

## Tiger Brands invests R35m in water infrastructure to mitigate load shedding impact

Tiger Brands, South Africa's largest food producer, will invest more than R35m in water infrastructure, including an increase in on-site water storage capacity, at its manufacturing facilities to mitigate the adverse impact of load shedding on municipal water supply.



Source: Tiger Brands

This forms part of a R120m capital investment to ensure Tiger Brands' business continuity at load shedding Stages 6-8.

The investment announcement coincided with World Water Day, observed on 22 March, to highlight the critical relationship between water and energy and its impact on food security.

Prolonged and regular load shedding is leading to an increase in water infrastructure failures and supply disruptions across South Africa. Intermittent power cuts are a threat to the country's water supply as energy is required to move it through the system for use. The entire food sector value chain is reliant on water, from growing crops to manufacturing food items and distributing it for end-consumer use.

The food manufacturer said it is crucial for businesses, particularly those that offer essential services or goods, such as the food sector to plan for minimal disruption to operations.



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"Load shedding brings an entirely new and added threat to water availability in the country since energy drives water flow and without power, our taps run the risk of running dry. The ability for an organisation such as Tiger Brands to provide essential food items to consumers is obstructed if load shedding persists and the need for more energy to be shed escalates," says Derek McKernan, chief manufacturing ifficer, Tiger Brands.

"Our multi-million-rand investment will offer some level of surety that store shelves will remain stocked with essential food items during prolonged high levels of load shedding," he adds.

At a community level, Tiger Brands is supporting the Ashton municipality in the Western Cape with generators and expertise to ensure water supply for the town, as well as the Langeberg and Ashton Foods manufacturing facility which is reliant on water for the timeous processing of fresh fruit.

## National water crisis looming

South Africans have been dealing with daily load shedding between Stages 4 and 6 since the start of the year, and a <u>national state of disaster</u> has been declared to address the situation.

South Africa is a water-stressed country with dwindling levels of a finite resource driven by climate change and exacerbated by water infrastructure challenges and slow expansion to feed the increased demand from a growing population. South Africa's 2018 National Water and Sanitation Master Plan indicates that the world's 25th most populous country could face a water supply-demand gap of 17% by 2030.



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"Considering the enormity of the national water crisis we face as a country and that water is a shared resource, it is imperative that we address the challenge holistically. As a business, we take our responsibility to minimise our impact on the environment by reducing the intensity of our water usage very seriously," says McKernan.

A 2030 target under its Sustainable Future strategy commits Tiger Brands to reduce its water intensity by 30% by actively identifying and implementing water-use reduction initiatives across its sites, as well as cultivating a culture of water stewardship amongst employees. During the financial year that ended 30 September 2022, the company achieved a 7.1% year-on-year reduction in water-use intensity across its operations.

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