of this business will grow from the incredible talent we already possess in all levels of the business. Our 'Same Faces, Higher Places' ethos aims to identify and develop that talent and has upskilled more than 289 Food Lover's Market colleagues through our **Train the Trainer and Management Essentials Programmes**.

Our passion for people extends beyond our colleagues, as we look for ways to innovate and delight our customers. Our brand promise – Best in Fresh – emphasises four key areas, namely to provide the Best Range, the Best Value, the Best Quality and the Best Customer Service. To ensure we deliver on this promise, 419 colleagues have undergone **Customer Xperience Training** and 34 colleagues have completed **Best in Fresh training**.

966
TOTAL
COLLEAGUES
TRAINED

LEARNING & DEVELOPMENT TRAINING

MANAGEMENT ESSENTIALS

2 DAY BASIC
MANAGEMENT
PROGRAMME

For **all** supervisors and department managers in stores.

250 COLLEAGUES, REPRESENTING **47% OF ALL MANAGERS AND SUPERVISORS**

TRAIN THE TRAINER

For those who are required to deliver **professional facilitation**. It provides them with the necessary **skills** to carry out organisational teaching in an effective and clear way so that organisational training objectives are achieved.

3 DAY WORKSHOP
FOR
COLLEAGUES

39 COLLEAGUES ATTENDED

LEADERSHIP DEVELOPMENT PROGRAMME

4 DAY FLAGSHIP
LEADERSHIP
DEVELOPMENT

Programme for all managers and supervisors.

134 COLLEAGUES, REPRESENTING **66% OF ALL STORE MANAGERS**

TMDP

TRAINEE MANAGER
DEVELOPMENT PROGRAMME

Focusing on store operations, designed to help **facilitate** the development of **future managers**.

CUSTOMER XPERIENCE

1/2 DAY CUSTOMER
EXPERIENCE
TRAINING

For primarily **customer-facing** colleagues.

419 COLLEAGUES ATTENDED

BEST *in* FRESH

AIMED AT
COLLEAGUES FROM

Fresh departments in stores. Colleagues spend a **half-day learning** about where we **source** our great fruit and veg from, how we **select** these, and **discover** the various steps involved in the supply chain process - **from farmer to shop floor**.

34 COLLEAGUES ATTENDED

1 DAY BEHAVIOURAL
TRAINING

SOFT SKILLS TRAINING

CRUCIAL CONVERSATIONS

Build the necessary skills to **navigate** difficult conversations, assisting **Food Lover's Market leaders** become expert communicators and **deliver** strong messages effectively.

45 COLLEAGUES ATTENDED

RESILIENCE

-Managing energy, not time, as a key to high performance and personal renewal.

22 COLLEAGUES ATTENDED

6-9 MONTH IN-DEPTH
MANAGEMENT
PROGRAMME

23 COLLEAGUES COMPLETED



Same Faces, HIGHER PLACES

In support of our growth and development culture – Same Faces, Higher Places – the company’s Trainee Manager Development Programme (TMDP) enables the development of future managers, the Food Lover’s Market way. The programme is aimed at high-potential colleagues currently working in Food Lover’s Market corporate stores who have been nominated by Divisional Managers and HR partners for demonstrating a desire to grow within the business.

Sophie Reuben joined our then Fruit & Veg City store at Comaro Crossing as an Admin Clerk in 2003 when it was still a franchise store. Over the next few years, she worked in various stores in Gauteng and Durban and assisted with store openings as an Admin Manager, helping to train up other Admin Clerks.

In 2018, Sophie was promoted to Process Manager of Food Lover’s Market Lenasia where she displayed an impressive work ethic and an ability to successfully lead people with humility. In 2022, she was selected to join the Trainee Manager Development Programme and was promoted to Assistant Manager of Food Lover’s Market Westgate in October 2022. A month later, she was promoted to Store Manager of Food Lover’s Market Morning Glen store.

Sophie has been described by her peers as having heaps of grit and being incredibly resilient, and has used her many years of experience and new skills gained through the TMDP to immerse herself in the business culture and earn the respect and trust of her teams.

Quote from Sophie Reuben:

“The Trainee Manager Development Programme took me out of my comfort zone and changed my career direction completely. It opened doors I never thought I could walk through. It helped me to stop being afraid to try new things and never limit myself.”



**Sophie Reuben –
Store Manager**

INITIATIVES ENABLING COLLEAGUES TO THRIVE

Our Corporate Colleague Benefits:

Our goal of building a conscious and inclusive culture means looking at more than just our people at work, it means looking at each person as a unique individual and helping that person to thrive in their personal and professional life. We have implemented multiple initiatives to gain an understanding of the challenges that our colleagues face both at work and in their private lives, to be able to put in place interventions that support and uplift our people.

To truly understand and support our corporate colleagues, Food Lover's Market launched **Love My Journey** in 2017. The programme, which is a partnership with The Greenlight Movement, uses a social methodology and survey to help colleagues progress out of poverty by empowering them to understand and own their journeys to a better quality of life.

Food Lover's Market was the first company in South Africa to adopt this methodology and has given us invaluable insight into the challenges our colleagues face as well as a tangible approach to measure, understand and evidence our own social impact through the interventions we implement.



“Food Lover’s Market joined the Greenlight Movement at the end of 2016 and is the first corporate in South Africa to implement the ‘Love My Journey’ (Greenlight) approach with their colleagues (staff and employees). To date, Food Lover’s Market has been a courageous and authentic member of the Greenlight Movement. Food Lover’s Market’s determination to understand their colleagues, including the underlying social issues facing many in their day to day lives, outside of work, has been an inspiration to other organisations looking for ways to assist their colleagues to improve the quality of their lives.

By placing their people at the centre of their Earth Lovers Sustainability strategy, they have sent a message loud and clear: Corporates and businesses have large groups of SA’s population under their direct influence; people with families that are struggling, and as a result, there is a huge opportunity to engage and assist people to take charge of those areas within their control and to own their life journeys.

It is no small feat for a large commercial venture to take a deep look in the mirror, and within capacity, capability, timeframe and budget, to decide to build a culture that they can be proud of.

We are very proud of the difference that Food Lover’s Market is making with their colleagues, and although this journey has just started, and there are many perspectives to understand and insights to collect, we have no doubt that Food Lover’s Market’s decision to engage on a deeper level with their employees is going to pay out splendid dividends.”



Laura Bergh,
Chief Enabler,
The Greenlight Office



PROVIDENT FUND

Our Provident Fund provides our colleagues with the peace of mind that they will be taken care of when one of life's uncertainties occurs. It assists colleagues to prepare a little better for retirement through compulsory saving as well as offering life insurance, family funeral cover, and disability cover.

All permanent colleagues belong to the fund, which provides a financial safety net upon retirement or when faced with a life-changing event. As at 28 February 2023, the total assets in the provident fund constituted R391,858,372, with 6,817 colleagues contributing to the fund.

6,817 **R391,858,372**

NUMBER of COLLEAGUES on PROVIDENT FUND

TOTAL RAND Value of Funds

7.66

AVERAGE NUMBER of WORKING DAYS to FINALISE a RETIREMENT CLAIM

13

AVERAGE NUMBER of WORKING DAYS to FINALISE a WITHDRAWAL CLAIM

332 **NUMBER of RETIREMENTS in FISCAL PERIOD**

2 **TOTAL NUMBER of DISABILITY CLAIMS**

4 **TOTAL NUMBER of INCOME PROTECTION CLAIMS**

38 **TOTAL NUMBER of FUNERAL CLAIMS**

R375,816

TOTAL RAND VALUE of LIFE COVER CLAIMS

18 **TOTAL NUMBER of LIFE COVER CLAIMS**

1,162

NUMBER OF FUND WITHDRAWALS (resignation/dismissal)



R572,500 **TOTAL RAND VALUE of FUNERAL CLAIMS**

R33,427,921.93 **TOTAL RAND VALUE of WITHDRAWAL CLAIMS**

R1,909,881 **TOTAL RAND VALUE of LIFE COVER CLAIMS**

R2,872,893.48 **TOTAL RAND VALUE of RETIREMENT CLAIMS**

R5,074,171 **TOTAL RAND VALUE of INCOME PROTECTION CLAIMS**

MEDICAL INSURANCE

To address the need for affordable, quality healthcare for our colleagues, we introduced subsidised medical insurance. Momentum Health4Me is designed to provide colleagues with access to quality, private healthcare and additional benefits through a network of providers.

Momentum Health4Me is voluntary to all existing colleagues and compulsory for the first three months for all new colleagues. Food Lover's Market contributes 50% of the total cost of **R284 per month**, requiring colleagues to contribute R142 a month. Colleagues who reach the 10-year long service mark are awarded free medical insurance for their loyalty and dedication.

The Gold Day-to-Day Benefit scheme includes GP visits and in-rooms procedures, and specialist benefits with acute and chronic medication. In addition, basic pathology, radiology, optometry and dentistry, as well as maternity and HIV benefits, flu vaccinations and health assessments are part of the package.

Members also get free access to **Hello Doctor**, a mobile-phone-based service that provides 24/7 access to doctors within minutes and is available in all 11 languages. Colleagues are rewarded monthly with airtime and data for getting their annual health assessments completed and knowing their healthy heart score. **An extra benefit is that a colleague's family members can be added to Momentum Health4Me, at their own expense.**



TOTAL COLLEAGUES SIGNED UP TO

MOMENTUM HEALTH4ME **3,747** SPOUSES **98** CHILDREN **523**

ACCIDENT COVER **185**

HOSPITAL CASH BACK and MATERNITY LUMP-SUM **160**

NUMBER OF COLLEAGUES REGISTERED FOR CHRONIC CONDITIONS:

69

PERCENTAGE OF COLLEAGUES ON MOMENTUM HEALTH4ME:

46%

63% OF THESE BEING FEMALE.

AVERAGE AGE OF COLLEAGUE SIGNED UP

36.30



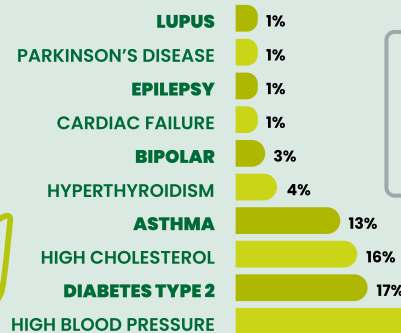
Hello DOCTOR usage:

397 PRESCRIPTIONS

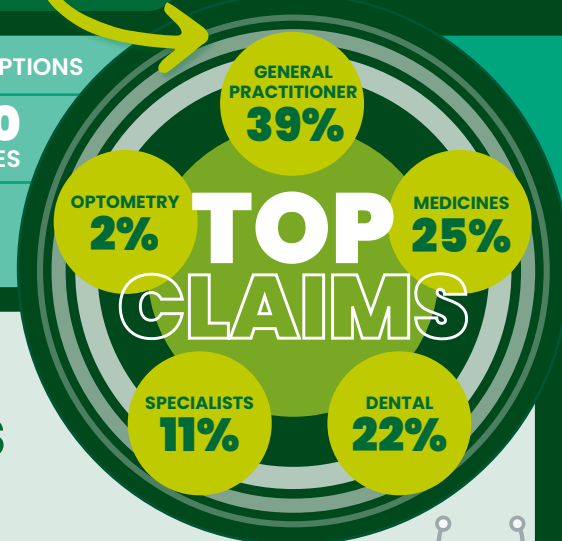
160 SICK NOTES

240 TELEHEALTH CONSULTANTS

STATISTICS FROM MOMENTUM HEALTH4ME REFLECT THE TOP 10 CONDITIONS AFFECTING FOOD LOVER'S MARKET COLLEAGUES:



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%



TOP 10 CHRONIC CONDITIONS

ADDRESSING DEBT

Financial wellness has been identified as a crucial need. For many colleagues, financial planning, budgeting and saving are skills they have never been taught. When added to the strain of the cost-of-living crisis affecting millions around the world, a large proportion of colleagues are living paycheck to paycheck. To address these challenges, we have implemented two financial wellness initiatives.

PAYMENOW

Paymenow, which launched in November 2022, is an earned-wage access platform that enables colleagues access to their hard-earned wages before pay day.

The initiative was sparked by feedback received from colleagues where many shared their financial struggles with budgeting and saving, and the unfortunate necessity to turn to 'mashonisas' and money lenders in times of need. Based on this, Food Lover's Market recognised the need for colleagues to have access to their earned wages to help alleviate some of these financial pressures.

Paymenow allows colleagues to access their hard-earned wages and necessities 24/7 in real time as well as assists colleagues in reaching their financial goals and getting out of risky financial cycles altogether. Colleagues can also earn points by successfully completing education modules, financial questionnaires, credit checks, and advance through tiers to achieve greater access to already earned wages at discounted fees.

It also looks to help stretch money further by offering value-added service vouchers (free of service fees) to colleagues in the form of electricity, medical, airtime and data which can be sent to colleagues' families anywhere in the country – instantly. Paymenow is a much cheaper and responsible alternative to payday lending and it's 10 times cheaper than a payday loan, and 3 times cheaper than a credit card; and it seamlessly integrates with our payroll system.

We recognise that Paymenow is not in itself a financial solution, which is why we are currently working with our key external stakeholders, the board and EXCO, to introduce new methods of supporting the financial well-being of our people.



PAYMENOW

BREAKDOWN

1 TOTAL AMOUNT OF USERS REGISTERED

3,553

REGISTERED COLLEAGUES

Based on 9,338 colleagues – 38% of colleagues registered

2 TOTAL AMOUNT OF USERS TRANSACTING

544

Users transacting for Value-Added Services only

2,647

Users transacting for cash withdrawals only

362

of 3,553 have not transacted yet



5

AVERAGE TRANSACTIONS A MONTH

AVERAGE OF **7,550** TRANSACTIONS PER MONTH

with an average transaction amount of **R236.43**

4 TOTAL NUMBER OF TRANSACTIONS FOR THE FINANCIAL YEAR

45,298

3 TOTAL TRANSACTION AMOUNT FOR THE FINANCIAL YEAR

R9,297,539.39



6 BREAK-DOWN OF VAS CATEGORIES

40% of transactions for Value Added Services



60% of transactions for cash-outs

5 MAIN REASONS FOR EARLY DRAWING



1. Transportation Costs

2. Other

3. Food

4. Medical Emergency

5. Bill Payments



ME AND MY MONEY

Another way we are addressing debt is through our in-person Me and My Money workshops, which aim to improve financial literacy among colleagues in a safe and respectful environment. The one-day programme is run by experts from TCB and provides participants with an understanding of general household finances and practical tools to assess their current financial situations. The programme also encourages colleagues to budget and save, while empowering them with the knowledge needed to navigate their own journey to financial freedom.

50 ME AND MY MONEY WORKSHOPS
880 COLLEAGUES PARTICIPATED TO DATE

Taking Care of Business

"More than 85% of South Africans are over indebted, blacklisted with no savings and are being exploited by unscrupulous lenders, which leads to absenteeism (no money for transport) and increase in sick leave due to stress related illnesses and long service colleagues leaving to access their pension to settle their debt.

Many will borrow from money lenders who charge in excess of 50% interest per month and hold lenders to ransom by withholding their ATM cards and ID documents. There are many scams which fraudulently trap people into parting with large sums of money in the hope of a windfall.

The Me and My Money course aims to address these issues so that delegates have a deep understanding of how important it is to establish a healthy relationship with money to become financially free. It has also been proven that by building a responsible relationship with money that it can unlock many other aspects of poverty.



Money is a very personal part of our lives and in the Me and My Money (M3) Workshops we create a safe and respected environment where each delegate will learn about their emotional connection to money and how to become financially free. This course is a powerful emotional financial course that will get participants on track to start their new journey to financial liberation."

Nicky Edwards
Workshop Facilitator



"I even shared the lessons that I had learnt on Me and My Money with my son.

So now he can have good habits when it comes to money."

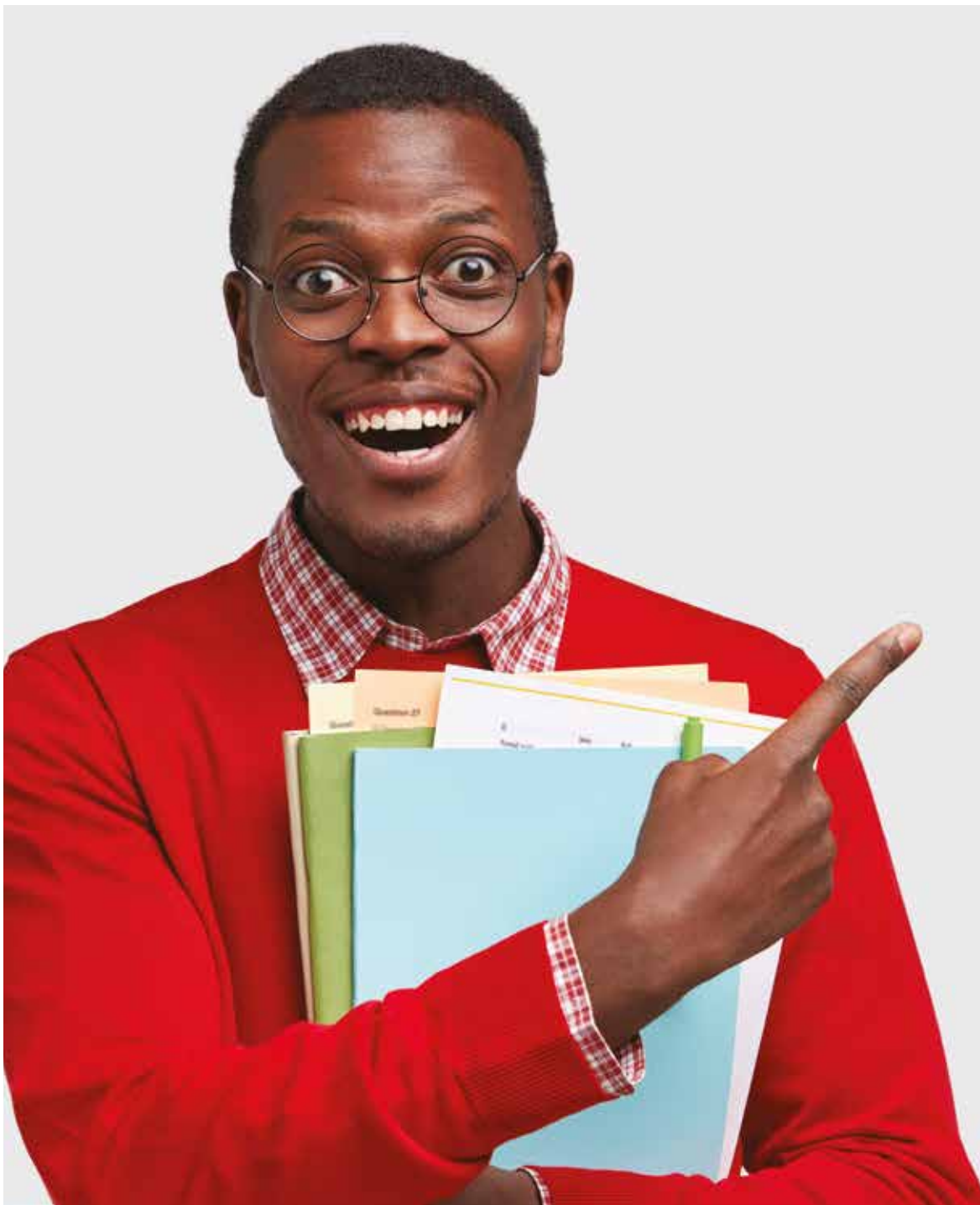
Luther Sardien -
Freshpack, WC



"This is a very important course and everyone should go on it. It really makes you think about what you do with your money so that you can make better choices. I definitely use what I learned, but I do think that refresher courses would be good too!"

David Barendse -
Freshpack, WC





On 30 September 2022, we officially launched our Food Lover's Market Foundation with the focus of building resilience in our Food Lover's Market community. There are three specific focus areas: to support and encourage the gaining of matric qualifications, to facilitate and enable access to tertiary or further education for selected individuals, and finally to provide emergency relief in times of critical situations.

TERTIARY EDUCATION BURSARY SCHEME

We believe that access to education

is one of the most impactful ways we can support the growth and development of our people. Based on feedback received from colleagues who took part in our Love My Journey surveys, we launched the Tertiary Education Bursary Scheme for children of our colleagues to provide successful recipients with financial aid in the form of university or college fees, tuition packs, residence fees, as well as financial support for food, transport, and other incurred costs.

As a business, we are wholly committed to closing the social mobility gap between the children of our different colleagues, which means that we will focus on supporting those children who do not have the same access to life's opportunities as others. We received 16 applications and five bursaries were granted to the children of our colleagues.



ILANKE DU PLESSIS

Bachelor of Education (BEd) degree (2nd year) in Foundation Phase Teaching at Varsity College in Westville, KZN.

Daughter of **Marene Du Plessis**, who has been an Admin Clerk at Food Lover's Market's Durban DC for 10 years.

"MY ULTIMATE GOAL is to be able to **FEEL SECURE** and have the means to **BRING FOOD TO THE TABLE AND PROVIDE FOR MY FAMILY**. After losing my dad and having a single parent to support me, I didn't think college would be a possibility."



SAKHE RALARALA

BCom (Bachelor of Commerce) degree at Eduvos College (1st year).

Daughter of **Charles Ralarala**, a familiar face at Food Lover's Market Head Office, where he has been a part of the maintenance team for 8 years.

"THE FLM FOUNDATION BURSARY HELPED ME A LOT

when it comes to stationary, the fees and transportation. **THE BURSARY ALSO GAVE ME PEACE OF MIND KNOWING VERY WELL MY TUITION IS COVERED** and all I have to do is maintain my grades and pass so that I can become an accountant one day. I wouldn't be this far if it wasn't for the bursary. **Thank you!"**



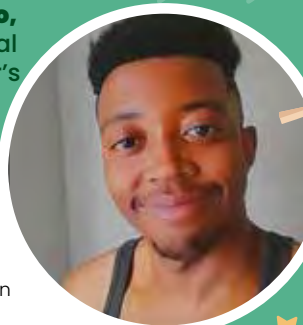
"MY GOALS ARE TO BUILD A CHILDREN'S FOUNDATION

invest in major organisations and **BUILD A DEVELOPMENT CENTRE**...with the help of the foundation, I will be able to **ACHIEVE GREAT THINGS."**

Son of **Evelyn Khumalo**, who has been a General Assistant at Food Lover's Market Tzaneen for 10 years.

THATO KHUMALO

BCom in Accounting at Boston City College (1st year).



EMILE SEWPERSADH

BCom (Bachelor of Commerce) degree at Eduvos College (1st year).

Son of **FLM colleague Roshnie Sewpersadh**, who is an Admin Clerk at FLM South Coast Mall & has been with FLM for 18 years.



"THE FOOD LOVER'S FOUNDATION BURSARY

has been such a blessing to me and made a huge impact, not just on my study life but on my entire life as a whole. I can now focus solely on my studying without having to worry about how I am going to cover my next semester's fees. I am now able to push myself and **DEDICATE MYSELF TO MY STUDYING AND ACHIEVING GOALS OF BEING A QUALIFIED SOFTWARE DEVELOPER**. I am extremely grateful to the Food Lover's Foundation for everything they have done to guide me on this journey to success."

WE FOCUS ON Growth

SAMUEL MUDZANRIRI

Human Resource Management at the University of Johannesburg (2nd year).



Son of **Tinashe Mudzanriri** who has worked at Food Lover's Market Willowbridge for 7 years.

"I AM ETERNALLY GRATEFUL TO THE COMPANY.

The bursary means the world to my family and came just at the **PERFECT TIME TO LIFT A HEAVY BURDEN** off our family."





FOOD LOVER'S MARKET DISASTER RELIEF FUND

The FLM Foundation also provides disaster relief to our colleagues. During this past year, 12 of our Food Lover's Market colleagues were affected by the KwaZulu-Natal floods and the Masiphumelele fire, and a total of R31,000 was paid out to them in the form of disaster relief assistance.

The disaster relief packs contain the following: blankets, pillows, towel sets, cutlery, crockery (plates, mugs and bowls), glassware, kettle, hot plate, iron, toiletries and Food Lover's Market vouchers. The size of the disaster relief pack is based on a 1, 2 or 4 person household.

FRESHSTOP'S RESPONSE TO KZN FLOODS

KZN is a region that has suffered significant challenges in the last few years, the most devastating has been the severe impact on vulnerable communities. During the floods in April 2022, 50 FreshStop colleagues lost their homes and personal belongings, and two families lost family members. To alleviate some of the financial distress and ensure adequate nutrition, FreshStop assisted its colleagues and families through the donation of more than R400,000 worth of fruit and vegetables.

Additionally, the FreshStop Franchise Forum also developed two cash support channels to assist both colleagues and those less fortunate in areas that were most affected by the floods.

FreshStop committed to match any cash donations made to the FreshStop KZN Flood Relief Fund, which was set up to assist those affected by the floods. Along with other donors, FreshStop was able to donate R180,000 to colleagues and close to R420,000 was raised along with other benefactors, which was donated to the Gift of the Givers.





CREATING AN ENGAGED WORK ENVIRONMENT FOR COLLEAGUES

Food Lover's Market is a family business

and while we have come a long way since our humble beginnings, we work to preserve that same family spirit that has made us the unique and exciting brand we are today. Our Food Lover's Market community matters and the power of that family spirit is evident when you walk into the stores, offices and DCs that live our values every day. We are great when our colleagues and fellow team members are great, and together with our shared vision of 'The Best in Fresh', we make up this great company.

To build a truly conscious culture, we need to create an environment where colleagues feel safe and part of a team - where they feel they belong. Our family values express the need for all of us to treat each other the way we wish to be treated, and to inspire innovation by taking risks. A big part of building this kind of culture centres on trust and creating a space where we operate honestly and openly without fear. The way we engage with our teams and encourage our teams to engage with us, forms a large part of building that trust.

LISTENING AND ACTION

We strive to act with transparency and integrity and, in turn, encourage our colleagues to give us honest feedback so that we can develop further initiatives to improve the lives of everyone who works at Food Lover's Market. There are two ways in which we gather information from our colleagues and sense-check the culture and atmosphere in our different divisions.

3577 COLLEAGUES COMPLETED THIS 2021 SURVEY:

FOOD LOVER'S MARKET GROUP		3,577
DIAMOND'S DISCOUNT & MARKET LIQUORS		142
FOOD LOVER'S MARKET		3,405
BUTCHERY DIVISION		67
FRESHSTOP		53
FVC INTERNATIONAL		10

FOODLOVER'S MARKET	OUR COMPANY	MY TEAM	MY JOB	MY MANAGER	CUSTOMER EXPERIENCE	VALUES
73	77	70	73	67	77	76
74	75	72	72	69	76	79
73	77	69	73	67	77	76
76	83	73	76	72	79	78
74	78	71	74	69	78	77
80	81	78	78	80	77	82

1. Our Colleague Engagement Survey

is a formal feedback process that occurs every two years and takes a deep dive into the overall experience of our colleagues' journey at Food Lover's Market. The survey explores various areas of work life, such as Values and Culture, My Manager, My Team, and My Job. Colleagues also have the opportunity to provide an opinion on what we should Stop, Start and Continue doing as a business.

These insights have helped us enormously in identifying areas of our business that we can celebrate and those with challenges that need to be addressed.

TOP 5 STATEMENTS		
AREAS	STATEMENT	SCORE
My Job	I know what is expected of me at work	83
Customer Experience	In our store/department we deliver great customer service	81
Our Company	I am proud to work for FLM	80
Our Company	I understand the company's Vision, Purpose, Mission and Values	80
Customer Experience	My team looks for better ways to serve our customers	78

2. Our Love My Journey programme

is a wellness initiative that provides colleagues with a safe and confidential space in which to share insights about their lives, and the lives of their families, outside of work to assess the opportunities for improvement and growth.

This one-on-one hour long voluntary and confidential process gives the business insight into the challenges being faced by our people. The programme has conducted over 1,000 sessions with colleagues to keenly understand the individual's personal situation, and empower and support them to make improvements in their day-to-day lives, both at work and at home.

BOTTOM 5 STATEMENTS		
AREAS	STATEMENT	SCORE
My job	At work my opinions seem to count	64
My Manager	My manager/supervisor communicates	66
My Manager	FLM news & results regularly	66
My Manager	My manager/supervisor regularly praises me for doing my job well	66
My Manager	My manager/supervisor deals with conflict as it arises in a respectful manner	66
My Team	I trust my colleagues and the people on my team	67

>=85	ACTIVELY ENGAGED -	exceptionally high levels of motivation and passion which help move the company forward
65 - <85	ENGAGED -	high levels of motivation and care which will drive growth and high performance
51 - <65	AMBIVALENT -	adequate levels of motivation which will contribute to maintenance of current operations
<50	DISENGAGED -	some indicators of unhappiness and dissatisfaction which are impacting poorly on motivation

TRAUMA COUNSELLING

Since the beginning of 2022, 120 counselling sessions have been conducted in either the Wellness Room at Head Office or in stores. We have assisted with containment after traumatic incidents such as armed robberies, as well as counselling on sexual assault, trauma, grief and anxiety. We refer approximately 15% of colleagues to external resources such as life coaches, psychologists or further professional counselling.

All counselling sessions are voluntary and confidential.



UNDERSTANDING LOVE MY JOURNEY

The Greenlight Movement approach is an unusual survey that uses visual and text elements to engage people in self-diagnosing their quality of life. It's a family metric, not a personal development tool. The metric uses the same colours of the conventional stoplight (red, yellow, green) to enable socio-economically challenged individuals and families to see and understand the ways in which they are stuck, struggling, or doing well. As poverty (an insufficiency) is multi-dimensional, our surveys assess quality of life using indicators grouped into dimensions of poverty, resilience, or disability (depending on the metric being used). For every one of the indicators, there are three scenarios that assist a person or a household to describe their situation:



Key insights of Love My Journey

1. The majority of our colleagues have little to no understanding of budgeting and saving
2. The majority of our colleagues are living paycheck to paycheck
3. Our colleagues are mostly the sole income provider in their household
4. Our minimum wage colleagues more often than not run out of food before the end of the month

Here's what some of our colleagues who took part in the programme had to say:

- I'm doing so much better than I thought.
- This gives me a good place to start to make changes to my life.
- I feel lighter just from talking.
- It's nice to have someone to just speak my heart to.
- I'm so happy because now I can see a way forward.
- I never realised I was doing so well.
- I'm going to work on a plan for my future.
- I'll chat with my family as soon as I get home.



CELEBRATING LONG SERVICE

We celebrate those colleagues who have shown incredible commitment in growing this brand through their long service. We aim to show our colleagues daily gratitude as well as rewarding significant milestones. We recognise and celebrate 5, 10, 15, 20 and 25-year service achievements with the presentation of a Long Service Certificate and a Long Service award, such as additional leave, free medical insurance, special edition Food Lover's Market uniforms and personalised gifts.

During the last year, 1,064 colleagues were recognised for Long Service. A total of 401 colleagues celebrated 10 years with the company and received free medical insurance, 163 celebrated 15 or more years service, 49 of which celebrated 25 years with Food Lover's Market.





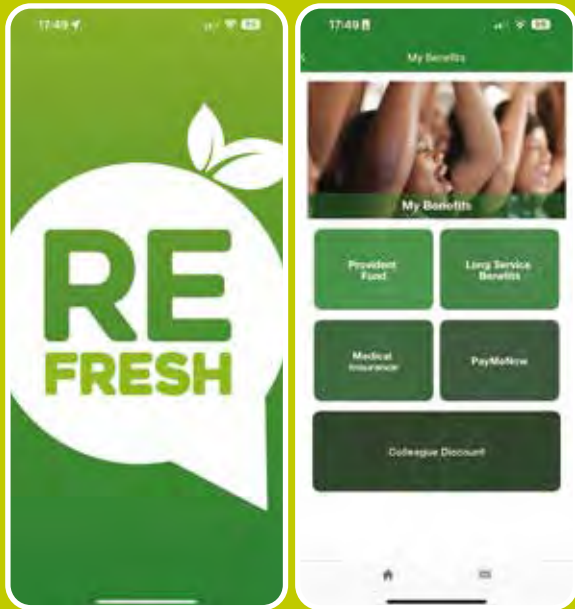
COMMUNICATION

Communication is a key factor

in having productive colleagues who are engaged and empowered. Our in-depth communication plan pulls information from all over the business and allows us to share our values through information that covers learning and development training programmes, new product launches, upcoming promotions, store openings, leadership messaging, colleague recognition, and relevant topical issues affecting our colleagues.

This information is then packaged and distributed via our communication channels: the Refresh colleague engagement app; Colleague Radio Show; ChatMag colleague newsletter; and Monday morning team meetings in stores.





REFRESH COLLEAGUE ENGAGEMENT APP

The Refresh App was launched in June 2022, as at February 2023 4,321 colleagues had registered on the app, which represents 45.9% of all colleagues. Active colleagues, those who visit the app once a month or more, make up 2,595 users, representing 60% of all registered users.

During the nine month period that the Refresh app was active in 2022, registrations spiked noticeably as a result of the launch of the free medical insurance for long-service colleagues in August and again in October, with the launch of the Paymenow benefit.

TOP NAVIGATION HITS	TOTAL
My Info	620,280
Food Lover's News	83,710
Our People	38,197
My Workplace	19,719
Fresh Feedback	17,629
Vacancies	14,014
Our Story	4,980
FLM Foundation	4,736
Request Help	2,365
FAQ's	1,282

FEEDBACK FROM OUR COLLEAGUES:

It helps me to know about my leave and sick leave.

There are people who inspire us a lot but we don't tell them.

We can see good pictures and some decor in other stores.

We can learn a lot from other stores.

I get to know more about how great other shops do and it motivates us to do better. It helps me to remind myself about the values of the company. If I go through the app it empowers my knowledge.

i ♥ it because

It's quite amazing to use it and I'm almost addicted to it. It is fresh and good.

If you are afraid to talk you can say it here without being judged.

I'm learning about everything that I need to know and our differences from other shops. Most of all is courage from those who are doing well.

Whatever you need to know you can just log in and you will find your answers.

COLLEAGUE RADIO SHOW

The 30 minute Colleague Radio Show

was first aired in 2019 with the aim of sharing important business information, celebrating successes, and making colleagues feel connected with each other and other stores and areas of the business. A total of 177 shows have been aired and are broadcast to stores, Head Office and our DCs.

The power of Food Lover's Market Radio was highlighted during COVID-19, when the channel was used, along with clear directives from our in-store operations teams, to effectively share information during a time when rules and regulations were changing rapidly.





Quote from Kate Marais – Food Lover’s Market Colleague Radio Show Host

“The Food Lover’s Market Colleague Radio Show is the ideal way to connect with the people throughout the business. We share up to date information on a weekly basis so that everyone knows of training sessions, promotions such as carnival, as well as other Food Lover’s Market news. It is a great kick-start to the weekend and we regularly chat with our team members, who share their stories of success and growth with their colleagues.”

After 177 shows, the Food Lover’s Market Colleague Show is still the most effective way to talk to all of our people all at once.

FEEDBACK FROM OUR COLLEAGUES:

Ilunga Mulongo

“Being in this industry and environment of diverse people from different backgrounds for 5 years has taught me so much about not giving up, that is why I love the motivational speaker who motivates all the colleagues out loud about not giving up on our dreams. The motivation is for me personally, because we go through a lot each day, but we shouldn’t give up.”

Ingrid Petersen

“The Food Lover’s Market radio show keeps me up to date with everything that’s happening in our company and makes us feel part of the family. They thank us for our hard work and prepare us for every weeks specials. Thank you for being part of the Food Lover’s Market group.”

Sekei Mokgothadi

“I know most of the time we get most of the information online, but listening to Food Lover’s Market radio makes life easier because the news on the radio is usually short, and they keep us updated with the newest information about Food Lover’s Market stores, promotions, new developments within the company etc.

When I listen to the radio while I am shopping or working, it helps me to relax my mind and it keeps my day moving because of the different music that they are playing. Another great important fact about our station is because I get to learn more about other Food Lover’s Market stores while I am in Middelburg. Some studies even suggest that music can help your plants grow and that makes flowers bloom faster.

I believe it is one of the reasons why Food Lover’s Market workers and the customers are always happy is because of the music we are getting from our lovely radio station; it keeps us revived throughout the day.”

CHATMAG

ChatMag, Food Lover’s Market’s colleague newsletter is printed bi-annually and is used as another communication channel through which we share information, drive leadership messaging, celebrate successes and recognise colleagues that support our Food Lover’s Market Values. We have printed and distributed 19 issues to colleagues since 2016.

NEWSLETTER • NOVEMBER 2022 ISSUE

FOOD LOVER’S ChatMag



Masi Coppen, Val Ricciardi & Brian Coppen at the opening of FLM Bothasis

OUR FOOD LOVER’S MARKET FAMILY

Every year I say this, but wow!!! I cannot believe it is already nearly December and another year has gone by. As the saying goes, “Time flies when you’re having fun! And fun is what we’ve had!

Fun is in fact one of my leadership principles that I often speak about, and something I believe in passionately. Yes, work in retail is often hard with long hours, but we should always be making room for fun! How do we do this? By celebrating each other’s successes, by looking for the good in people and taking that time to step back and see a job well done!

And looking back on this year that is exactly what I see. From our FLM Stores to our Seattle Coffee partners, from FreshStop to our Diamond and Market Liquors businesses, I have seen so much growth, development and glee!

And this growth hasn’t just been in the number of stores. While this is a great achievement, even more fulfilling is watching the growth of our people.

THE NEWS LOVER’S GUIDE TO FOOD LOVER’S MARKET

This past year, we have really focused on training, and the feedback has been fantastic. Nine colleagues have completed our Trainee Manager Development Programme (see page 6). 40 colleagues have experienced the four-day leadership programme, more than 300 of our people have done the two-day management essentials course, and over 600 have learned new skills through our Customer Xperience training, to name a few.

Wow, thanks to all of you for embracing these opportunities to grow yourselves. I cannot wait to see further training next year and even more of our colleagues develop in the coming years through our *Same Faces, Higher Places* ethos.

We have also listened to many of you looking for a better way of communicating with each other. I think you’ll agree that the Refresh App is an incredible development and it’s been a great platform for finding out about the latest FLM news and offerings, accessing crucial information, and sharing what is happening in your stores and fellow business units. Please continue to share your stories via Refresh so that we can spread the LOVE of our brand to every corner of Southern Africa!

But we didn’t just stop there, we’ve also launched the FLM Foundation this year and I hope many of you have applied for your children to qualify for a FLM bursary to complete their further education. Furthermore, we launched *Paymore* to help colleagues who may be struggling to make ends meet and will continue to provide additional support through our *Love My Journey* and *Me & My Money* initiatives.

Finally, congratulations to all of you who reached long service milestones. We really do value your commitment and we’re delighted to be able to provide free medical insurance to those who have reached the 10-year plus mark with the company and qualify for this.

Another highlight for the year was the opening of our new flagship Bothasis store. What an incredible store and what a welcoming from the community! I was so incredibly proud, not just of the store but with the way our colleagues from Operations and Head Office came together to ensure our customers received the best possible service. You really did all excel yourselves!

As we move forward into the final quarter - our busiest part of the year - I want to take this opportunity to say THANK YOU again for all your hard work and dedication. I want to thank all the unsung heroes who work day in and day out to make this brand great - those that bring fun to the workplace, those that deliver the glee in the stores, and those that are looking to develop themselves. To everyone who goes out of their way to make this brand great, a massive thank you from me, the family, and the Board.

And finally, good luck over this busy period. May you all have a blessed festive period. Wishing you peace and happiness.

Brian Coppen, the family, and Board




EARTH LOVERS
PARTNERS FOR A BETTER TOMORROW

OUR SUPPLIERS

OUR SUPPLIERS

Growing suppliers and producers that align to our values

A major cornerstone of our brand promise

relies on providing the best range and the best quality - none of which would be possible without our suppliers. As a brand we believe in showing loyalty to those who've helped us grow, with many of our biggest suppliers having started their journeys with us from the beginning of our journey, all those years ago.

We are passionate about aligning ourselves with suppliers that share our values, which is why we are always looking at ways to expand the range of fair trade, organic, free-range and sustainably sourced products on our shelves.

We recognise too that agriculture has a huge impact on our natural environment and biodiversity. We are therefore committed to continue working with our farmers and producers to implement good agricultural practices.



SOURCING THE BEST PRODUCT ACCORDING TO BEST PRACTICE

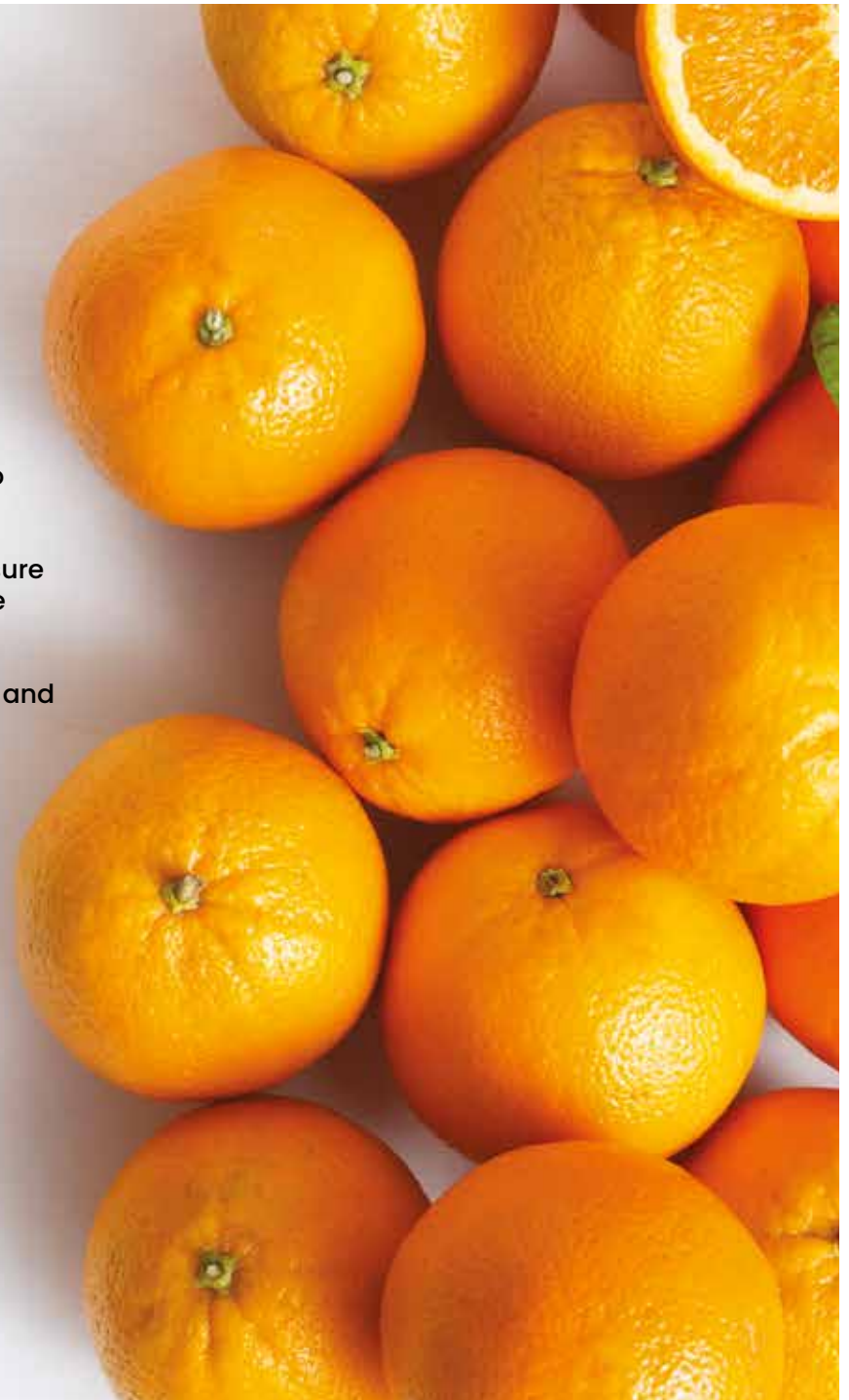
OUR FRESH PRODUCE THROUGH FVC INTERNATIONAL

Supplying all stores within the Food Lover's Market Group with the freshest fruit and vegetables on a daily basis is South Africa's leading import and export company – FVC International. They are the largest importer of fresh produce into the country and also export to more than 35 countries.

With a distribution network that stretches the length and breadth of South Africa, they ensure that our customers get the best quality produce at the most affordable prices. All produce exported through FVC International, meets GLOBALG.A.P. standards, an internationally recognised standard for farm production that ensures safe and sustainable agricultural production. GLOBALG.A.P. certification acts as a safeguard for food safety, workers' health and safety, animal welfare, and environmental protection – with 100% of our export suppliers meeting GLOBALG.A.P. standards.

Half of our FVC International suppliers go a step further and comply with the SIZA Social Standard (management systems that confirm that no forced, bonded or child labour are employed and that their labour force have freedom of association and collective bargaining) and/or SMETA (an audit that reports on standards of labour, health and safety, environmental performance, and ethics).

We recognise that good agricultural practice has a substantial impact on the environment, from carbon emissions through to soil regeneration. As South Africa's largest import export business, we are continually working with our farmers to improve their standards, share knowledge and create a more sustainable and regenerative agricultural sector through the way we procure.



INSPIRING FARMERS OF THE FUTURE:

INTEGRATED AQUACULTURE

It all started in 2014, when Lance Quiding founded Integrated Aquaculture, a farming group that uses an intensive, environmentally-conscious food growing methodology called Aquaponics. Their farms specialise in biological farming that produces exceptional quality with the smallest possible impact on the environment - water-wise, organic-equivalent, zero-discharge, natural fertiliser-using food producers.

As a vertically-integrated aquaponics business, Integrated Aquaculture farms fresh-water fish (aquaculture) and uses the resultant fish waste to generate nutrient-rich liquid fertiliser to grow a wide range of leafy vegetables in a controlled, enclosed environment (hydroponics).

Our relationship with them started in 2022, when Integrated Aquaculture became a finalist in our Seeds of Change Supplier Development Programme and was officially listed as a supplier later that year. They supply more than 10 of our Food Lover's Market stores in Gauteng with fresh fish for the ice slabs in our seafood departments as well fresh, leafy greens to several franchise stores in the area from their hydroponic operations - direct from farm to store.

"The impact of us becoming a supplier of Food Lover's Market has been massive! Not just for our small farming operation but also for the aquaponics and aquaculture industry as a whole. The support that Food Lover's Market has given us can't be understated. Farmers in South Africa are facing enormous challenges from all sides, which includes load-shedding and increasing fuel prices, and for a large retailer like Food Lover's Market to understand and support zero-waste, sustainable farming opens the door to all sustainable farmers. It goes to show the gravity that one small decision can have," says Lance Quiding, Founder and CEO.



LIFE ON LAND

its pork products from suppliers who are participating members of the Pork 360 assurance scheme, which demonstrates their commitment to best practices, from farm to consumer.

Using global guidelines, the Pork 360 standards verify the integrity of South African pork, ensuring that safe, fresh, and affordable pork is supplied to consumers. Participating members of Pork 360 are audited annually by independent auditors to ensure compliance with prescribed standards covering food safety, traceability, animal welfare, biosecurity and environmental stewardship.



Our largest supplier of beef is Karan Beef, which has an FSSC 22000 accreditation, one of the highest Food Safety Management Systems (FSMS) that can be attained worldwide. FSSC 22000 is the world's leading, independently managed, non-profit food organisation scheme for ISO 22000-based food safety management systems certification. Karan Beef is a recognised leader in a very competitive industry and their abattoir is the first in South Africa to achieve this accreditation.

We recognise the importance of offering free-range choices to all our customers and we are working with our suppliers to increase the percentage of free-range lamb and chicken. In particular, we are working to better promote our free-range chicken offering in all our stores nationwide to greatly increase the percentage of free range meat currently sold.



NOW QUALITY HAS A NAME!



OUR SUPPLIERS

INSPIRING FARMERS OF THE FUTURE:

HAPPY HENS DELIVERING THE GOODS

Eddie's Eggs has been a preferred supplier of Food Lover's Market since 2020 and supplies Food Lover's Market stores in Gauteng, and the Eastern and Western Cape with certified non-GMO pasture-raised eggs. Established in 2017 by brothers Eddie and Johnny Ferreira, the business is a first of its kind in Africa.

The idea to produce non-GMO eggs was born from a desire to eat cleaner foods. Eddie knew he wanted to implement something that was both simple and unique. Enter, the humble egg. By combining non-GMO feed – including maize and soy from Zambia – with his existing certified organic citrus farming practices, he could produce an egg that would be free from chemicals and pesticides and produced from pasture-raised (free to roam from sunrise to sunset), chemical-free, hormone, and antibiotic-free hens.

In addition to this Eastern Cape farm implementing regenerative farming practices, the laying hens are also Certified Animal Welfare Approved by A Greener World (AGW) and Certified Non-GMO by AGW. What's more, it is the first farm in Africa to achieve the Certified Animal Welfare Approved awarded by AGW, in the category for laying hens.

Eddie's chickens live a happy, wholesome life – spending their lives on a certified organic farm, roaming around outside on pasture 365 days a year, and being fed non-GMO food that Eddie makes himself from scratch. And as we all know...happy, healthy hens lay excellent eggs!



LIFE BELOW WATER

The ocean's resources are being depleted

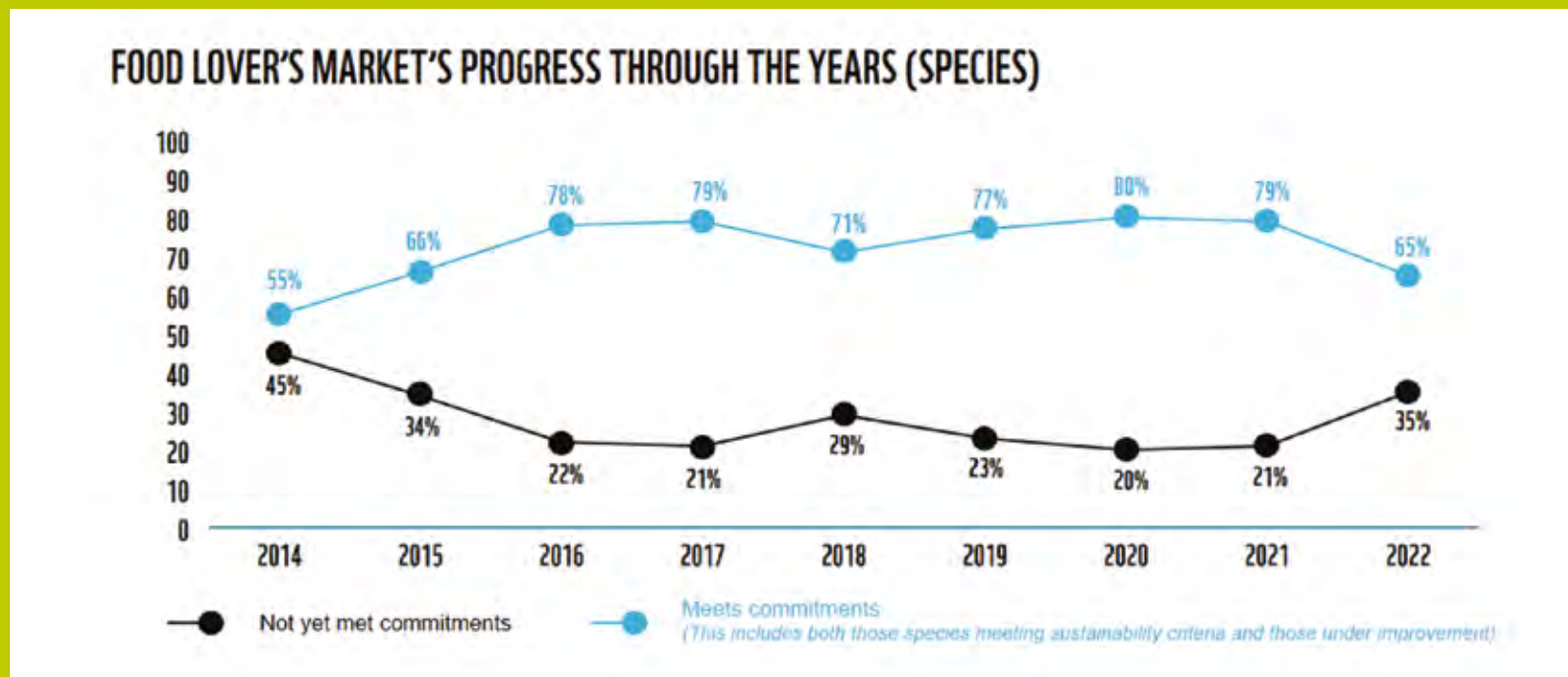
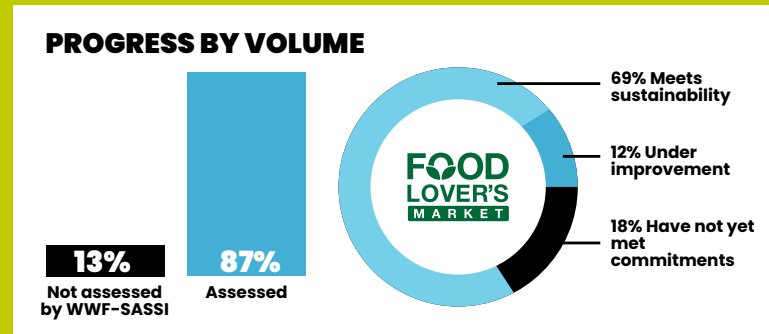
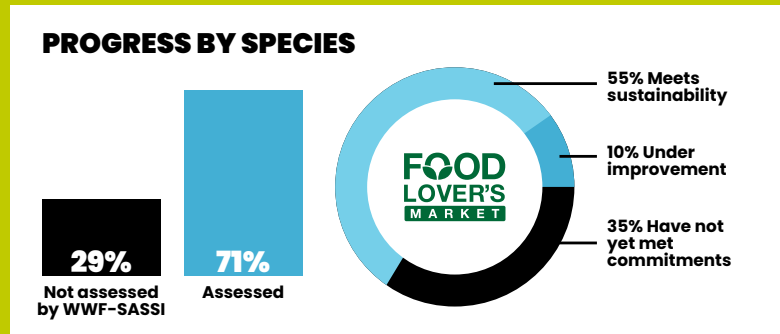
faster than they can be replenished. The UN Food and Agriculture Organization has estimated that 94% of the world's fish population is fully used, overfished or in crisis.

Our oceans provide so much to this world, from the underworld forests to livelihoods that depend on them to the incredible natural beauty and abundant biodiversity that resides in them. Our oceans, however, are under threat from polluted runoff due to plastification, rising temperatures and overfishing. At Food Lover's Market, we understand we have a role to play in the protection of this vast expanse which connects us all, a responsibility to ensure that we are honest in our approach and that we use our business operations not just to minimise damage, but in fact to enhance the ecosystems that are so fundamental to life on earth.

As responsible purchasers and suppliers of seafood, Food Lover's Market continues to participate in the annual SASSI report, which compares the sustainable seafood sourcing practices across retailers. Each year our commitment improves and reflects a clear commitment from Food Lover's Market to ensuring that our buying practices are aligned with our values.

The **WWF-SASSI Retailer/Supplier Participation Scheme** report focuses on progress made by South Africa's top seafood vendors that have been working towards a sustainable seafood supply chain. It also reflects the importance for the environment of procuring sustainable seafood and the importance of using the ecosystem approach to fisheries management.

A full report is available but the data below reflects our progress by species, by volume, and overall progress over the past eight years.



"Food Lover's Market was founded on our core family values that include being able to put good, affordable food on your table for generations to come. Through our Earth Lovers programme, we feel it is essential to preserve and enrich our oceans through sustainable fishing practices so that these future generations can enjoy not only the taste of the ocean, but the natural wonders of it too."

Roberto Gastaldi, Head – Seafood, Food Lover's Market

We understand that our numbers have dropped, and are working with our suppliers and partners to ensure that all detail is covered as we look to improve our scores and achieve the 80% target we have set ourselves for 2023/2024.



DEVELOPING SMALL BUSINESSES IN SOUTH AFRICA

Our business

does not operate in isolation, and as a big retailer run by entrepreneurial founders, we go further in supporting aspiring social and environmental entrepreneurs to make an even bigger difference in their communities. These are small businesses that have created exceptional impact in the communities in which they operate, not only through social development but through the actual products they produce.

INSPIRING SUPPLIERS OF THE FUTURE:

ACTIVATING HEALTH THROUGH WAZOOGLES SUPERFOOD

Wazoogles Superfood

got its start in 2015 at the Oranjezicht City Farmers Market (OZCF) with their Superfood Protein Smoothie Blends. Today, Wazoogles is available in around 700 stores in South Africa, 150 in Dubai, 50 in Kuwait and they are currently also expanding in Mauritius, Botswana and neighbouring countries.

They started supplying Food Lover's Market in 2018 as a category-leading brand in the health food space. They focus on delivering premium and accessible health food products at an affordable price. Their product range includes Superfood Protein Smoothie Blends, Supernatural Oat Pots (on-the-go breakfast) and Peanut Butters, featuring a South African first, Dark Roast Peanut Butter.

Wazoogles as a brand is deeply connected to the communities that have helped create their products. From raw material to finished product, they work to have a positive impact along the way. One example is the story behind the Baobab they source for their Plant Power flavour. Baobab is hard to farm as the first fruits can take 100-200 years to flower. Through the Baobab Project, they support women from the local rural communities in Limpopo that wild harvest the fruit, and in so doing help empower the community to build schools and homes.

On the finished product side, they donate a portion of their annual sales to their co-packing partner, which supports a crèche that feeds 400 kids a day from the underprivileged communities surrounding their offices.

"Our growth with Food Lover's Market has been fantastic. We initially launched three products and today, we have 14 products in Food Lover's Market. Being a supplier of Food Lover's Market is massive to our business and allows us to sell to customers who would otherwise not have access to our products. Food Lover's Market has an incredible footprint in SA and their stores are truly world class. We also align with their values and we're extremely proud to play a role in empowering the communities which have built us, from raw material to finished products,"
says Warren Goodman, Founder and CEO of Wazoogles Superfood.



SEEDS OF CHANGE

FLM SUPPLIER DEVELOPMENT PARTNERSHIP

The Food Lover's Market Seeds of Change Supplier Development Partnership, initially launched in January 2021, was created as part of our focus on being the best store in each community.

The goal is to source local suppliers, specifically small businesses and social enterprises, that have integrated social or environmental change at the heart of their operation. The Seeds of Change Supplier Development Partnership seeks to find and empower suppliers that mirror our socially and environmentally focused values and are motivated to deliver the best quality product or service.

The Seeds of Change Development Partnership is facilitated by the Social Enterprise Academy (SEA), which is a specialist learning and development organisation supporting social change organisations in South Africa.

In the two years since inception, we have received 1,060 applications and narrowed the field down to ten finalists each year. Out of the 20 finalists, we have 7 suppliers currently listed and supplying our stores.



This year, Setšong African Tea Crafters was announced the winner and now supplies tea products to the Food Lover's Market Group. In second place was Home Bao, which supplies a range of frozen dumplings, and in 3rd place was Yamama Gemmer, a supplier of traditional ginger beer.

LISTED SEEDS OF CHANGE ALUMNI:

The Village Market Africa
Integrated Aquaculture
Loxtonia
Chuck Chilli
Yamama Gemmer
Setsong African Tea Crafters
Home Bao

Each year 10 finalists are brought to Cape Town for a week-long intensive workshop, where they hear first-hand from the founders senior execs about the ins and outs of retail, as well as guided walks through key parts of our business and distribution centres.

Bootcamp programme topics:

- Retail trends and analysis
- Buying procedure
- Small supplier insights
- Costing, pricing and cashflow
- Marketing and packaging
- Social enterprise impact
- Sustainability

We hope that this immersion into life as a retailer serves them well as they look to list their products, grow their business and increase their societal impact, whether with Food Lover's Market or any other retailer in the future.



CHUCK CHILLI

"As a business we are very proud to be part of the Food Lover's Market Programme. The growth for us has been multifaceted. Our customer base grew just from the product being on the shelves of Food Lover's Market countrywide. We now have customers from all over the country and that has been magnificent for us.

We have moved to a bigger space, and we are having production days more frequently than before. We have also improved our internal systems, so we run a much more efficient factory."

Founder of Chuck Chilli, Boikano Sikwane

HOME BAO

"The Seeds of Change programme has been a transformative force in my journey as a small business owner. Its impact is not a one-time occurrence but rather a sustained influence that continues to benefit both myself and my team. Through our listing in 37 Food Lover's Market stores nationwide, Home Bao experienced substantial growth. This growth, in turn, enabled us to provide improved packages and benefits to our team, including paid maternity leave and the addition of more paid interns. These interns gain valuable experience in our kitchen, enhancing their prospects of securing employment within the food service industry.

The workshops offered as part of the Seeds of Change programme have proven to be of immense value. They are meticulously crafted for small business owners, equipping us with the tools and knowledge needed to run our businesses successfully while fostering a positive social impact. I take immense pride in being a part of Seeds of Change, contributing to a movement that strives to bring about meaningful social change in South Africa."

Founder of Home Bao, Tina Long



YOU, ME, AND A CUP OF TEA

Supplying the Elixir of Life



The Food Lover's Market 2022 Seeds of Change Supplier Development Partnership attracted 197 applications from socially-minded entrepreneurs. The initial group of 30 applicants underwent a thorough selection process that included a two-day webinar, assignment submission, and a four-day boot camp with the top 10 applicants at Vredenburg Manor in Somerset West, Cape Town.

Setšong African Tea Crafters is an Award Winning Agri-business and vehicle for development of natural indigenous flora found in the natural landscapes of South Africa, more prominently within the rural areas of Limpopo.

Through tea product manufacturing and commercialisation of South Africa's indigenous resources, which stem from traditional knowledge, Setšong Tea Crafters aims to develop the rural economy and create jobs within the rural areas of South Africa. They have already created 20 permanent and 15 casual jobs in rural Sekhukhune, Limpopo; and upskilled rural cooperatives to supply the processed herbal ingredients to the company.

Setšong African Tea Crafters, which supplies 32 Food Lover's Market stores across Gauteng, Limpopo, KwaZulu-Natal and the Eastern Cape and Western Cape with four types of herbal tea, has created a platform for job creation within rural communities, focusing on the empowerment of youth and women, as well as the promotion of African Indigenous knowledge systems and practices.

"Being a supplier of Food Lover's Market is like being part of a family and a developmental ecosystem. They care about the development of their suppliers and the creation of sustainable value chains. Becoming a supplier to Food Lover's Market has provided Setšong African Tea Crafters with increased exposure, revenue, and job creation opportunities, while allowing us to preserve traditional knowledge and heritage. This partnership presents a valuable opportunity to extend the reach of our unique indigenous tea products and contribute to the economic development of rural communities," says Retang Phaahla, Chief Executive of Setšong Tea Crafters.

SEEDS OF CHANGE

FLM SUPPLIER DEVELOPMENT PARTNERSHIP

SETŠONG AFRICAN TEA CRAFTERS OUR SEEDS OF CHANGE 2022 WINNER






EARTH LOVERS
PARTNERS FOR A BETTER TOMORROW

OUR CUSTOMERS

WHAT MAKES US DIFFERENT

Our philosophy

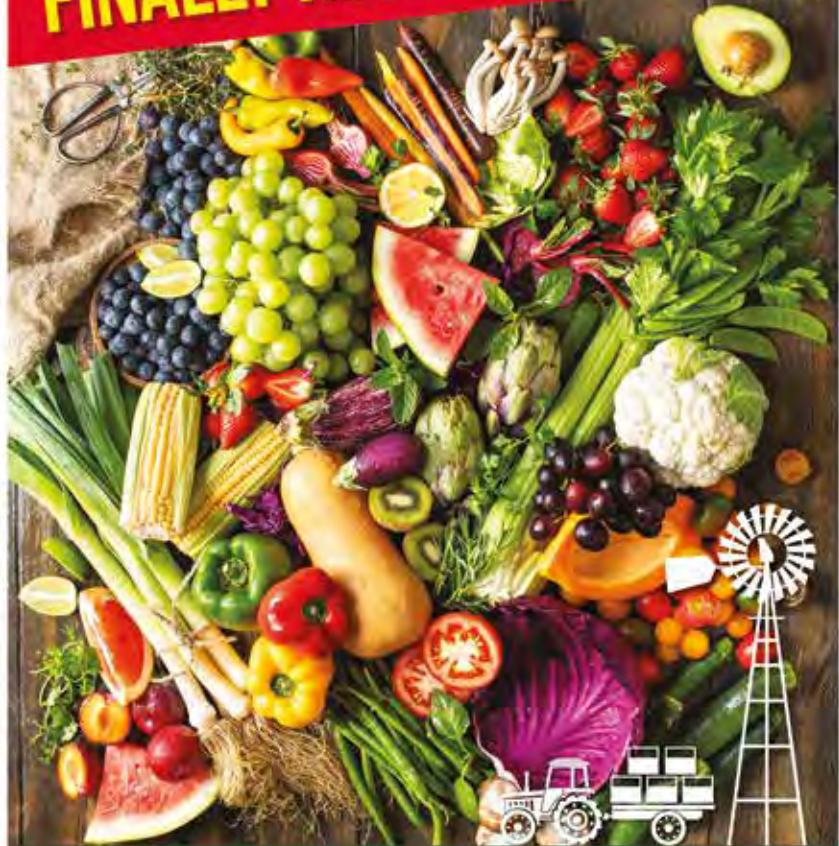
is always to ensure we have the best store in the community - we've thought long and hard about what it takes to do this in the current economic climate and have realised that it's about offering a 'whole' shopping experience. It's not just about theatre - although we are the best at creating that visual appeal in our stores. It also supports the community by offering value, quality, and choice.

While Fruit & Veg City is the origin of the business, today, Food Lover's Market has evolved into a modern retail store with all the experiential elements of a theatre of food - which includes gourmet butcheries, delis, grocery and health and wellness departments.

Our love for good food and how it brings people together has always been close to our hearts and this extends to our theatre of food shopping experience, which is embodied through our marketing efforts to our store formats.



Hey, Bothasig
 THE ULTIMATE SHOPPING EXPERIENCE IS
FINALLY HERE! 20 OCT '22



FOOD LOVER'S MARKET

VALID THURSDAY 20 - SUNDAY 23 OCTOBER 2022

1 LINK RD, BOTHASIG
 OFFERS VALID AT THIS STORE ONLY!

TRADING HOURS:

MON: 09:00-19:00 • TUE-FRI: 08:00-19:00 • SAT: 08:00-18:00 • SUN: 08:00-16:00 • PUBLIC HOLIDAYS 08:00-17:00

THE BEST
 IN FRESH
 GUARANTEED



HEALTHY FOOD OPTIONS

We take immense pride

in being renowned as “The Best in Fresh.”
We were founded on the principles of offering an abundance of healthy fresh fruits and vegetables.

This commitment to health and freshness persists as the driving force behind our expanding and ever-evolving You First brand. This trusted health foods brand makes an extensive range of high-quality health foods accessible to every consumer and has become a focal point within our Food Lover’s Market identity.

Demonstrating our steadfast commitment, we’ve seen a steady 12.58% growth against the previous year in our healthier offerings, particularly in the milk alternatives and sugar-free sports hydration subcategories.

As we continue to innovate, we’re also committed to amplifying the efforts of remarkable small businesses that share our vision. These partnerships not only enrich our product offering, but also empower our customers to make healthier choices, seamlessly integrating the benefits of fresh produce and contemporary health foods.

This synergy between our fresh produce and health food categories will remain the central focal point in ongoing growth and sustainability.





NEW STORE FORMATS

Our new generation

Food Lover's Market stores not only offer customers a unique one-stop shopping experience, but with a focus on new design technologies, we've been able to implement efficiencies that aid in energy savings, more environmentally friendly building materials and more effective waste management systems.

We are committed to reducing waste to landfill, and our stores are continually looking at more efficient packaging and recycling opportunities having been the first South African retailer to ban the straw, followed by banning plastic bags at till points in all our corporate stores.



BRAND PROMISE

THE BEST IN FRESH

GUARANTEED!

THE BEST VALUE

If you find better value on fresh from another retailer, bring in your proof and we'll match it, **PLUS** give you the difference.

THE BEST QUALITY

Not satisfied with any of our fresh products? We'll replace it and give you another one absolutely free!

THE BEST RANGE

If it's available in S.A. and it's not on our shelves, we'll find it and deliver it to you free of charge.*

THE BEST SERVICE

Our highly-trained staff aim to make your shopping experience a pleasure. If they don't live up to your expectations, tell us about it and you'll receive a R100 FLM shopping voucher.

CREATING VALUE

Our purpose centres around

providing our customers with fresh, healthy, affordable food for generations to come. We have always endeavoured to foster excellent supplier relationships, and in doing so have been able to provide a wide range of quality products at fantastic prices.

We are driven to deliver our brand promise of being the Best in Fresh, which subscribes to us offering the best range, the best quality, the best value, and the best service.

Every customer compliment and complaint is reviewed at our weekly sales meetings with Exco and senior leadership, and colleagues who have shown incredible customer service are rewarded with Food Lover's Market vouchers.

From 1 March 2022 to 28 February 2023 we received an average of 28 compliments a week, totalling 1 467 customer compliments for the year.

PROVING WE ARE THE BEST STORE IN THE COMMUNITY:

Store: William Moffet

Date Received: 19 June 2022

"Hello! Follow up to my kudos! The wedding has been a great success and Food Lover's Market did an amazing job with the cakes! Nicole was there in the bakery with every cake ready for pickup on time! They were beautifully made and tasted great! We prepaid so there was no difficulty at all at the pickup! That's incredible service! They have a great team at the William Moffet Food Lover's Market Bakery! I'm sure all of our sister churches will order from Food Lover's Market in the future!"

I have got to express my real appreciation with my experience at the Food Lover's Market bakery here in Port Elizabeth. Actually, with every experience I've had there! I want to send kudos to the following employees- Geraldine for working with me to set events for my church! Marilyn for greeting me and helping me find the best deals for our events! Lungi/Logan/ and today Nicole in the bakery for assisting me with arranging breads, cakes, pies and now "large cakes" for this weekend and all future weddings!

These employees listen attentively, clarify information and return calls, emails and WhatsApp's timeously and with excellence! Every order is ready, meets our agreement, and everyone in departments is aware of orders so picking up things are efficient! They are always friendly and helpful and have great suggestions for meals and desserts! Their excellence has shifted my business from another large store in PE to Food Lover's Market and I'm encouraging all of our affiliated churches to go to Food Lover's Market as well! Thank you so much!"

From William Moffet Customer

Store: Hillfox

Date received: 7 March 2022

"Dear Brian Coppin, I had the pleasure of meeting Thuli, a staff member of yours at the Hillfox branch. I have never experienced such amazing customer service such as this. She was friendly and helpful. When we got to the till she reminded us that there is a combo with the items we purchased, she went out of her way to ensure we were serviced as though we are VIP members in your shop. I can't commend her enough as we know in this day and age people and staff don't care about others. This was something that now makes me brag about your shop at Hillfox to anyone and everyone who is looking for affordable groceries. But hell, I would pay extra to get service like Thuli provided. Thank you Thuli!"

From Hillfox Customer



**EARTH LOVERS**
PARTNERS FOR A BETTER TOMORROW

OUR COMMUNITIES

OUR CUSTOMERS

OUR COMMUNITIES

As part of our endeavour

to be the best store in every community we serve, we need to focus on more than just offering the Best in Fresh and an amazing shopping experience. We believe that being the best store in the community means being involved with the communities that we serve by helping them thrive. We do this through our CSI initiatives and through our local supplier development programme.

SUPPORTING THE COMMUNITIES IN WHICH WE OPERATE

Food Lover's Market is part of an ecosystem that works to support our wider communities. As a food retailer, we focus specifically on improving food security in impoverished communities and supporting child and community-centric organisations that work with children from disadvantaged communities to bring about social change and life skills education.

To tackle the issue of food security, Food Lover's Market has a long-term partnership with FoodForward SA, an organisation that recovers quality surplus food from the supply chain and distributes it to community organisations that serve those in need. Since inception Food Lover's Market has donated R480,000 a year. (This figure does not include our annual World Hunger Month contribution).

Food Lover's Market supports a minimum of 52 charitable organisations through the donation of food via our stores, DCs and offices located throughout the country. We do, however, have a few charitable organisations selected that we provide more in-depth funding and support.



FOOD FORWARD SA

Securing quality food. Nourishing lives.

Food Lover's Market has been partnering with FoodForward SA since they opened their doors in 2009 to address widespread hunger in South Africa. FoodForward SA connects a world of excess to a world of need by recovering quality edible surplus food from the consumer goods supply chain and distributing it to community organisations that serve the vulnerable.

Each month, Food Lover's Market donates fresh fruit and veggies through our Freshpak distribution centre that is then distributed to their beneficiaries; and every year, all proceeds from our World Hunger Month campaigns are donated to FoodForward SA. This year alone, that equated to the equivalent of more than 2.5 million meals.

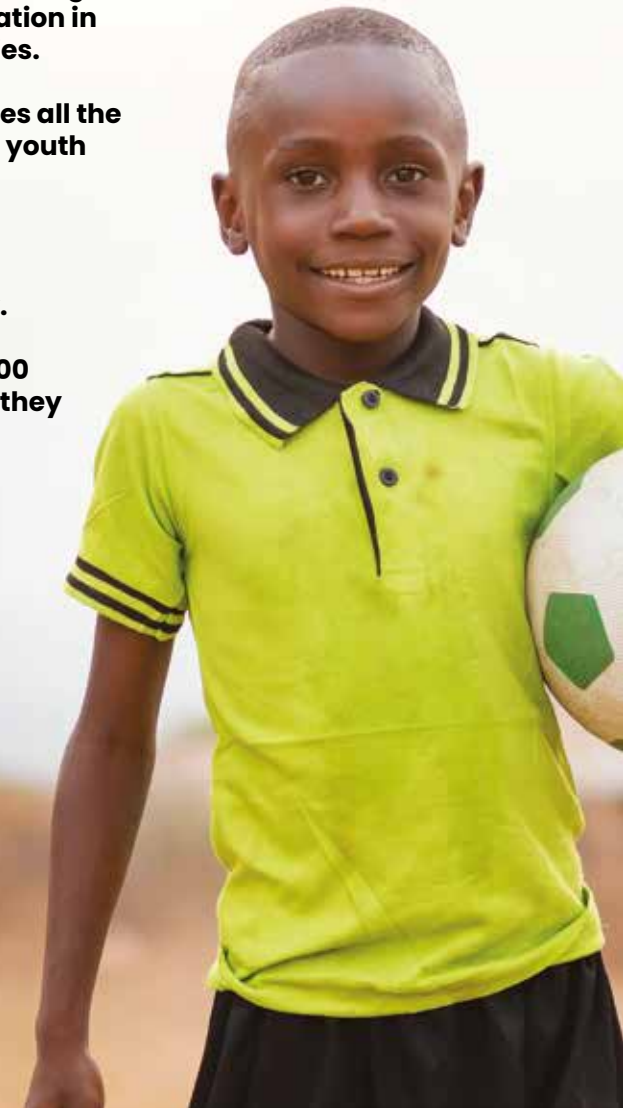


SPORTING CHANCE

2022 marked 9 years of our partnership with Sporting Chance, a child and community-centric organisation that organises a variety of sporting programmes and events to bring social change and life skills education in disadvantaged communities.

Food Lover's Market provides all the food and beverages for the youth attending these initiatives, some of which include the annual Calypso Cricket festival, Street Sports and Disney Healthy Happy Play.

In 2022, we donated R100,000 to the organisation so that they could continue to run their sports clinics throughout the year.



WORLD HUNGER MONTH CAMPAIGN



We use the power of our business to support the eradication of hunger. Since 2017, Food Lover’s Market has run an annual month-long in-store World Hunger Month campaign in partnership with FoodForward SA to raise awareness and funds for meals for the hungry by encouraging customers to purchase select partner products. This initiative has raised more than 6 million meals since the inception of this campaign.

Our 2022 World Hunger Month campaign was our most successful to date. Through the support of our partners, Food Lover’s Market initially raised 1.1 million meals that would be distributed through FoodForward SA, whose focus is reducing hunger in the country.

With the initial cash injection, Food Lover’s Market raised a total of R1,710,338 for FoodForward SA, which equates to over 2,5 million meals donated.

YEAR	NUMBER OF MEALS DONATED IN WORLD HUNGER MONTH
2017	286,000
2018	733,179
2019	914,667
2020	1,030,888
2021	710,126
2022	2,515,203
TOTAL	6,190,063

“FoodForward SA is privileged to be the beneficiary NPO of Food Lover’s Market’s World Hunger Month campaign. What an incredible journey these 6 years have been, joining hands with Food Lover’s Market, their suppliers, and customers in the fight against hunger.”

The hugely successful annual campaign ensures that FoodForward SA can distribute nutritious meals to nearly a million vulnerable people a day, across all nine provinces, including rural communities where the need is the greatest.”

Deidre Adams – FoodForward SA





Tru-Cape have been instrumental in the success of our World Hunger Month campaign, supporting the initiative and coming on board as our biggest contributing partner since its inception 6 years ago. Our in-store Hunger Month campaign was also heavily supported by our Grocery department, as well as Westfalia, Hexco, Crest Shelf, Wegro, African Fresh, Fresh Approach, The Fruit Farm Group and Dapper Market Agents.

Customers were also encouraged to buy a meal at a Food Lover's Market till point - 68 cents will feed one South African, while a mere R6,80 will feed ten - and on World Hunger Day, 28 May, Food Lover's Market matched any meal bought by a customer at till points. With the initial cash injection, Food Lover's Market raised a total of R1,710,338 for FoodForward SA, which equates to over 2,5 million meals donated.

"This will be the sixth year that Tru-Cape has partnered with Food Lover's Market in this life-changing initiative. And we are proud to support an NGO such as FoodForward SA that collects and distributes healthy food to the most needy in a sustainable way before it is wasted. As a business owned by the growers at Ceres Fruit Growers and Two-a-Day in Grabouw and responsible for about 20% of South Africa's apple and pear production, we understand first-hand the need for sustainable agriculture and the food security for which we are responsible."
- **Tru-Cape Fruit Marketing Managing Director Roelf Pienaar**

The poster is set against a brown cardboard background. At the top, the word 'H.E.Y.' is written in large, white, spaced-out letters. Below it, 'HUNGER ENDS WITH YOU!' is written in large, bold, green letters. A small icon of a globe with a fork and knife is positioned between 'YOU!' and the next line. The bottom section of the poster features the text '1 MILLION MEALS RAISED & COUNTING' in white, followed by 'DONATE A MEAL AND MAKE A DIFFERENCE' in bold green letters. At the bottom of the poster, there are three logos: 'FOOD FORWARD SA' with a small globe icon, 'FOOD LOVER'S MARKET' in a bold, blocky font, and 'EARTH LOVERS' with a leaf icon.

THE POWER OF OUR STORES

Our focus is to build

store-led relationships with local child-centric organisations that empower our colleagues and change the lives of beneficiaries. In this way, each Food Lover's Market store supports a child-centric Beneficiary Organisation (BO) in their immediate community through feeding schemes and donations.

We support a minimum of 52 beneficiaries on an ongoing basis. There are 12 in the Western Cape, 2 in the Eastern Cape, 3 in KZN, 24 Inland and 11 through Head Office. We also support 150 schools, churches and sports clubs on a once off basis throughout the year.



Jakaranda Children's Home & Louis Botha Children's Home

Since 2021, our Food Lover's Market Montana store in Pretoria, Gauteng has been supporting both the Jakaranda Children's Home and Louis Botha Children's Home in Pretoria, providing fresh produce, groceries, and cleaning products as needed to assist caring for a total of 292 school-going children aged between 3 - 18 years who have been placed in their care by the Children's Court.

These non-profit organisations offer housing, medical care, therapy, clothing, food, stationery, and transportation to and from 23 different pre-, primary-, high-, and special schools.

"With the support from Food Lover's Market, budgeted funds are made available to supply other needs, such as fuel for our vehicles to transport the children "

**- Ina Kotze, HOD: Marketing & Fundraising
(Jakaranda & Louis Botha Children's Homes)**



Westlake United Church Trust

Our Food Lover's Market Tokai store has been supporting the Westlake United Church Trust (WUCT), a non-profit organisation dedicated to socially uplifting the Westlake Village community of nearly 20,000 residents by creating pathways out of poverty.

For the past five years, Food Lover's Market Tokai has been providing monthly donations to the value of R3,000 in Food Lover's Market vouchers, bakery goods, and fresh produce. These contributions play a vital role in nourishing 180 children up to grade R in their Early Childhood Development (ECD) programme and supporting 100 children in their Childcare and Protection programme.

"Nutritious food comes with a cost, and Food Lover's Market has been instrumental in helping us provide these nourishing meals to the children in our programmes, saving us significantly."

**- Pieter Greyling, General Manager,
Westlake United Church Trust WUCT**



PARTNERING WITH ACTIS FOR A BETTER TOMORROW

As a leading global investor

in sustainable infrastructure and an investor of Food Lover's Market, Actis has shown incredible support for our long-standing CSI through two specific organisations:

FoodForward SA -

The Actis Acts fund has donated R550,000 towards FoodForward SA's Mobile Rural Depot (MRD) programme, which was established in 2019 to address rural food insecurity in a sustainable way. Once a month, these mobile depots (trucks) travel to designated areas in rural communities to deliver food provisions consisting of healthy, fresh produce and groceries to vetted beneficiary organisations that are part of their network. These MRDs have been set up in districts with high poverty indicators and they are currently operating in 28 communities across South Africa.

Lungi's Kitchen -

Lungisa Haai, lovingly known as 'Mama Lungi', runs 6 community kitchens in Gugulethu, Summer Greens, Khayelitsha, Dunoon, Phoenix and Joe Slovo, feeding 1,000 children and 100 seniors daily. Her love and concern for the well-being of her communities is echoed by the people around her, who gather at the Summer Greens Community Hall and pitch in to ensure that no child goes hungry. Lungi's Kitchen has been granted R15,000 per month to support these initiatives since April 2020. Lungi's Kitchen also receives food donations from our Food Lover's Market Bothasig store via the Kolisi Foundation.



actis

OUR CUSTOMERS



OUR WORLD

OUR CUSTOMERS

CHALLENGES OF SUSTAINABILITY

Like many other South African retailers

Food Lover's Market finds itself at a crossroads in our pursuit of sustainability, grappling with a unique set of challenges. This retail environment, marked by its rich cultural diversity and economic disparities, faces a complex interplay of factors that impact our ability to embrace sustainability best practice.

In this context, several barriers come to the fore, spanning economic, infrastructural, and regulatory dimensions, each demanding attention and innovation to steer our company towards a more sustainable future.



UNIVERSAL BARRIERS TO SUSTAINABILITY FOR SOUTH AFRICAN RETAILERS

ECONOMIC CHALLENGES: South Africa grapples with high unemployment rates and income inequality, which often take precedence over sustainability investments due to immediate financial concerns.

INFRASTRUCTURE LIMITATIONS: The country's unreliable electricity supply and insufficient waste management systems make it challenging to effectively implement eco-friendly practices.

ENVIRONMENTAL IMPACT: South Africa's heavy reliance on coal for energy production leads to a substantial carbon footprint.

AWARENESS GAP: Both consumers and colleagues often lack awareness and education about sustainable practices, hindering their adoption within the retail industry.

COMPLEX SUPPLY CHAINS: The intricacies of supply chains add further obstacles, requiring innovative solutions for sustainable sourcing and distribution.

While these challenges are real, we are committed to fostering innovative collaboration between the private sector, not-for-profit sector and government to work through these challenges and develop solutions that will support not just Food Lover's Market, but all our key stakeholders committed to creating a more sustainable business and sector.

RESPONDING TO THESE CHALLENGES

During this period,

we've seen an absolute energy reduction of 3.5% due to more efficient store operations. Our investment in renewable energy continues to grow with an increase in generational capacity of 77.5% against the previous year.

A few years back we introduced energy monitoring systems at our stores and facilities, and we are now doing the same with water meters to truly understand how we can reduce our water usage. In waste, we are working with a number of stakeholders, from composters to fly farms, to rethink our waste strategy and divert as much waste from landfills as possible.

When it comes to packaging, Food Lover's Market was the first retailer in South Africa to offer paper straws and paper bags exclusively in our Food Lover's Market corporate stores. While our stores naturally promote a package-free environment, we are continuously exploring new compostable packaging solutions to lessen single-use plastics in our stores.



REDUCING OUR CARBON FOOTPRINT

Food Lover's Market commissioned SimGenics to perform a carbon footprint assessment of its operations for the period ending on 28 February 2023. This was the second carbon footprinting exercise undertaken after the first in 2016.

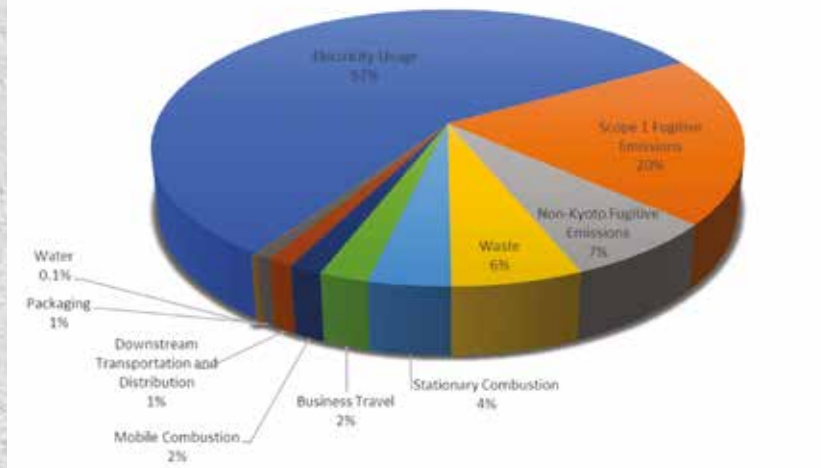
In this period, our carbon footprint was 127 632 tCO₂e, an increase of 4.5% against 2016. This should, however, be viewed in the context of increased turnover and a 37% increase in floor space in the intervening seven-year period.

Electricity contributes over 50% of our total carbon footprint and is an area where considerable effort and investment is being made to make our stores and distribution centres more efficient. Total electricity usage resulting in emissions increased by 2.2% from 2016 to 2023, taking the contribution of both Eskom and owned diesel generators into account.

Direct fugitive gas emissions increased by 68% from 2016 to 2023 with the largest emission contributors being R507, R407F and R22. R507 has a particularly large global warming potential (tCO₂e per kg) - less consumption of this gas will have the most impact.

To combat this, Food Lover's Market is identifying and minimising leaks and accidental releases. We are also in the process of identifying replacement gases with lower global warming potentials.

OVERALL EMISSION CONTRIBUTION



Further to the above, most of the carbon footprint comes from our store operations (83%), followed by 9.9% in our Distribution Centers (DCs).

Detailed analysis is being conducted on each store with an above-average footprint to identify additional areas where we can reduce our carbon footprint through bringing down energy consumption. To foster best practice sharing and model efficiency, we recognise those stores with a lower than average carbon footprint per m2 ratio by highlighting their achievements via our Food Lover's Market communication channels.

Following on from our most recent carbon footprint assessment, we have put in place plans to:

1. Improve energy efficiency in stores and warehouses by upgrading lighting and HVAC systems.
2. Identify where opportunities exist to switch to renewable energy sources by installing solar panels or signing power purchase agreements with renewable energy providers
3. Reduce waste in retail operations via recycling, composting, and lessening packaging.
4. Purchase carbon offsets by investing in projects that plant trees or renewable energy projects.
5. Reduce transportation emissions by converting diesel combustion vehicles to electric vehicles.
6. Increase the amount of education for colleagues and customers about the importance of sustainability.



ENERGY

SOLAR PROJECTS

Food Lover's Market has been driving the reduction of electricity use and the switch to renewable energy for several years, and for good reason. Not only will it reduce our overall consumption and save money for the business, but it also reduces our carbon footprint impact on the planet.

During this period, solar panels have been installed at the following stores and facilities at a total cost of over R19m.

Our plan is to double this in the coming year.

DESIGN PARAMETERS

Total number current of sites with Solar	8
Total size of solar	2634.24 kWp DC
Total yield	4283.66 MWh/annum
Total number of sites with new installation	4
1 March 22 to 28 Feb 2023	
Total size of installed	1266.38 kWp DC
1 March 22 to 28 Feb 2023	
Total Yield	1161.842 MWh
1 March 22 to 28 Feb 2023	77.51%
% increase in renewable size from the previous financial year (2021/20222)	
Expected installations in the current year (2 completed, 3 in progress)	5



DESIGN PARAMETERS

Site	FLM City Deep JHB DC
Size	657 kWp
Yield	1541 kWh/kWp/a
Modules	Trina Solar TSM 310 PD, Canadian Solar CS6W
Commissioned Date	01 Oct 2016
Inverters	SMA STP 25000TL-30 Goodwe 100k-HT
GPS	-26 232778, 28 085278



DESIGN PARAMETERS

Site	FLM Cornerstone/Fresh Bev
Size	254.1 kWp
Yield	412.7 MWh
Modules	Jinko 545W Mono Modules
Commissioned Date	01 Feb 2023
Inverters	2 Solis 110kWp String Inverters
GPS	-33.89278, 18.6788



DESIGN PARAMETERS

Site	FLM Brackengate Head Office
Size	360 kWp
Yield	1505 kWh/kWp/a
Modules	Canadian Solar CS3W + CS6W
Commissioned Date	01 April 2022
Inverters	Goodwe 100k-HT
GPS	-33.891, 18.677



DESIGN PARAMETERS

Site	FLM Montana
Size	360 kWp
Yield	1536 kWh/kWp/a
Modules	Canadian CS6W - 545MS
Commissioned Date	01 Sept 2022
Inverters	Goodwe 100k-HT, Goodwe 25k-MT
GPS	-25.6793372, 28.2701458

ENERGY- SAVING INITIATIVES

We are constantly looking at ways to increase efficiency in our stores. Like many other businesses, we have energy monitoring systems connected to our key departments. These provide us with live feedback in terms of our energy usage at any given point in time, as well as warning systems when any of our departments vary from the expected energy use. This assists us in detecting and fixing issues as they arise, reducing our costs and improving our energy efficiency.

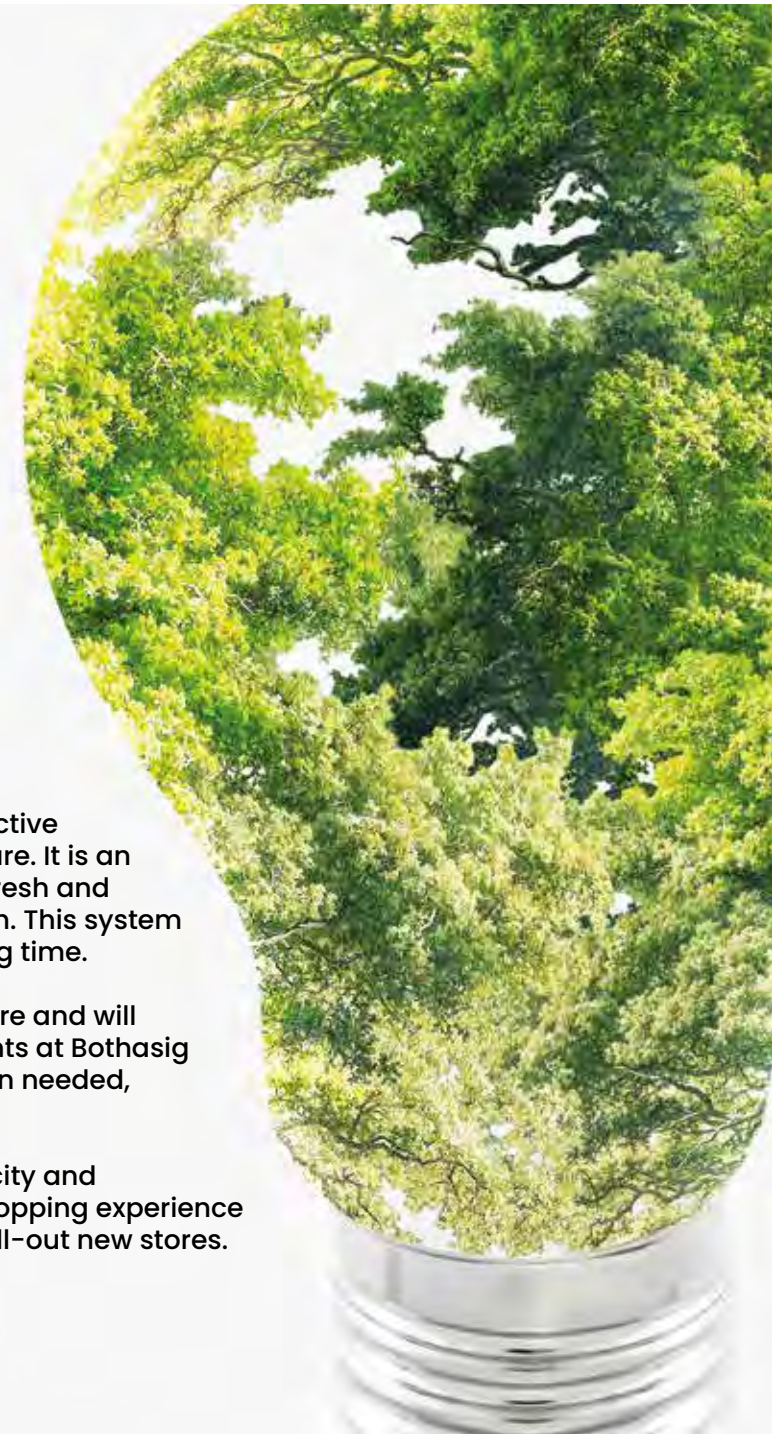
Our development team extensively researches and searches out best practices in terms of new equipment, which are then trialled in our stores for effectiveness and efficiency, before being rolled-out.

Some of our innovations include the Absorb-It-All mineral-based humidity management system.

The Absorb-It-All mineral-based humidity management system is an eco-friendly and cost-effective solution that helps keep volatile organic compounds (VOCs) in the air and absorbs excess moisture. It is an innovative solution that uses natural minerals to absorb excess moisture from the air, keeping it fresh and healthy. It also helps to reduce the levels of VOCs in the air, which can be harmful to human health. This system is not only eco-friendly but also cost-effective, as it requires little maintenance and lasts for a long time.

Additionally, we also introduced the automation of refrigeration lights at our flagship Bothasig store and will continue to roll-out this to all our new stores in the future. With the automation of refrigeration lights at Bothasig and the installation of light sensors in cold rooms and toilets, we ensure that they are only on when needed, reducing energy waste.

At Waterfall Ridge and Montana, we installed doors on the meat fridges to increase cooling capacity and reduce energy consumption. Following on from the success of these in terms of enhancing the shopping experience and increasing our energy efficiency, these will be rolled out as we refurbish our old stores and roll-out new stores.



LOAD SHEDDING

Over the last year, we experienced a notable increase in the number of hours of load shedding leading to a phenomenal increase in diesel expenditure. Load shedding is a major challenge facing the South African retail sector, with ongoing power outages having a significant impact on retailers, leading to decreased sales, increased costs, and potential damage to brand reputation.

DECREASED SALES:

When power cuts occur, a retail store becomes an unattractive shopping environment for customers. Lights go out, the airconditioning stops working, and checkouts can experience challenges. As a result, retailers can expect to see a decline in sales during load shedding hours.

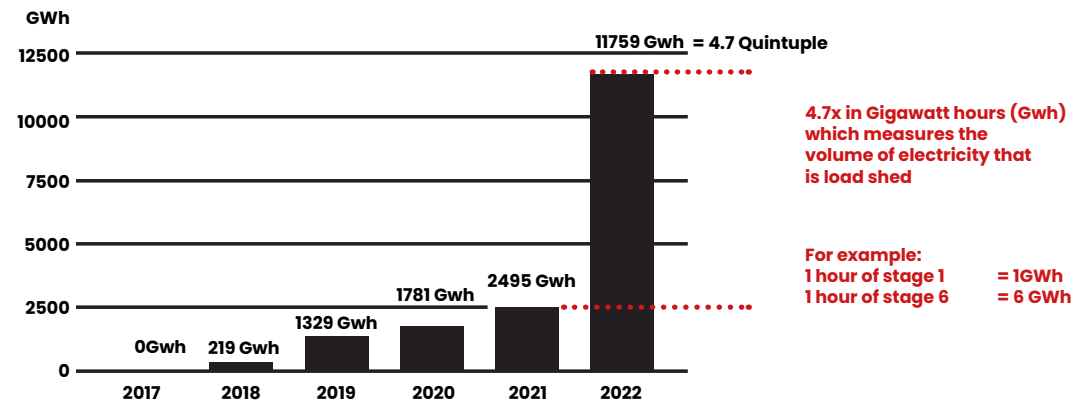
INCREASED COSTS:

Retailers are also facing increased costs due to load shedding because of the need to invest in backup generators to keep their stores running during power outages. The cost of diesel to power these generators is constantly rising, which further adds to retailers' expenses.

DISRUPTION TO SUPPLY CHAIN:

Load shedding also disrupts the supply chain as power outages may damage food and other perishable goods, leading to losses. Additionally, power outages may delay deliveries, which impacts sales and brand reputation.

GIGAWATT HOURS LOAD SHED QUINTUPLED BETWEEN 2021-2022



To ensure that we mitigate these challenges for our customers, we have invested heavily in generators.

R16 million has been spent on generators for all stores to ensure they have uninterrupted power for our equipment. This runs in parallel with our energy efficiency measures to reduce energy demand in stores, as well as the roll-out of renewable energy systems.

These investments have significantly enhanced the customer experience during load shedding and ensures that less fresh produce is wasted as a result of intermittent power cuts.

In 2022/2023, we spent R33 275 million on diesel for generators and have budgeted around R500,000 per day for the next financial year.

WASTE AND WATER

We understand that a great deal of food that is fit for consumption is currently wasted in South Africa, with some reports suggesting this could be as high as 30%. We therefore have two main focus areas with regards to our waste; firstly **ensuring as little as possible is wasted**, and secondly looking to **increase our recycling of the waste** that comes from our stores.

In terms of the first point, every store has a maximum waste target, with this being a key metric that is presented to our exco and senior leadership every week. While our target for the year was 2% waste against sales, we were slightly above this at 2,4% across all our corporate stores. This remains a major priority for the business, with a renewed focus and specific plans being implemented for stores that are behind target. These plans include aspects from how we procure for that store, monitoring the flow through of specials and ensuring that utmost care is taken in the handling of fresh produce.

Further to this, we work with NGOs like FoodForward SA to ensure that when we do have food that is fit for consumption that has been over bought, these are donated to organisations that operate feeding schemes.

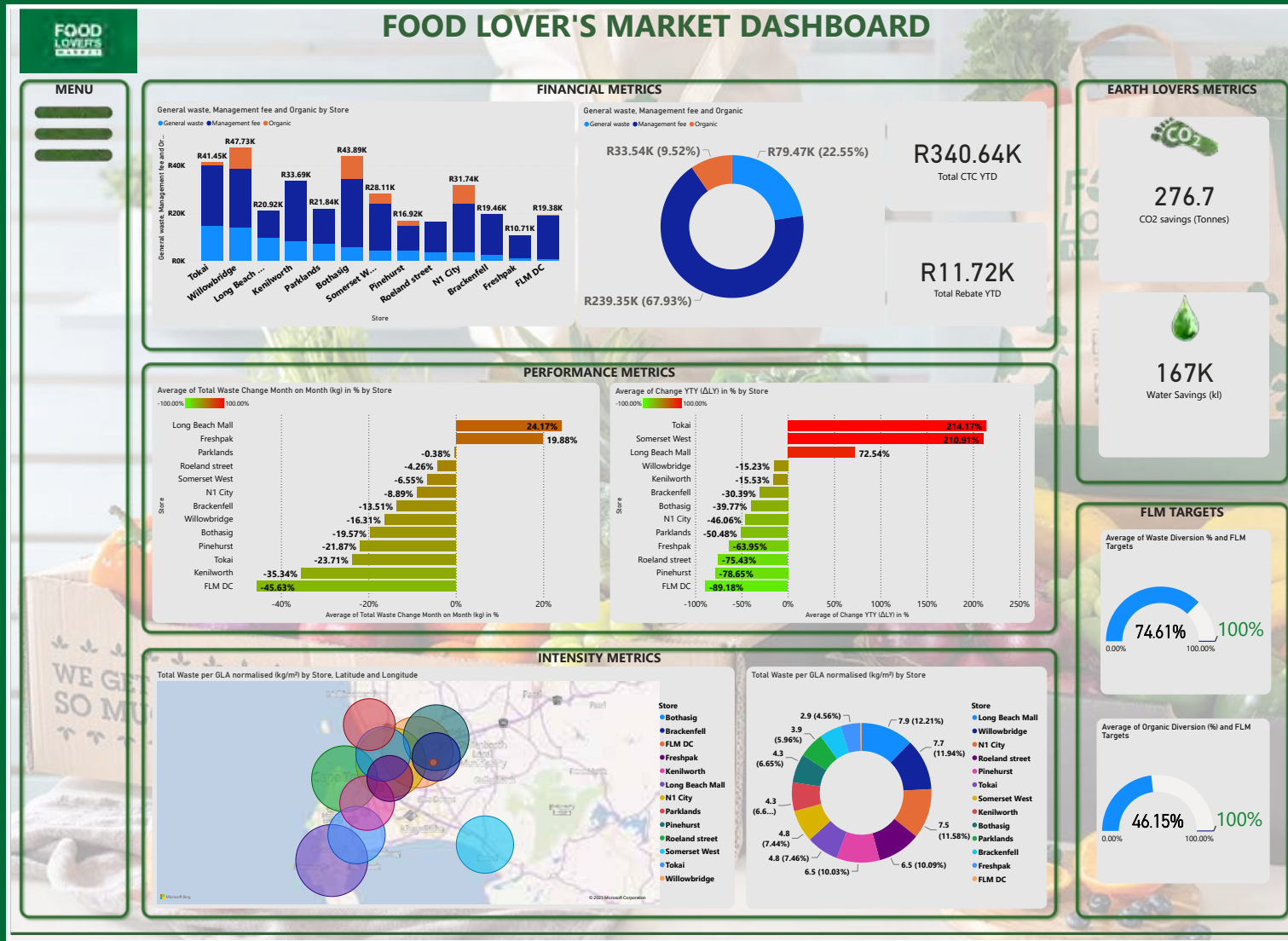
In terms of waste that comes from our stores, there is currently a major focus on organic waste in the Western Cape, that is being driven by new legislation that ultimately looks to divert all of the 2,9m tonnes of organic waste produced each year in the Western Cape from landfill by 2027. In line with this we are working with partners to trial a circular economy strategy that will see our waste turned into compost, which we will then be able to sell back to our customers.

In our coastal region, we currently recycle 76,9% of non organic waste, down from 77,31% in the previous year, while our diversion of organic waste increased by 27% against the previous year.

Our inland region highlights the huge work that is required from ourselves, our partners and the local government, with currently only 14,8% of non organic waste recycled, and very few options for organic waste to be diverted. We are currently working with our major waste providers to explore options to shift the trajectory and ensure these figures increase in the next financial years.



As a result of the City of Cape Town's organic targets and legislative changes requiring monthly reporting on waste diversion, we have developed a dashboard tool that provides feedback to the municipality and our operators.



WATER SAVING INITIATIVES

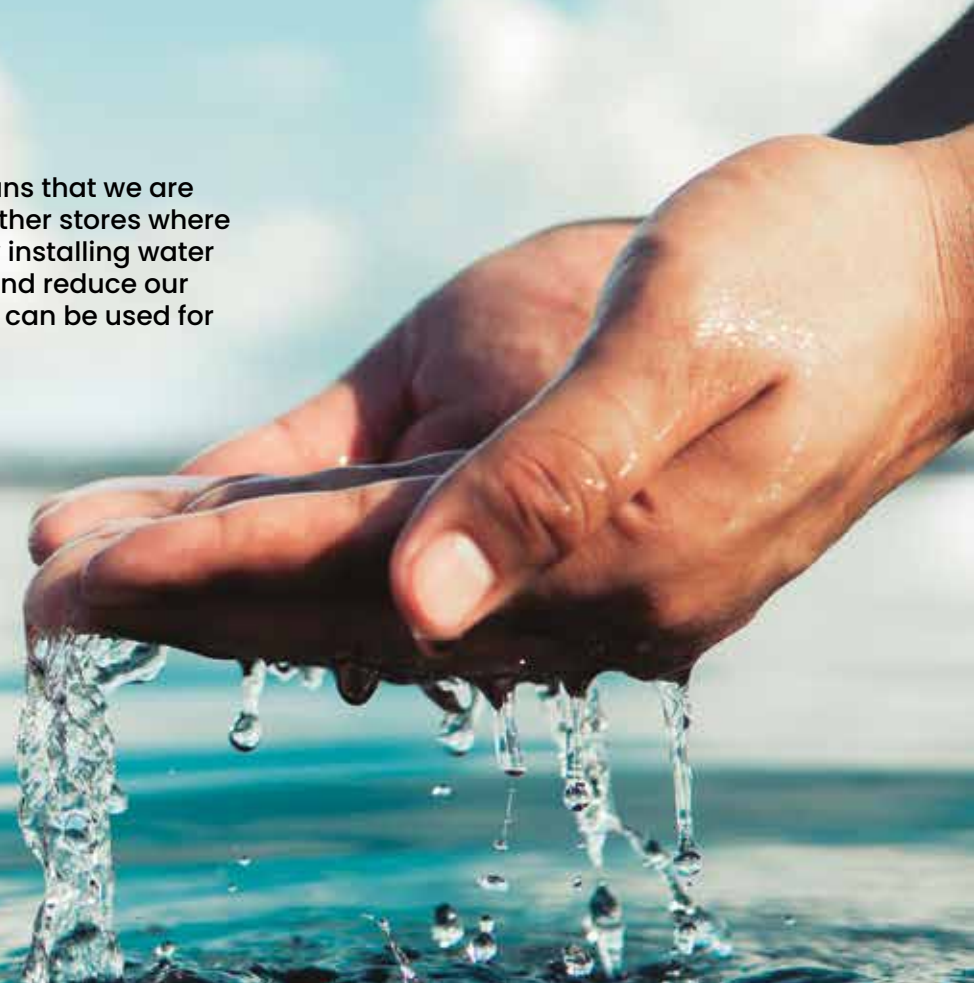
To reduce our water consumption

we are in the process of trialling water meters, and will be rolling these out to all corporate stores in the coming year.

At Food Lover's Market Bothasig, we installed our own water well points, which means that we are no longer reliant on municipal water. We would like to extend this initiative to our other stores where possible, with the aim of reducing our dependence on municipal water sources. By installing water well points, we can ensure a more sustainable source of water for our operations and reduce our water bills. By drilling a well on the property, stores can access groundwater which can be used for various applications, such as irrigation, cleaning, and flushing toilets.

In addition, by using well water, stores can avoid potential water shortages during times of drought or municipal water restrictions. This can provide a level of security and ensure that the store's operations are not disrupted due to a lack of water.

Finally, our Eastern Cape stores have all been fitted with water tanks and filtration systems due to the severe water shortage in the area. This shortage is constantly being monitored by a water crisis group and steps are being made not just to reduce the amount of water we use through changing the way we operate, but also through working alongside our colleagues to support them in understanding the importance of saving water, at home and in the workplace.



TRANSPORT

During the period, Food Lover's Market has introduced improved operational efficiencies to reduce the impact of our transport logistics. We centralised our logistics division, which gave us control over all the trucks owned by Food Lover's Market, leading to better planning and the reduction of empty legs.

This resulted in less kilometres driven, better service delivery and a 45% average reduction in diesel used. Our streamlined fleet of 51 trucks are dedicated to the operations at Food Lover's Market and are being employed more efficiently to support DCs in the same region.



795,257
KMS DRIVEN



293,886
KMS SAVED
DESPITE DC SALES
BEING UP ±20-25%
YEAR ON YEAR



1,829,093
LITRES OF
DIESEL USED

WAR ON PACKAGING

Since we opened our doors in 1993, Food Lover's Market has taken a different view on packaging, offering a package-free shopping experience for the environmentally-conscious customer. We not only promote this, we absolutely encourage it, and we are as proud today of our nude walls – plastic-free fresh produce – as we were when Brian and Mike Coppin first opened their doors.

Our war on packaging extends from gravity fed systems where you can fill your own containers with nuts, chocolates, dried fruit and more, to the opportunity to shop the majority of your fruit and veg in a package free way.

Food Lover's Market is also a signatory to the SA Plastics Pact, a collaborative initiative that creates a circular economy for plastics packaging in conjunction with other local initiatives.

By 2025, the SA Plastics Pact will have transformed the way that South Africa makes, uses and disposes of plastic by meeting the following targets:



Target 1:	Taking action on problematic or unnecessary plastic packaging	Target 2:	100% of plastic packaging to be reusable, recyclable or compostable
Target 3:	70% of plastic packaging effectively recycled	Target 4:	30% average recycled content across all plastic packaging

Our paper bag offering has experienced incredible growth since we became the first retailer in South Africa to ban all plastic bags in our corporate stores in 2019.

This followed our decision to ban plastic straws in all our Food Lover's Market corporate stores in 2018. The 'Get Drastic on Plastic' and 'Withdraw the Straw' campaigns were a remarkable success, not just in terms of cutting single use plastics, but in the way our customers got behind and supported these campaigns.

YEAR	NUMBER OF BROWN PAPER BAGS
2018	890,193
2019	7,592,433
2020	14,029,092
2021	22,285,007
2022	25,550,163

YOU'VE GOT SUSTAINABILITY IN YOUR HANDS!

Food Lover's Market recently started rolling out (excuse the pun) its new sustainable shopping trolleys. Who would have thought that you would be pushing a shopping trolley through a supermarket that has been manufactured from recycled milk bottles. It's hard to even imagine that this is possible, but Supercart has made this happen.

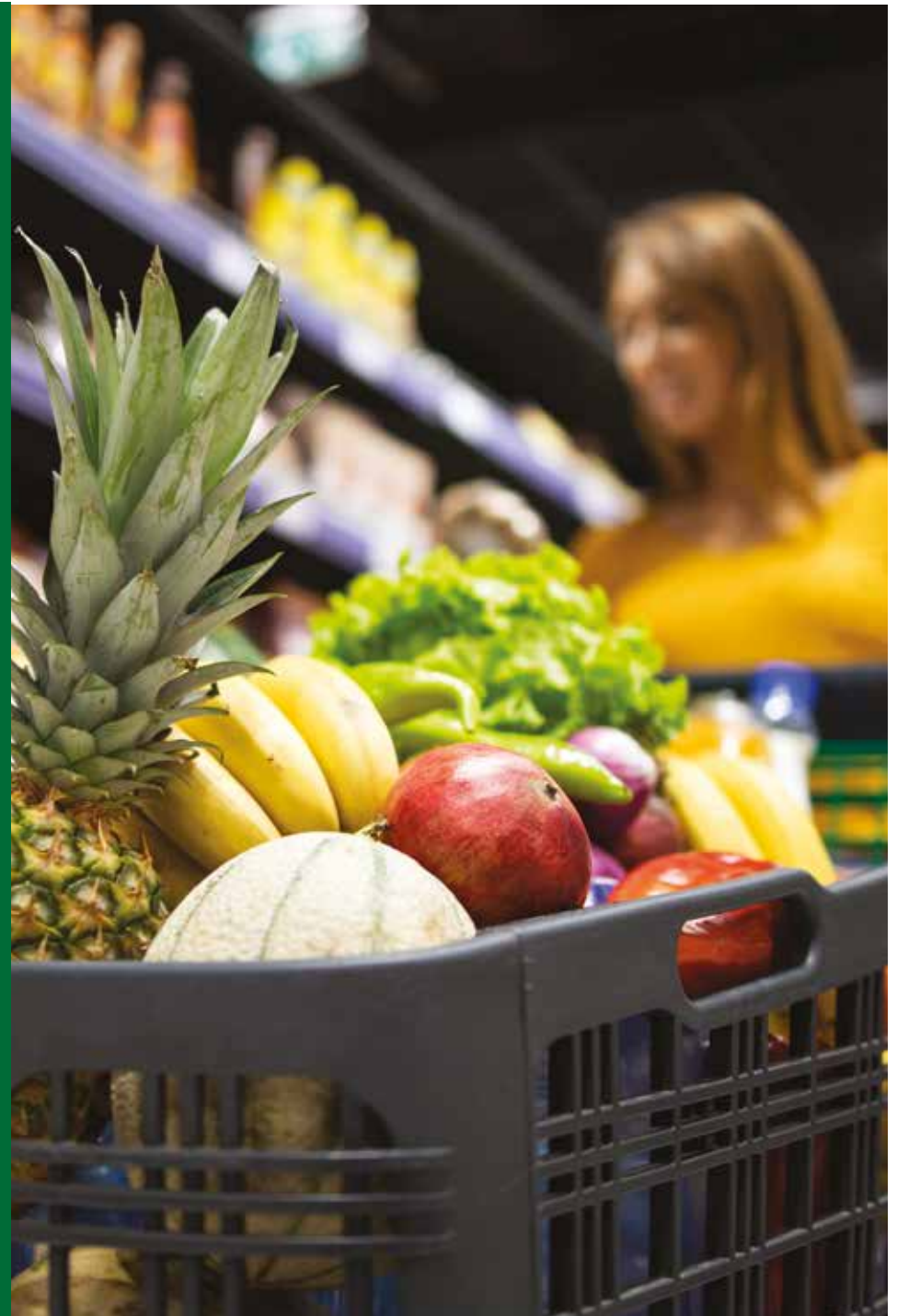
The success of this recycling project has enabled Supercart to divert plastic waste away from the country's already overwhelmed landfills into manufacture.

The product, adapted to the South African market, has resulted in a significant reduction in material footprint. In an effort to reduce plastic pollution and address the recycling challenges facing the country, recycled plastic milk bottles are used to manufacture these trolleys.

Recycled plastic equivalent to 74 plastic 2L milk bottles are used to produce the Mini Trolley Basket, and 152 plastic 2L milk bottles for the Classic Trolley Basket.

This isn't just recycling plastic, it's upcycling.

When a product is recycled, it is used again in the same or equivalent product. A milk bottle becomes another milk bottle. When a product is upcycled, it is used in a product of higher value, such as in this case, where a milk bottle becomes a shopping trolley. A milk bottle is designed to be used once before it is recycled, but these trolleys are used for many years before components might need replacing and in that time they'll cart a lot more milk than a bottle can!



We continue to look for sustainable ways of doing business across the board. Another example is our use of bamboo in the interior and exterior parts of the bespoke fridges, sushi counters and more items, such as:

- The Beast (punnet fridge that looks like our fruit and veg runs), Sushi, Grab and Go, and Cheese Island top cladding and cross merchandising displays.
- Butchery front displays on the serve over counters.
- Biltong unit front display and interior items.
- Dry ager (Bamboo shelves).

We have chosen to use bamboo because it is an excellent renewable resource due to its rapid growth rate and the low resources required to grow it. It has exceptional CO2 absorption abilities and lowers the demand for traditional timber, thereby reducing deforestation.



IN SUMMARY

As mentioned, the above represents specific actions and initiatives that Food Lover's Market Group has undertaken between 1 March 2022 and 28 February 2023. We recognise that there is much more work to do, particularly in areas such as identifying and addressing sustainable alternatives to at-risk commodities, within our supply chain to improve animal welfare standards even further and support the growth of sustainable and regenerative agricultural practises, in our war on plastic and eliminating single use plastic and so much more.

This is an ongoing journey, one that we are absolutely committed to as we look at navigating the often complex and volatile trading environments that we find ourselves in. We commit to continuing to ask ourselves challenging questions, and engaging with key stakeholders on how to address key issues pertaining to social and environmental challenges. We commit to striving to be the best place to work for in South Africa, for seeing the potential in everyone, for accelerating the growth and development of our people and for expanding our business in a way that adds value to communities across South Africa. We commit to striving to be better and do more for our people, our customers and our world, every single day.

This report therefore hopefully enables more questions to be asked, so that, together, we can ensure we continue to uplift our colleagues and the communities we serve, make a positive environmental impact and play our part in solving some of the wider social challenges facing South Africa and the countries we operate in.

As always your feedback is welcome. If you have any comments, thoughts or suggestions, or feel there is more we could be doing in any of our core focus areas, get in touch with us on earthlovers@fvc.co.za.