

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee (the committee) assists the Board in overseeing and reporting on Remgro's ethics, responsible corporate citizenship, sustainable development, legal compliance and stakeholder relationships. This report by the committee is prepared in accordance with the requirements of the Companies Act (No. 71 of 2008), as amended (Companies Act), and the King IV Report on Corporate Governance for South Africa (2016) (King IV), and describes *inter alia* how the committee has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 30 June 2018.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises five suitably skilled and experienced members appointed by the Board, the majority of which appointees are, as recommended in King IV, not involved in the day-to-day management of Remgro's business or have been so involved at any time during the previous three financial years, as set out in the table below. The chairman of the committee is Mr Murphy Morobe, an independent, non-executive director. In terms of the committee's charter, at least two meetings should be held during each financial year.

COMPOSITION OF THE COMMITTEE

| Committee member* | Number of meetings held | Number of meetings attended |
|---------------------|-------------------------|-----------------------------|
| M Morobe (chairman) | 3 | 3 |
| S E N De Bruyn | 3 | 3 |
| N P Mageza | 3 | 3 |
| P R Louw | 3 | 3 |
| P J Uys | 3 | 3 |

* Abridged curriculum vitae of all the directors of the Company are set out on pages 14 to 15 of the Integrated Annual Report, while the qualifications of Messrs P R Louw and P J Uys (who are members of the Management Board and also prescribed officers in terms of the Companies Act) are presented on page 16.

ROLE AND RESPONSIBILITIES

The committee's role and responsibilities are governed by a formal charter as approved by the Board. The charter is subject to an annual review by the Board.

The main objectives of the committee are to assist the Board in monitoring the Group's performance in respect of ethics, responsible corporate citizenship, sustainable development, compliance and stakeholder relationships. This is done by *inter alia* monitoring the sustainable development practices of the Group as set out below, thereby assisting the Board in achieving its values of doing business ethically and sustainably.

Remgro's main wholly owned operating subsidiary is Wispeco. Wispeco has established its own Social and Ethics Committee which operates independently from this committee. Remgro's representatives on the board of Wispeco also have a standing invitation to attend the meetings of that committee, *ex officio*. The minutes of these meetings, as well as those of the Social and Ethics Committees of RCL Foods and Distell (since Remgro acquired the majority of Distell's voting rights during May 2018) are included in the agenda of this committee as a standing item.

The committee is satisfied that it has fulfilled all its duties during the year under review, as further detailed below.

POLICY REVIEW

The committee is responsible for developing and reviewing the Group's policies with regard to the commitment, governance and reporting of the Group's sustainable development performance and for making recommendations to management and/or the Board in this regard. During the year under review, the committee reviewed its charter, as well as the Company's Code of Ethics, Gifts Policy, Social Media Policy, HIV/Aids Policy and Safety, Health and Environmental (SHE) Management Policy. There were minor amendments to the committee's charter during the year under review to align with the recommended practices of King IV.

MONITORING OF SUSTAINABLE DEVELOPMENT PRACTICES

In the execution of its duties, the committee has reviewed the sustainable development practices of the Group, specifically relating to:

- ethics and compliance;
- corporate social investment;
- stakeholder relations;
- broad-based black economic empowerment;
- health and public safety;
- labour relations and working conditions;
- training and skills development;
- management of the Group's environmental impacts; and
- human rights and anti-child labour principles.

The committee's oversight role also includes the monitoring of any relevant legislation, other legal requirements or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, employment equity, the environment, health and public safety, consumer relationships, as well as labour and employment.

The committee also took note of RCL Food's strategy to manage the listeriosis crisis in the local food industry, which has been addressed in the market successfully.

The committee further monitors Remgro's participation and results achieved in external surveys in respect of any sustainability aspect pertaining to the Group. In this regard the committee noted the external recognition and achievements by the Group, as reported on page 77 of the Integrated Annual Report.



PUBLIC REPORTING AND ASSURANCE

The committee, together with the Audit and Risk Committee, is responsible for reviewing and approving the sustainability content included in the Integrated Annual Report and published on the Company's website, as well as determining and making recommendations on the need for external assurance of the Group's public reporting on its sustainable development performance. The committee has reviewed the content of the abridged Sustainable Development Report included in the Integrated Annual Report and the detailed Sustainable Development Report published on the Company's website, and has recommended it for approval by the Board.



The committee is also required to report through one of its members to the Company's shareholders on the matters within its mandate at the Company's Annual General Meeting to be held on 29 November 2018. In the notice of the Annual General Meeting included in the Integrated Annual Report on page 128, shareholders are referred to this report by the committee, read with the detailed Sustainable Development Report published on the Company's website. Any specific questions to the committee may be sent to the Company Secretary prior to the meeting.



Murphy Morobe

Chairman of the Social and Ethics Committee

Stellenbosch

19 September 2018