

KING IV DISCLOSURES

For a comprehensive list of all disclosures, please visit www.ppecb.com.

The table below outlines the reports within the 2021/2022 Annual Report where disclosures relating to King IV can be found.

PRINCIPLE	SUMMARY OF DISCLOSURES MADE	REPORT REFERENCED
<p>PRINCIPLE 1 The governing body should lead ethically and effectively. Recommended practices:</p> <ul style="list-style-type: none"> • Cultivate and exhibit characteristics of integrity, competence, responsibility, fairness, and transparency; and • Offer leadership that results in the achievement of strategy and outcomes over time. 	<p>The Corporate Governance Framework enables the Board to:</p> <ul style="list-style-type: none"> • Fulfil its role and discharge its duties and responsibilities as required by the regulatory environment in which the PPECB operates; • Contribute to serving the PPECB's customers in a professional manner; • Decide on the PPECB's policy and strategic direction; • Set the parameters for delegating authority in the organisation; and • Oversee risk management and internal controls at the PPECB. <p>Employees are required to maintain the highest ethical standards, in accordance with the PPECB's Code of Conduct, in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The Executive Committee (EXCO), Risk Management Committee (RISCO), and Operational Management Committee (MANCO) monitor compliance with this code at all times.</p> <p>The PPECB has a digital declaration of interests and gifts process and has a policy to ensure employees act in good faith by governing declarations and conflicts of interest and gifts made by employees and members of the Board.</p> <p>See further disclosures made in the summaries for Principles 2, 3 and 9.</p> <p>FUTURE FOCUS</p> <ol style="list-style-type: none"> 1 Enhancing internal controls related to contract management; 2 Limiting irregular and wasteful expenditure; 3 Environmental, social, and governance (ESG); and 4 Improvement in sound asset management. 	<ol style="list-style-type: none"> 1 Corporate Governance Report 2 Annual Financial Statements 3 Chief Financial Officer's (CFO) Report 4 Operations Report

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<p>PRINCIPLE 2 The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p> <p>Recommended practices:</p> <ul style="list-style-type: none"> • Set the direction for ethics in the organisation; and • Disclose how ethics are being managed, focus areas, monitoring measures and how ethical outcomes are addressed. 	<p>The PPECB continues to introduce internal controls and strengthen processes for increased efficiency. A survey was conducted with MANCO members to review the measures taken to monitor organisational ethics and to define accountability. MANCO members were asked how perceptions on accountability could be improved within the business. Managers are expected to cultivate openness and provide platforms to respectfully engage in discussion.</p> <p>The PPECB has an independently managed fraud and ethics hotline to monitor and promote awareness of potentially unethical behaviour. The PPECB communicated the outcomes of complaints received and defined malicious complaints as well as action that could be taken by the PPECB should a complaint be found to be malicious following investigation.</p> <p>A short awareness session pertaining to disclosures in declarations of interest was provided to all Board members in February 2022 prior to the submission of their annual declarations of interest.</p> <p>The PPECB has various written policies and procedures supporting management and staff in the day-to-day functioning of the business. This includes the policies noted under Principle 1, a Fraud Prevention Policy and Plan, a Supply Chain Management (SCM) Policy and Procedure, an SCM Code of Conduct, a Contract Management Policy and Procedure, and others.</p> <p>See further disclosures made in the summaries for Principle 1.</p> <p>FUTURE FOCUS</p> <ol style="list-style-type: none"> 1 Awareness sessions with employees on the Declarations of Interest Policy and Procedure; 2 New Board induction; and 3 Development of a Preferential Procurement Framework in accordance with the Constitutional Court Judgement of 16 February 2022. 	<ol style="list-style-type: none"> 1 Operations Report 2 Corporate Governance Report 3 CFO Report
<p>PRINCIPLE 3 The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen.</p> <p>Recommended practices:</p> <ul style="list-style-type: none"> • Set the direction for good corporate citizenship; and • Oversee and monitor the organisation's status as a good corporate citizen in areas such as the workplace, economic behaviours and results, and societal and environmental impacts. 	<p>After a year of absence, the Chip in for Charity golf day was held in November 2021. The day was very well supported, with R50 000 given to the nominated charity. Further to this, we managed to train 302 smallholder farmers and certified 89 farmers as export-ready. This programme is conducted in collaboration with Department of Agriculture, Land Reform and Rural Development (DALRRD) and the nine provinces.</p> <p>The PPECB also helped six entities (schools and old age homes) to establish sustainable gardens to provide income and food and collaborated with the Office of the Minister of DALRRD to donate food parcels to the needy.</p> <p>During the period under review, there were also efforts to attract youth to the sector through the Agri Export Technologist Programme (AETP), where 48 students have been trained. The PPECB is also continuing with the strategy of digitalisation which will create further efficiencies throughout the export value chain.</p> <p>As a responsible corporate citizen, the PPECB embarked on a carbon footprint project to determine to what extent its operations impact the societies and/or environments in which it operates and implements measures, if necessary, to reduce such impact. Following an assessment by the appointed service provider, a carbon footprint report will be issued to the PPECB containing high-level recommendations for consideration.</p> <p>FUTURE FOCUS</p> <ol style="list-style-type: none"> 1 The PPECB will continue to invest in similar programmes with strategic partners to make a positive contribution to those in need. 2 The focus of the PPECB remains on reducing manual interventions and driving a "paperless" way of doing business. 3 The PPECB will manage the ESG and the Carbon Footprint, reporting outcome/actions. 4 The PPECB will increase the employment of differently-abled people. 	<ol style="list-style-type: none"> 1 Chief Executive Officer's (CEO) Report 2 Minister's Foreword 3 Corporate Governance Report

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<p>PRINCIPLE 4 The governing body should appreciate that the organisation's core purpose, risk and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. Recommended practices:</p> <ul style="list-style-type: none"> • Steer and set the direction, purpose, and strategy of the organisation; and • Oversee the implementation of the strategy and plans by management against agreed performance measures and targets. 	<p>The PPECB's commitment to support the perishable products export industry remains steadfast and embedded in its strategic objectives and encompasses the expectations of the PPECB's valued stakeholders.</p> <p>The corporate strategic plan is approved by the Board and Executive Authority and contains predetermined strategic and operational objectives. The plan, together with associated budgets, is approved at the beginning of the financial year in compliance with the provisions of the Public Finance Management Act (PFMA).</p> <p>The PPECB has analysed the environment in which it operates and identified some of its biggest challenges. Informed by this analysis, the PPECB developed a five-year plan focusing on customer centricity, operational efficiency, and competent human capital to effectively deliver on its mandate.</p> <p>In the PPECB's annual performance information, its achievements are highlighted against the predetermined objectives for the year. The PPECB achieved 13 of its 14 objectives for the year. This translated into a 93% success rate.</p> <p>Please visit https://ppecb.com/document-category/annual-reports/ for full corporate governance disclosures, integrated reports and annual financial statements and reports.</p>	<p>1 Annual Financial Statements</p> <p>2 Operations Report</p> <p>3 CFO Report</p> <p>4 Report on predetermined objectives can be found on page 112 of the Annual Financial Statements.</p>
<p>PRINCIPLE 5 The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects. Recommended practices:</p> <ul style="list-style-type: none"> • Oversee the compliance of the various reports with legal reporting requirements; • Meet the reasonable and legitimate needs of material stakeholders; and • Ensure that an annual integrated report is issued. 	<p>Further details of the PPECB's performance against its objectives are set out in the Report on Predetermined Objectives.</p> <p>Please visit https://ppecb.com/document-category/annual-reports/ for full corporate governance disclosures, integrated reports and annual financial statements and reports.</p> <p>See further disclosures made in the summaries for Principle 4.</p>	<p>1 Annual Financial Statements</p>
<p>PRINCIPLE 6 The governing body should serve as the focal point and custodian of corporate governance in the organisation. Recommended practices:</p> <ul style="list-style-type: none"> • Disclose the number of meetings and attendance thereof and whether it is satisfied that it has discharged its responsibilities in relation to its charter. 	<p>The PPECB's Corporate Services Programme operates cross-functionally with its primary aim to deliver professional support services and strategic leadership to the whole of the PPECB.</p> <p>The Chairperson of the Board and the Audit Committee were satisfied that it had fulfilled its duties and responsibilities for the reporting period, as evidenced in their respective reports, as well as the Corporate Governance Report.</p> <p>FUTURE FOCUS</p> <p>1 New Board appointment and induction.</p>	<p>1 Annual Financial Statements</p> <p>2 Board and sub-committee meetings table on page 20 of the Annual Report.</p>

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<p>PRINCIPLE 7 The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively. Recommended practices:</p> <ul style="list-style-type: none"> Promote diversity in its membership and set targets for race and gender representation in its composition; and Establish a succession plan for its membership. 	<p>The Board's composition reflects the appropriate mix of knowledge, skills, experience and diversity, as evidenced by the Board members' qualifications. The members of the Board cannot be considered independent as recommended by this principle, as the PPECB Board members are appointed by and accountable to the Minister of DALRRD and represent seven of the largest export groups as determined by export volume, as well as a member designated by the Minister of DALRRD.</p> <p>Succession planning for the CEO has been implemented by ensuring that the Chief Operations Officer (COO) or CFO can take over the role at short notice, if necessary. When the CEO is required to travel abroad for an extended period, the COO, CFO or Chief Information Officer (CIO) is appointed to act in the position of CEO and fulfil all CEO duties accordingly.</p> <p>All legal, company secretarial and corporate governance matters are managed by the in-house Legal and Corporate Governance Manager, with the assistance of an Assistant Legal Advisor and Legal Intern, all of whom are suitably qualified employees.</p> <p>FUTURE FOCUS</p> <p>1 Even though the CEO's contract of employment has been renewed for a second term, succession planning for the CEO remains a focus area, which has been managed in terms of the PPECB Talent Framework.</p>	<p>1 Corporate Governance 2 Audit Committee Report 3 Board and sub-committee tables</p>
<p>PRINCIPLE 8 The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties. Recommended practices:</p> <ul style="list-style-type: none"> Determine delegation to individual members, groups of members, standing or ad-hoc committees; and Ensure that the composition, roles, and responsibilities of committees are complementary, not fragmented or duplicated and that there is no undue reliance or dominance by any individual member. 	<p>To discharge its duties more effectively, the Board has approved and delegated authority on specific matters to the following committees: An Audit Committee and a Human Resources (HR) Committee, where social and ethics matters are considered and discussed.</p> <p>The Audit Committee's main objective is to assist the Board to fulfil its oversight responsibilities, with a keen regard for the evaluation of the adequacy and effectiveness of accounting policies, internal controls, financial reporting processes, and assessing the effectiveness of the internal and external auditors.</p> <p>The Audit Committee is provided with sufficient resources to perform its duties, including support, when necessary, from the internal and external auditors, legal and corporate governance specialists and the Executive Management.</p> <p>The Board acknowledges that delegating authority to committees or management does not in any way release the Board of its duties and responsibilities. There is always transparency and full disclosure from the Board committees to the Board.</p> <p>See further disclosures made in the summaries for Principle 7.</p>	<p>1 Corporate Governance Report 2 Annual Financial Statements 3 CFO Report 4 Audit Committee Report 5 Board and sub-committee tables</p>
<p>PRINCIPLE 9 The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members support continued improvement in its performance effectiveness. Recommended practices:</p> <ul style="list-style-type: none"> Ensure that an externally facilitated performance evaluation is conducted on itself, its committees, its chair, and individual members, and every alternate year reflect on the performance of itself, its committee, its chair, and its members as a whole. 	<p>The Chairperson evaluated the performance of the CEO as detailed in the Corporate Governance Report. The Audit Committee reviewed the in-year performance reports and results reported by management and considered them appropriate. The relevance and measurement of the indicators and that of the performance reports are compliant with the PFMA, Treasury Regulations and other regulatory requirements. The Audit Committee evaluated the performance of the CFO and the finance functions, as set out in detail in the Audit Committee Report.</p> <p>To determine whether the Board discharges its duties effectively, an independent service provider was appointed to evaluate the performance of the Board, Audit Committee, Chairperson of the Board, CEO, CFO, and Company Secretary in line with the King IV Report.</p> <p>FUTURE FOCUS</p> <p>1 The areas of future focus for institutional performance are contained in the strategic plan.</p>	<p>1 Corporate Governance Report</p>

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<p>PRINCIPLE 10 The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities.</p> <p>Recommended practices:</p> <ul style="list-style-type: none"> • Approve a Delegation of Authority framework, including specific authority to appoint ex-officio executive members and management; and • Oversee that key management functions are led by a competent and appropriately authorised individual who is adequately resourced. 	<p>The Board is satisfied that it has determined the appropriate Delegation of Authority to ensure that management and the CEO are empowered to manage the day-to-day activities of the PPECB. The PPECB acts in accordance with a Board-approved Delegation of Authority framework, which stipulates levels of authority for the CEO, EXCO and senior managers.</p> <p>See further disclosures made in the summaries for Principles 1, 7, and 8.</p>	<p>1 Corporate Governance Report</p> <p>2 Annual Financial Statements</p>
<p>PRINCIPLE 11 The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p> <p>Recommended practices:</p> <ul style="list-style-type: none"> • Treat risk as an integral part of decision-making and adherence to duties, approve risk policy, evaluate, and agree on the risks it is prepared to take (i.e. risk appetite and risk tolerance levels); and • Delegate to management risk management implementation. 	<p>The PPECB's risk management processes, of which the systems of internal, financial, and operating controls are an integral part, are designed to control and monitor risk throughout the organisation. For effectiveness, these processes rely on regular communication, sound judgement and a thorough knowledge of statutory and operational activities. Management is tasked with integrating the management of risk into the day-to-day activities of the PPECB.</p> <p>The focus of risk management in the entity is on identifying, assessing, managing, and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.</p> <p>The members of the Board acknowledge their responsibility for establishing and communicating appropriate risk and control policies and ensuring that adequate risk management processes are in place. The Audit Committee assists the members of the Board in discharging their risk management obligations.</p> <p>See further disclosures made in the summaries for Principles 1 and 12.</p>	<p>1 Information and Communications Technology (ICT) Report</p> <p>2 Operations Report</p> <p>3 Corporate Governance Report</p> <p>4 Annual Financial Statements</p>

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<p>PRINCIPLE 12 The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.</p> <p>Recommended practices:</p> <ul style="list-style-type: none"> Oversee the management of information (including use, information architecture, protection of privacy and security); and Oversee management of technology (including technology architecture, sourcing risks, developments, and disruptions). 	<p>The digital transformation journey gained momentum by enabling business-critical tools to facilitate the PPECB's hybrid working model. The PPECB continued with its drive towards a digital environment and made significant strides with the implementation of an Enterprise Resource Planning (ERP) system.</p> <p>ICT within the PPECB is governed by the PPECB Board, which addresses all strategic ICT issues. The objective of ICT governance is to harmonise the architectural requirements of the PPECB into an understandable set of policies, processes, procedures, and standards - all of which should ensure the PPECB's vision and standards are aligned with its business requirements.</p> <p>The provision of timeous and relevant industry information remains one of the organisation's strategic deliverables. The PPECB has, therefore, introduced an electronic, self-service, information portal called Intellex to assist stakeholders with accessing the latest inspection and export information.</p> <p>With the move towards a digital environment, the PPECB has invested in securing its systems and information from cyber incidents. The PPECB is continuously enhancing its cyber threat intelligence to ensure the provision of secure services to the industry by implementing layered security defence and automation to decrease human error and increase efficiency and effectiveness.</p> <p>There was a continued focus on leadership with the overarching theme of advancing digital transformation. A People Leadership series was delivered in six online sessions that focused on how the organisation can move the PPECB forward by learning, sharing and collaborating online.</p> <p>FUTURE FOCUS</p> <ol style="list-style-type: none"> Implementation of the ERP system and further developments to the PPECB's electronic inspection platform TITAN 2.0®; The next phase will focus on the development of Cold Chain modules and further integration with stakeholder systems; The focus of the PPECB will remain on reducing manual interventions while moving towards a "paperless" way of doing business; and Data governance is a key focus area. 	<ol style="list-style-type: none"> 1 CEO Report 2 Human Capital (HC) Report 3 ICT Report 4 Operations Report 5 CFO Report
<p>PRINCIPLE 13 The governing body should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p> <p>Recommended practices:</p> <ul style="list-style-type: none"> Direct the governance of compliance to laws, adopted non-binding rules, codes and standards; Approve policy that directs compliance; and Oversee compliance management so that it is understood, relates holistically and is responsive to the changes and developments, following continuous monitoring of the regulatory environment. 	<p>An essential characteristic of the PPECB culture is its compliance with applicable legislation, including the Constitution, relevant acts, regulations, standards, protocols, and codes.</p> <p>During the reporting period, the PPECB:</p> <ol style="list-style-type: none"> Created awareness through articles on the PPECB intranet and its communication tool, Corporate LAN Advertising (CLA), in respect of the Cybercrimes Act No. 19 of 2020, the Protection of Personal Information Act No 4. of 2013 (POPIA) and the Promotion of Access to Information Act No. 2 of 2000 (PAIA) Guide. New employees and the PPECB administrators were also trained on the POPIA and the PAIA; Board approved a legal and compliance register, which ensures that the PPECB remained focused on complying with applicable legislation; Developed e-courses in-house for compliance training, such as (POPIA and cyber security); Maintained ISO 9001:2015 accreditation; and Laboratory maintained its ISO 17025:2017 accreditation after a South African National Accreditation System (SANAS) audit. <p>The Board believes that management has, during the year, complied in all material respects with all legislation and regulations applicable to it, including the PFMA, the National Treasury Regulations and the Income Tax Act No. 58 of 1962.</p> <p>See further disclosures made in the summaries for Principle 10.</p> <p>FUTURE FOCUS</p> <ul style="list-style-type: none"> Cyber security is a key focus area, together with ensuring compliance with the POPIA and the PAIA. We continue to enhance our cyber security posture and protect the PPECB from cyber vulnerabilities by adopting a proactive approach to safeguarding the organisation; The successful implementation of the ERP system; TITAN 2.0® development; and Intellex. 	<ol style="list-style-type: none"> 1 HC Report 2 ICT Report 3 Operations Report 4 Corporate Governance Report 5 Annual Financial Statements 6 CFO Report

PRINCIPLE	SUMMARY OF DISCLOSURES MADE	REPORT REFERENCED
<p>PRINCIPLE 14 The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term. Recommended practices:</p> <ul style="list-style-type: none"> • Set the direction and approach for remuneration of the organisation and approve a remuneration policy that aspires to fairness, responsibility, and transparency; and • Design the remuneration policy to attract and retain human capital, promote achievement of the strategic objectives, positive outcomes, an ethical culture, and responsible corporate citizenship. 	<p>The remuneration of Board and Executive members is set out on page 107.</p>	<p>1 HC Report 2 Annual Financial Statements</p>
<p>PRINCIPLE 15 The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the organisation's external reports. Recommended practices:</p> <ul style="list-style-type: none"> • Ensure a combined assurance model is applied that covers the significant risks and material matters through a combination of the organisation's line functions, risk and compliance functions, internal auditors, fraud examiners, safety assessors, actuaries and external auditors; and • Satisfy itself as to the effectiveness of the combined assurance approach as a basis for making its statements on the integrity of external reports. 	<p>Board meetings follow a formal agenda to ensure that all substantive matters are addressed, and information relevant to the meetings is supplied to Board members in advance so they can make informed and reasoned decisions. All documents submitted to the Board are reviewed by the PPECB EXCO and approved by the CEO to ensure completeness and relevance.</p> <p>The members of the Board are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements.</p> <p>The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The external auditor's objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes their opinion. The Board appointed Morar Incorporated as the PPECB's external auditors for the period under review, which was ratified by the Office of the Auditor-General of South Africa.</p> <p>See further disclosures made in the summaries for Principles 7 and 8.</p>	<p>1 ICT Report 2 Corporate Governance Report 3 Annual Financial Statements</p>

PRINCIPLE	SUMMARY OF DISCLOSURES MADE	REPORT REFERENCED
<p>PRINCIPLE 16 In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.</p> <p>Recommended practices:</p> <ul style="list-style-type: none"> • Direct the stakeholder approach and approve policies to this effect; and • Delegate to management effective stakeholder relationship management. 	<p>The PPECB's EXCO accepts its responsibility to address matters of significant concern for all stakeholders, considering the need for accountability. During the reporting period, the PPECB obtained a 90% satisfaction rating for the customer satisfaction survey conducted in January 2022.</p> <p>The PPECB issues regular reports to ensure stakeholders can make informed decisions based on the information at hand. The PPECB remains confident that the ERP system and Intellex will improve the PPECB's engagement with stakeholders and create further efficiencies throughout the organisation.</p> <p>In this reporting period, the HC continued to make progress in the five strategic focus areas: becoming more customer-centric and developing black smallholder farmers and suppliers to improve their business sustainability.</p> <p>The PPECB launched the online People Connect sessions which gave employees the opportunity to share concerns and challenges and seek support. A cross-functional team launched the We Care programme which provided employee family care packs, and developed a video that encouraged support for each other by sharing inspirational stories and experiences during these trying times.</p> <p>The transformation strategy focuses on building lasting partnerships with organisations making a difference in the industry. This includes the smallholder farmer development programme, the Agri Academy training programme, the corporate social investment (CSI) programme, and the provincial Export Readiness programme. The Transformation and Development Services Programme is aimed at building capacity through the development of internal and external skills. In collaboration with the Agricultural Sector Education Training Authority (AgriSETA), the PPECB provides job exposure in fields like ICT, finance, human resources and marketing to unemployed graduates.</p> <p>The Learning and Development department's services aim to expose smallholder farmers to food safety, good agricultural practices, responsible use of pesticides, Cold Chain management and product quality training in preparation for food safety certification and market access.</p> <p>CSI is focussed on initiating and participating in projects external to normal business activities and not directly for increasing organisational revenue. The PPECB has launched initiatives directed at contributing to the betterment of general society, whether financially or in-kind.</p> <p>See further disclosures made in the summaries for Principles 3, 10, 12, 13, and 14.</p> <p>FUTURE FOCUS</p> <p>1. Fostering a client-centric culture.</p>	<p>1 CEO Report 2 HC Report 3 ICT Report 4 Operations Report 5 Corporate Governance Report 6 Annual Financial Statements 7 CFO Report</p>