

Remgro
Limited

SUSTAINABLE
DEVELOPMENT REPORT *2021*



Sustainable Development Report

Sustainability highlights

Remgro remains a constituent of the **FTSE4Good Index Series** following the June 2021 review

Continued participation in the **CDP (formerly Carbon Disclosure Project)**

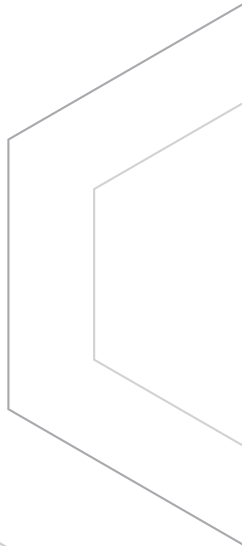
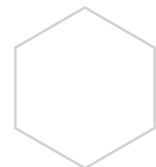
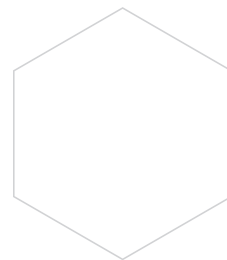
Continued membership of the **Ethics Institute of South Africa**

Obtaining our **level 5** contributor status in terms of the **BBBEE scorecard**

Incorporating ESG in all **committee mandates and Board charter**

“The **best definition** I have heard of a company is that it is an institution which **serves the community honourably** at a profit.”

Dr Anton Rupert



View the full report online at www.remgro.com.

Introduction

Remgro's value system incorporates the guidelines for doing business successfully drawn up by its founder, Dr Rupert, nearly 60 years ago. These values include the following:

- **Honesty** – because it lasts the longest
- **Correctness** – because it creates trust with friends and opponents
- **Courtesy** – which means dignity without pride and friendliness without subservience
- **Service** – in every respect to your client, your fellow human being, your country
- **Mutual support** – so that you push others up the ladder of success while climbing yourself, because if you pull others down, you will also fall
- **Trust** – the belief that all will work out well if everyone is doing their duty
- **Accountability** – that people are responsible for their actions and the diligence wherewith they administer the Company's assets and information
- **Diversity** – to build partnerships with people from a range of different social and ethnic backgrounds

Remgro believes that these values incorporate the spirit in which it strives to be a good corporate citizen. From the above it is evident that the three pillars of sustainable development, namely economic, social and environmental sustainability practices, have always been part of Remgro's core system of values and, flowing therefrom, Remgro acknowledges its social and environmental responsibility. Remgro intentionally interacts and responds to the opportunities and challenges presented by the dynamic system created by these three pillars and the capital at its disposal, including the financial, manufactured, intellectual, human, social and relationship and environmental capitals.

Remgro is fully committed to managing its business sustainably and upholding the highest standards of ethics and corporate governance practices. While corporate governance, risk and opportunities management and technology and information

governance are addressed in the Corporate Governance and Risk and Opportunities Management Reports, the Sustainable Development Report provides a better understanding of Remgro's efforts on the social and environmental front as it pursues the maximisation of value creation over the short, medium and long term. Refer to the sustainability highlights on the previous page for Remgro's external recognition and achievements during the reporting period in this regard.

Remgro Group principles

As a Company, Remgro has a responsibility to motivate the Remgro Group companies to always conduct their businesses within the ambit of the law and with integrity. Remgro Group companies are encouraged to develop and implement such company policies, procedures, training and internal reporting structures to reflect the expression of their commitment to these principles throughout their organisations. Remgro believes that the application of these principles will contribute towards achieving greater tolerance and better understanding among people, and advance the culture of peace.

Accordingly, Group companies are encouraged to:

- Express their support for universal human rights and, particularly, those of their employees, the communities within which they operate, and parties with whom they do business.
- Promote equal opportunity for their employees at all levels of the Company with due sensitivity to issues of colour, race, gender, age, ethnicity or religious beliefs, and to eschew any conduct that could manifest in the exploitation of children, physical punishment, female abuse, involuntary servitude, or other forms of abuse.
- Respect their employees' rights to freedom of association.
- Compensate their employees fairly so as to enable them to meet at least their basic needs and to provide them opportunities to improve their skills and capabilities to raise their standard of living.

Combined assurance

| Assurance output | Business processes assured | Provider |
|---|--|--|
| Independent external auditor's report | Financial reporting | PricewaterhouseCoopers Inc. |
| Internal audit reports | Risk-based selection of audit areas | Remgro risk management and internal audit |
| Internal risk and opportunities management | All key business risk and opportunities areas | Internal management reviews, assisted by Remgro risk management and internal audit |
| BBBEE contributor verification | Broad-based black economic empowerment | AQRate Proprietary Limited |
| External calculation of carbon footprint | Carbon footprint calculation | Carbon Calculated, assisted by an independent consultant |
| Safety, Health and Environmental procedures | Occupational Health and Safety Act (No. 85 of 1993) and related compliance | EHS Green Leaf Consultancy |

- Provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development.
- Promote fair competition including respect for intellectual and other property rights, and not offer, pay or accept bribes.
- Work with governments and communities in which they do business to improve the quality of life in those communities particularly with respect to their educational, cultural, economic and social wellbeing.
- Provide affordable medical support to all employees.
- Promote the application of these principles by those with whom they do business.

External assurance

We acknowledge the increasing requirements from investors and regulatory and other guidelines, such as the King IV Report on Corporate Governance for South Africa (2016) (King IV) and the integrated reporting guidelines, for the external assurance of selected non-financial information. We further acknowledge our accountability to our stakeholders to present information that is relevant, accurate and reliable. In this regard it should be noted that Remgro follows a combined assurance model, incorporating management, internal audit and external assurance (e.g. BBEE scorecard verification, CDP (formerly Carbon Disclosure Project) verification), as illustrated in the table on page 2. We believe that these assurance methods provide the necessary assurance over the quality and reliability of the information presented. The different options and levels of external assurance available are continuously being reassessed to determine the way forward on external assurance.

Management's approach to sustainability

Remgro's Board is ultimately accountable for the performance of the Company, appreciating that strategy, risk, performance and sustainability are inseparable. In this regard the Board has delegated the general oversight and reporting of sustainability to the Audit and Risk Committee, assisted by the Social and Ethics Committee. The role and function of these committees are dealt with in more detail in the Corporate Governance Report and the Social and Ethics Committee Report on pages 70 and 111 of the Integrated Annual Report respectively.

Ethics, competition and compliance

Ethics

The Board believes that ethical behaviour stems from appropriate value systems inherent to the people in the Company's employ as directed and supported by visual ethical leadership and a value-driven corporate culture. Leadership based on ethical foundations results in a culture of ethical and moral behaviour and compliance with laws, rules, codes and standards. The Board therefore retains the responsibility to establish and maintain a culture of honesty, integrity, competence, transparency, fairness, responsibility and accountability in order to position the Company as an investment partner of choice that strives to create sustainable stakeholder value over the long term. This is underscored by ethical leadership as ethics cannot be regulated but stems from personal conviction.

In this regard the Company has adopted a Code of Ethics (the code) that provides a framework of ethical practices and business

conduct that are applicable to all directors and employees. The code is available to all employees on Remgro's in-house intranet and a copy is provided to all new employees. The code as well as a formal Gifts Policy also provide strict policies regarding gifts, invitations or favours received from suppliers or any other parties. The offering of favours and/or gifts to gain unfair commercial advantages is also strictly prohibited.

The Group furthermore requires ethical behaviour from its suppliers and business partners and ensures that terms of trade and related agreements enforce ethical behaviour along with responsible environmental consumption and compliance with legislation enshrining human rights.

The Audit and Risk Committee monitors compliance with the code and addresses among other things, any instances of fraud or irregularities that may arise. The Company has an effective fraud prevention and detection process and ensures compliance and risk mitigation. No material investigations involving Remgro, its employees or officers were conducted during the reporting period.

The Company has implemented an **Ethics hotline** to enable any employee or other stakeholder to report knowledge of perceived and alleged irregular or unethical behaviour in a confidential and controlled environment. The Ethics hotline is managed by an independent third party and is available on a 24-hour basis. During the year no alleged incidents involving Remgro, its employees or officers were reported. Where calls may be received which relate to alleged irregularities at investee companies, the system provides for those to be directed to the appropriate governance structures at the respective investee companies via the Remgro representatives serving on the boards of these companies.

**Remgro Ethics hotline 0800 222 536
or email remgro@tip-offs.com**

Competition

The Company supports and adheres to the relevant competition and anti-trust laws applicable in the various jurisdictions in which the Group operates. During the year under review no enquiries regarding anti-competitive, anti-trust or similar conduct were received which resulted in fines being levied.

Compliance

During the year under review there were no material incidents of non-compliance with any laws, regulations, accepted standards or codes, and no fines were imposed in this regard.

In addition there were no incidents of infringement of any human rights or environmental malpractices reported or identified.

Stakeholder relations

Our relationship with all our stakeholders is based on the following values that are entrenched and supported by Remgro's Code of Ethics, and which values assist the effective leadership by the Remgro Board in achieving strategic objectives and positive outcomes over time:

- **Integrity**, in acting ethically beyond mere compliance
- **Competence**, in ensuring due care, skill and diligence are exercised
- **Responsibility**, for the assets and actions of the Company



- **Accountability**, for justifying its decisions and actions to shareholders and other stakeholders
- **Fairness**, in considering the legitimate interest of stakeholders
- **Transparency**, in disclosing information in a manner that enables stakeholders to make informed decisions about the Company's performance and sustainability

Remgro's Board is the ultimate custodian of its corporate reputation and stakeholder relationships. In this regard a formal Stakeholder Policy sets out the approach and framework for Remgro with respect to stakeholder engagements, ensuring that the approach takes into account appropriate corporate governance guidelines.

Remgro utilises a wide variety of communication methods to ensure that its communication with stakeholders is clear and understandable, as well as transparent, balanced and truthful, and sets out all relevant facts, whether positive or negative. Care is taken to ensure that engagement with stakeholders is, where appropriate, not just one-way communication but constructive, partnership-based engagement. This ensures that all legitimate stakeholder expectations are identified and addressed as far as possible.

Remgro, like other organisations, has an economic impact on its stakeholders through, among other things, the generation and distribution of value, the creation of employment opportunities, remunerating employees fairly and competitively, and our corporate social investment. Stakeholders are continuously engaged on matters relevant to them, as reported on in the Integrated Annual Report.

Shareholders and the investment community

In pursuing its primary objective to maximise value creation and sustainable growth, Remgro takes particular care to ensure that all shareholders, or classes of shareholders, are treated equitably. Special care is taken to protect minority shareholders from actions by or in the interest of the principal shareholder that may be to their detriment. In this regard the Lead Independent Director acts as chairman during meetings in situations where the independence of the existing chairman may be potentially conflicted.

Communication with investors is based on the principles of timely, balanced, clear and transparent information. In this regard the investment community has access to the same information as Remgro shareholders. Firm protocols are in place to control the nature, extent and frequency of communication with investors. Shareholders and the investment community are encouraged to attend Remgro's Annual General Meetings where topical matters are discussed openly. Further interactions with institutional investors take place at least twice a year at the dial-in interim and final results presentations, where questions can be directed to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Outside of these, the management team from time to time participates in our investor platforms where focused engagements are held in order to ensure alignment with our investor community and that the Remgro equity story is widely understood and reflected in prevailing capital markets valuations. We aim to continually improve on

our communication, messaging and disclosure as a catalyst to enable our shareholders to understand management's view on value. We believe transparent communication also better positions us to enlist wider institutional coverage and in turn provide us increased visibility to international capital markets for greater investment. We, however, remain disciplined to balance our need to communicate with the investor community with the need to avoid information asymmetry and to ensure compliance with relevant disclosure requirements and regulations in terms of the Listings Requirements of the JSE Limited (JSE). To this end, our shareholders and the investment community at large are encouraged to contact our Remgro investor relations manager directly for any investor-related queries. The investor relations contact details are available on the investor segment of the Company's website.

The most recent and historic financial and other information is published on the Company's website at www.remgro.com.

Employees

In order for Remgro to be able to achieve its main objectives it is essential to attract and retain employees of the highest calibre. Our employees are treated fairly and remunerated competitively and Remgro strives to afford all staff the opportunity to realise their full potential. During corporate actions special care is taken to ensure that employees belonging to the Remgro Equity Settled Share Appreciation Right Scheme, Share Appreciation Rights (SAR) Plan and Conditional Share Plan (CSP) are not treated more favourably than ordinary shareholders.

Since Remgro is an investment holding company with a small staff complement at head office level, communication with employees is generally kept informal and is conducted through a variety of channels, including email updates, the in-house intranet, Remgro website, information sessions, digital conferences and notice boards. Care is taken that all communication with shareholders is also communicated to employees.

The Company follows a "Staying Future Fit" (SFF) change management programme focusing on a number of specifically identified initiatives identified through employee focus groups. These initiatives *inter alia* included the following:

- Workshops on diversity, inclusivity, trust and teamwork
- Targeted functional and leadership development
- Formalised and efficient communication channels
- Robust personal development and performance management process

Prior to the Covid-19 lockdown, the SFF journey gained a lot of momentum and many of the initiatives were either implemented or in the process of being finalised for

implementation. During the lockdown the Management Board and senior management started with a process to enhance the SFF change management programme to support and grow the Company post the RMH Unbundling and the Covid-19 pandemic. These changes were finalised and rolled-out in the Company during the year under review.

Investee companies and other shareholders of such investee companies

Remgro's performance is directly linked to the performance of its underlying investee companies and, accordingly, communication with these entities and co-shareholders is regarded as very important. Relationships with investee companies are managed principally through board representation, with Remgro directors or senior management acting as non-executive directors on the investee companies' boards. These representatives interact with the directors and senior management of investee companies at investee companies' board meetings and on an ongoing basis throughout the year as necessary. Representatives of investee companies are encouraged to arrange to meet with Remgro senior management to discuss their business. All dealings with co-shareholders in the investee companies are done fairly in terms of the underlying shareholders' agreements and Remgro strives to add value to these investments.

Community

Corporate citizenship, the commitment of a business to contribute to sustainable economic development, endorses the principle that no business exists in isolation but undeniably forms an integral part of the environment in which it operates and to which it owes certain responsibilities.

In its relationship with the community Remgro strives to be a value partner and, in this regard, its involvement in the community focuses on eradicating the effects of poverty and investing in young people from disadvantaged communities in the belief that such an investment will provide sound dividends far into the future. Remgro's corporate social investment initiatives and donations are discussed in more detail on pages 9 to 30.

Suppliers and service providers

Remgro believes in building long-term partnerships with service providers through establishing a relationship of mutual trust and respect. Various criteria play a role in selecting suitable service providers, such as compliance to quality standards, the stability and proven track record of the organisation, BBBEE status and available support network.

Figure 1

BBBEE scorecard

| Element | Indicator | Weighting | Score |
|-------------------------------------|---|------------|--------------|
| Equity ownership | Percentage share of economic benefits | 25 | 20.30 |
| Management control | Percentage black persons in executive management and/or executive board committees | 19 | 8.21 |
| Skills development | Skills development expenditure as a proportion of total payroll | 20 | 11.87 |
| Enterprise and supplier development | Procurement from black-owned and empowered enterprises as a proportion of total assets, as well as the average value of supplier development and enterprise development contributions as a percentage of net profit after tax | 40 | 33.22 |
| Socio-economic development | Corporate social investment for the benefit of black persons | 5 | 5.00 |
| Total score | | 109 | 78.60 |

As part of ensuring alignment of its service providers with Remgro company values, Remgro has implemented a process to update Service Level Agreements with key suppliers to reflect its expectations regarding environmental responsibility, compliance with human rights and anti-corruption policies.

Since Remgro is an investment holding company, it has been determined that its cost structure be constantly measured against that of unit trusts to ensure that its shareholders are not prejudiced. As part of managing corporate costs, good relationships are maintained with suppliers and service providers.

South African government and regulatory bodies

An open and honest relationship is maintained with the Government and relevant regulatory bodies. In this regard engagements are on an *ad hoc* basis as and when the need arises, and are usually in the form of formal meetings or filings. Regulatory bodies such as National Treasury, the South African Reserve Bank (SARB), the Competition Commission, the Transaction Review Panel and the JSE are kept up to date regarding corporate actions in accordance with all applicable laws and regulations. Annual meetings are held with the SARB in order to keep them up to date regarding Remgro's offshore activities.

Broad-based black economic empowerment (BBBEE)

Introduction

The Board believes that BBBEE is a social, political and economic imperative and it supports and encourages the Company's subsidiaries, associates and joint venture initiatives in this regard. To the extent that Remgro's subsidiaries, joint ventures and associates implement BBBEE, Remgro's shareholders effectively participate in BBBEE initiatives and the associated benefits and costs thereof.

Remgro measures its BBBEE status against the generic scorecard criteria set by the Department of Trade, Industry and Competition. In terms of the latest assessment of Remgro's BBBEE status performed during September 2021, Remgro obtained a score of 78.60 (2020: 72.70), thereby obtaining a level 5 contributor status. The details of the assessment are fully set out in Figure 1 on the previous page and includes the BBBEE initiatives of Remgro's main independent operating subsidiaries, RCL Foods Limited (RCL Foods), Distell Group Holdings Limited (Distell), Siqalo Foods Proprietary Limited (Siqalo Foods) and Wispeco Holdings Proprietary Limited (Wispeco).

Equity ownership

Verification of BBBEE ownership is governed by the amended Codes of Good Practice on BBBEE, which were gazetted on 11 October 2013 in terms of Section 9(1) of the Broad-Based Black Economic Empowerment Act (No. 53 of 2003).

It should be noted that black ownership would be included in the shareholdings in Remgro held by institutional investors (refer to page 152 of the Integrated Annual Report where Remgro's major shareholders are disclosed). An annual exercise is undertaken to determine and, accordingly, include the

indirect black ownership through these mandated investments. Furthermore, the provisions of Code Series 100, Statement 102 – Recognition of Sale of Assets, as well as the exclusion of foreign operations, are also taken into account.

Remgro's equity ownership score is as follows:

| Verified equity ownership score | Target score | 30 June 2021 | 30 June 2020 |
|--|--------------|--------------|--------------|
| Voting rights black people | 4.00 | 3.68 | 3.08 |
| Voting rights black women | 2.00 | 2.00 | 1.88 |
| Economic interest black people | 4.00 | 3.56 | 3.14 |
| Economic interest black women | 2.00 | 2.00 | 1.98 |
| Economic interest of broad-based ownership schemes | 3.00 | 3.00 | 3.00 |
| Black new entrants | 2.00 | – | – |
| Net value | 8.00 | 6.06 | 5.22 |
| | 25.00 | 20.30 | 18.30 |

Although Remgro's BBBEE score includes the initiatives of RCL Foods, Distell, Siqalo Foods and Wispeco, the discussion below regarding the other elements of the generic scorecard criteria only relates to the activities at Remgro's head office in Stellenbosch. For more detail regarding the BBBEE initiatives at investee company level, refer to the section "BBBEE at investee companies" on page 7.

Management control

The Board transformed over time, with six of the 11 non-executive directors (55%) being black persons. On Management Board level, one of the five members is a black person.

Employment equity

Employment equity represents Remgro's most significant transformation challenge. A five-year Employment Equity plan is submitted to the Department of Employment and Labour where Remgro's transformation objectives are set out in detail. Progress against this five-year plan is reported on annually to the Department of Employment and Labour. Although efforts are focused on improving the Company's black representation at management level, low staff turnover and limited organic growth remain limiting factors. More detail regarding employment equity is presented on page 7.

Remgro's summarised employment equity as at 30 June 2021 is presented in Figure 2 on the next page and sets out the distribution by race of permanent employees per occupation level.

"It is therefore imperative to **attract, select and retain employees** of the highest calibre."

Figure 2

Summarised employment equity report (as at 30 June 2021)

| Occupational levels | Male | | | | Female | | | | FN | | Total |
|---|-----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|----------|------------|
| | A | C | I | W | A | C | I | W | M | F | |
| Top management | - | 1 | - | 3 | - | - | - | 1 | - | - | 5 |
| Senior management | - | 2 | - | 13 | 1 | - | 1 | 3 | - | - | 20 |
| Professionally qualified and experienced specialists and mid-management | - | 1 | 2 | 19 | 2 | 3 | - | 7 | - | - | 34 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 4 | 11 | - | 12 | 2 | 10 | 1 | 24 | - | - | 64 |
| Semi-skilled and discretionary decision-making | 20 | 20 | - | - | 4 | 6 | - | - | - | - | 50 |
| Grand total | 24 | 35 | 2 | 47 | 9 | 19 | 2 | 35 | - | - | 173 |

A | African C | Coloured I | Indian W | White FN | Foreign Nationals M | Male F | Female

Skills development

Remgro complies with the requirements of the Skills Development Act (No. 97 of 1998) in terms of which a fixed percentage of its payroll is paid as a training levy to the South African Revenue Service. An annual report concerning all the training which has taken place in the Company is also submitted to the relevant SETA.

Preferential procurement

As Remgro is not an operating company it has a small procurement function and its procurement profile is characterised by a high service component as opposed to materials purchased. Although the procurement function is small, Remgro strives to make use of BBBEE accredited vendors (level 3 and better) as far as possible.

Enterprise and socio-economic development

A considerable amount of time and resources are spent internally on business development and corporate social investment (CSI) initiatives. Further details regarding the Company's CSI initiatives are provided on page 9.

BBBEE at investee companies

Remgro monitors and contributes to its investees' BBBEE performance through its board representation and participation, and facilitation of corporate actions in these investee companies. The BBBEE status of Remgro's investee companies is presented in the "Investment reviews" section on page 42 of the Integrated Annual Report.

Further details regarding the BBBEE status of Remgro's operating subsidiaries are provided in the section dealing with "Sustainability at operating subsidiaries" on page 30.

Our people

Employee composition

Remgro believes that the quality of its staff represents an important sustainable advantage. Being an investment holding company, it has a relatively small staff complement, with only 173 people being employed as at 30 June 2021 (2020: 179 employees). Refer to Figure 3 on page 8 where more detail regarding the composition of our employees by race, gender and age is illustrated.

For the year under review Remgro's employee turnover rate was 5.2%, compared to 10.6% for the comparative year to 30 June 2020. The turnover rates were calculated by using the total number of employees at year-end. By only taking into account resignations (thus avoidable employee turnover), the above numbers reduce to 1.7% for 2021 and 6.1% for 2020.

Recruitment and selection policy

In order to ensure that Remgro remains an investment partner of choice it is imperative to attract, select and retain employees of the highest calibre. The Company recruitment and selection process is designed not to judge a candidate by his/her inherent characteristics that could lead to discrimination against employees or applicants based on gender, race, religion or any other factor as defined in employment legislation.

Employment equity

Remgro endorses the principles of the Employment Equity (EE) Act (No. 55 of 1998) and in this regard its Employment Equity Policy strives to offer equal opportunities to all employees and aims at identifying suitable individuals and developing and compensating them in line with their performance, dedication and experience. Special attention is given to those groups which, for historic reasons, may fit the criteria of "previously disadvantaged persons".

The current EE plan was developed and duly approved following robust engagement through well-established consultative EE Forum and steering committee structures. Despite the numerous challenges through Covid-19 to meet at regular intervals during the year under review, our approved plan continues to be actioned and we are well positioned to continue with the implementation of the qualitative and quantitative objectives of the plan. Annually progress against the plan is reported to the Department of Employment and Labour and the Social and Ethics Committee.

Employee remuneration

Our objective is to reward our employees fairly and competitively, according to their capabilities, skills, responsibilities, experience and performance levels. The level of salaries we pay is one of a number of elements in our strategy to retain, motivate and, where necessary, recruit high-quality people. In addition, Remgro also offers its staff a stimulating working environment. Remgro has a formal Remuneration Policy that sets out the remuneration principles for the organisation as a whole. Refer to the Remuneration Report on page 89 of the Integrated Annual Report where Remgro's remuneration principles are set out in detail.

Remgro offers retirement benefits to its employees in the form of a defined-benefit (closed fund) and a defined-contribution fund that are administered independently of the finances of the Company. In addition, employees are also offered medical insurance, access to group life & disability cover, study assistance and other benefits typically offered by a responsible employer.

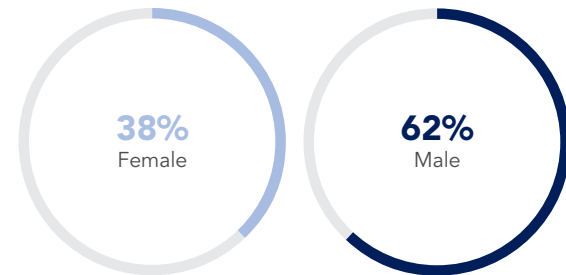
Training and skills development

The main purpose of training is to equip employees in such a way that they can realise their full potential to benefit the Company and themselves. Due to the specialised nature of Remgro's workforce resulting from it being an investment holding company, development is focused on continuous professional development needs, building capacity to stay future fit and leadership development. Individuals are further encouraged to attend training programmes as identified through our **My Contribution** performance and career development process. During the past few years workshops and training sessions on anti-corruption practices, the Protection of Personal Information Act (No. 4 of 2013) (POPIA) and the Competition Act (No. 89 of 1998) were held to ensure that Remgro's directors, management and employees are equipped to implement and practise sound corporate governance at all levels where they are involved.

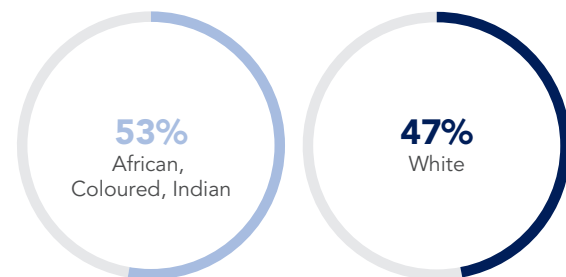
Figure 3

Composition of employees (as at 30 June 2021)

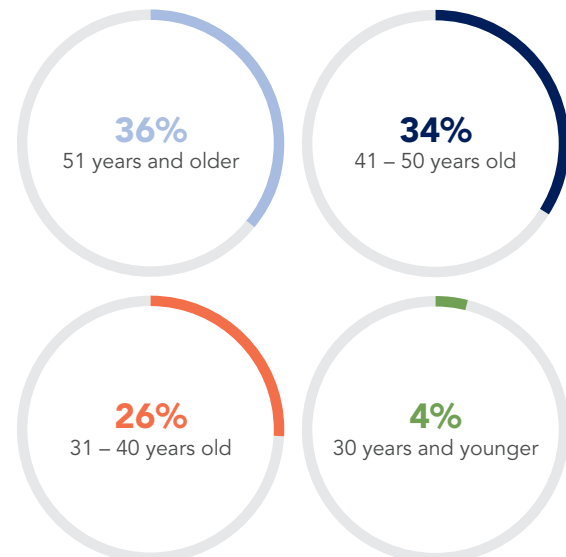
Gender



Race



Age



Health and safety

The Company has a duly constituted Safety, Health and Environmental Committee, as required by the Occupational Health and Safety Act (No. 85 of 1993). The committee is a subcommittee of the Risk, Opportunities, Technology and Information Governance Operational Subcommittee and ensures that the Company provides and maintains a safe and healthy risk-free environment for staff and visitors by identifying risks and ensuring that controls designed to mitigate these risks are effective and complied with.

Covid-19

To ensure a safe environment for staff and visitors during the Covid-19 pandemic, a formal Covid-19 preparedness and response plan was prepared and continues to be implemented. The plan makes provision, *inter alia*, for the following:

- The establishment of a Covid-19 response team and the appointment of a Covid-19 Responsible Person.
- Compliance with all legal requirements as far as Covid-19 is concerned.
- Enabling all employees to work from home as far as possible.
- Precautionary measures put in place at Company premises to contain the spread of the virus.
- General Covid-19 awareness campaigns.
- Through a process of continuous monitoring, regular information sharing and education and quick and decisive actions when positive cases were reported we have been able to manage risk of exposure and transmission between employees to the minimum. Although we sadly had one fatality during the year under review we were fortunate to have a very low positive test rate among our employees.

HIV/Aids

From an investment holding company perspective, the risk of HIV/Aids comprises two elements:

Group risk

Given the potential impact of HIV/Aids on the markets, on human capital, cost of employment and on the operational processes of the various businesses invested in, this risk is managed within the governance structures of the various investee companies. The progress of these relevant policies and strategies is monitored against best practice standards.

Company risk

Remgro has a formal HIV/Aids Policy and is committed to actively manage the pandemic, and the business risks associated with it. The policy makes provision, *inter alia*, for the following:

- Compliance with all legal requirements as far as HIV/Aids is concerned
- No discrimination against employees or potential employees based on their HIV status

- Strict confidentiality of information on the HIV status of employees
- General measures to prevent accidental infection

Remedi Medical Aid Scheme, of which most of Remgro's staff are members, has a management plan for HIV/Aids in which employees may choose to participate.

Investing in the community

Two notable donations, which are not included under Remgro's annual corporate social investment (CSI) are:

- The once-off donation in the previous financial year of R500 million to The South African SME Relief Trust (SA SME Relief Trust) in support of the Sukuma Relief Fund (the Sukuma Fund); and
- An amount of R25 million which was committed to the Khaya Lam (My Home) Land Reform Project (Khaya Lam Project), of which R8 million was allocated during the year under review (2020: R9 million).

The Sukuma Fund, with more than R1 billion in total donations, was created to provide financial assistance and relief to small and medium enterprises (SMEs) adversely affected by measures taken to contain the spread of the Covid-19 pandemic. The Sukuma Fund was closed in December 2020 and disbursements up to 30 June 2021 were as follows:

- Soft loans to 1 304 SMEs amounting to R747 million
- Survival grants to more than 1 270 SMEs and 2 600 formal sole proprietors amounting to R97 million.

The number of employees that benefited from this initiative amounted to 32 527.

The SA SME Relief Trust also dedicated R200 million to a number of initiatives targeting SMEs like the Restaurant Restart Programme, Working Capital Relief Programme and Social Unrest Relief Programme, Technical Assistance interest-free loans and an Advocacy Programme for SMEs.

The Khaya Lam Project facilitates the granting of title deeds to qualifying township residents, helping them to break through the bureaucratic lock-jam which has deprived them of this entitlement. The underlying belief of this initiative is that the acquisition of title deeds will provide the owners with unambiguous rights of access to tradeable property assets and thus facilitate their entry into the formal markets. The initiative is currently focused on the Western Cape where it was kicked off. In terms of the first tranche of R9 million, which was committed as part of the R25 million, approximately 2 908 title deeds have been delivered or are in the process of being delivered. In terms of the second tranche of R8 million, which covers two projects both in their infancy, 470 transfers are planned for Wupperthal (a two-year project) and 2 100 for Brown's Farm.

Remgro and our communities

“Tomorrow matters”

Remgro believes in investments that deliver value over the long term. Remgro also believes that no business can succeed in a failing society and hence has a responsibility as good corporate citizen to contribute towards addressing societal challenges.

South Africa's National Development Plan 2030 provides guidance to address our country's significant challenges of poverty, inequality, and unemployment. These are well aligned with the 17 Sustainable Development Goals (SDGs), adopted by the United Nations in 2015 as a clarion call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030.

The Remgro CSI policy is alive to these global and national imperatives and promotes the development of the youth of vulnerable communities in a holistic way, addressing primarily educational, cultural and sport needs.

2020 was a challenging year for the communities, hard hit by the Covid-19 pandemic and lockdown. Remgro honours the communities for the way in which they rose above the difficult circumstances, placing the needs of others first.

The CSI committee focused on assisting the communities to deal with the impacts of the Covid-19 pandemic during the year, with specific attention to their physical wellbeing, mental wellbeing and change to an online and virtual work and school environment, with limited social interaction.

The wide-ranging CSI initiatives and projects can be classified into two main categories. The first are those projects initiated, developed, and maintained by Remgro within the Stellenbosch area, and the second are causes and organisations financially supported by Remgro within the Stellenbosch and other areas that fall within the CSI scope mentioned above. These two main categories cover a wide spectrum, comprising the following:

- Community development
- Cultural development
- Entrepreneurship, training, and education
- Environment
- Healthcare
- Sport development

Two areas which are expressly excluded from the CSI spectrum include donations to political parties and religious institutions.

The CSI budget remained within the approximate guidance of 2.5% of net cash flow annually, with the CSI committee also considering funding requirements brought about by the pandemic. During the year under review, Remgro's CSI spend amounted to R22 million (2020: R25 million), as set out in the table below.

| Summary of CSI spend | Year ended | Year ended |
|---|--------------|--------------|
| | 30 June 2021 | 30 June 2020 |
| | R million | R million |
| Community development | 6 | 6 |
| Cultural development | 3 | 3 |
| Entrepreneurship, training, and education | 8 | 11 |
| Environment | 2 | 2 |
| Healthcare | 1 | – |
| Sport development | 2 | 3 |
| | 22 | 25 |

The Remgro initiated and developed projects aim to contribute actively towards addressing some of the challenges being faced by the Stellenbosch communities, such as poverty, unemployment, and a lack of quality education. Remgro provides strategic support and mentoring and where required, leadership and management. The purpose is to establish and embed long-term sound projects to enable sustainable positive impact in the Stellenbosch community.

These Remgro initiated projects are described in greater detail below:

Strengthen our Society



The SOS initiative was established in 2012 when Remgro realised the need for a co-ordinated high-impact response to a multitude of requests for assistance and funding from various Stellenbosch community-based NGOs and other organisations. The overarching areas of social impact the organisations sought to achieve were to promote good health and wellbeing, improve living conditions, and to achieve full and productive employment and decent work, aligned to the ambitions set out in SDG 1, SDG 3, and SDG 8. Remgro also understands the power of the collective and belonging to an ecosystem of like-minded organisations strengthened by strong relationships.

Organisations could apply to participate in the SOS initiative and after a robust due diligence process, organisations were chosen. The current 14 organisations forming part of the SOS initiative are the following:

| SOS Partners | Description |
|---|--|
| ChangeAbility | Improving the lives of people with disabilities |
| Pniël Heritage | A local museum in Pniël |
| Imbali Western Cape | Operates primarily in Kylemore to improve the quality of childhood and enable independent income-earning opportunities for young people and adults |
| STOP Trafficking | Combatting human trafficking |
| Caleb Development and Training | Promoting the value of learning and self-worth among women farm workers and the youth to effect sustainable improvement in their communities |
| Good Hope Psychological Services | Providing free community psychological services |
| Hesketh King Treatment Centre | Providing support to men and youth battling with substance abuse |
| TEEC (The Early Education Centre) | Providing early childhood development programmes and services to increase access to, and improve the quality of, care and education of young children in high-risk communities |
| Stellenbosch Work Centre for Adults with Disabilities | Providing support to adults with disabilities through income-generating projects |
| Bergzicht Training | Providing skills training for the hospitality sector and child and frail care for poor, unemployed, unskilled, and semi-skilled people |
| Legacy Community Development | Working with youth in Kayamandi, including educational support to learners |
| USIKO Stellenbosch | Using a "rites of passage" approach to provide guidance to at-risk young people facing psycho-social challenges emanating in their communities |
| Green Door Project | Provides literary and creative education community projects in Jamestown |
| Lokxion Foundation | Providing sports and cultural development for youth in Kayamandi |

The organisations conducted their own needs-analysis, whereafter their specific needs were matched with support, mainly in the form of capacity building, NGO governance and specific training by specialists. Remgro employees provide support in their respective fields of expertise to also encourage a culture of volunteerism.

During the period under review, ENS Africa Attorneys graciously conducted three training sessions on a pro-bono basis. These covered: concluding contracts, directors' rights and responsibilities and the Protection of Personal Information Act (No. 4 of 2013). Each session was attended by 10 SOS partners, the maximum allowed in the Remgro boardroom under Covid-19 regulations.

The organisations were severely impacted by the pandemic and the subsequent lockdown. As an extraordinary measure, Remgro requested the organisations to advise their most pressing needs and subsequently donated an amount of R180 000 to help relieve their immediate financial pressures.

Three of the organisations share their stories below.

ChangeAbility



Our purpose is to enable people to recognise ability in others, and to embrace the potential in themselves. Our programmes aim to change communities by improving the lives of people with disabilities through pro-active health initiatives, psycho-social support, and skills development.

Remgro is one of our foundational partners, who acknowledges the critical role not-for profit organisations (NPOs) play in communities. Since the start of our relationship in 2014, Remgro has shown us, and what we strive to achieve, great respect and has understood our needs for capacity building, development, and training.

The training and development opportunities facilitated by Remgro ignited our potential. We have had the benefit of various group training sessions specific to the needs of NGOs, such as the different aspects of fundraising; NGO governance; theory of change; self-development and social enterprise. We also benefitted from individual interventions such as a review of our initial generic constitution and amendment to a bespoke constitution, development of our website and budgeting and financial planning for growth. We are a beneficiary of Remgro's culture of staff volunteerism in that their treasurer offers her time and expertise to perform our treasury function.

During 2015 Remgro elevated the SOS initiative by introducing the Journey to Social Enterprise programme for social enterprise development. The programme was commissioned to enable NPOs to transition beyond traditional funding and strengthen their future viability through alternative revenue streams. Following a due diligence selection process, we were one of seven organisations selected to take part in the six-day training and mentoring process. At the end of the course each participant had to submit their proposal to generate own funds.

We developed a one-day "Disability and Employment" training programme for corporates to assist with integrating disability as an aspect of diversity of the workforce. Remgro also funded an external consultant to help us market the training to corporates. We were grateful to receive the award for the best performing initiative at the end of the programme.

Participation in the SOS initiative invited us into a network of non-governmental organisation (NGO) colleagues, some of whom have become friends and confidants, and has enabled us to convert the information gleaned into knowledge and actionable wisdom to the benefit of the people we serve.

This support has greatly assisted us in our growth and to expand our impact from assisting 50 people with disabilities in 2014 to 400 people per year at present. Our initial operating budget of R180 000 per year has grown almost tenfold. Our new five-year plan also includes a 20% own income-generation target.

For more information, please visit our website www.changeability.org.za or visit us on Facebook at [changeabilitysa](https://www.facebook.com/changeabilitysa).

Bergzicht Training



Bergzicht Training was established in 1992 as an NGO in the Winelands in Stellenbosch. Our purpose is to break the generational cycles of unemployment and resultant poverty through skills training for poor, unemployed, unskilled, and semi-skilled people. Our programmes focus on self-empowerment as foundation, health and frail care, child care, and food and beverage services.

We select 12 students after a review and initial training process per group and follow a holistic training approach, by providing psycho-social support, life skills and academic training, including a wilderness camp.

We cherish Remgro as one of our close partners, who is instrumental in our long-term success. In addition to access to needs-based training and capacity building, Remgro contributed R235 000 towards our Health and Frail Care programme in this period as part of a three-year support totalling R585 000.

The Covid-19 pandemic and resultant lockdown impacted our students and training programmes severely. Our first priority was to ensure that our students and alumni were safe and cared for. Our support focused on food relief by providing 1 080 emergency food parcels and vouchers and psycho-social support to 195 students. Since we realised communication and support are key, we provided 287 students with data to partake in our WhatsApp group and issued smart phones to nine students to remain connected. We posted five educational video snippets of short tips on aspects such as what to do when a family member contracts Covid-19, diet, wellbeing, finances, gender-based violence, and mental wellbeing on our WhatsApp group for 17 weeks. We also adjusted our training programmes to meet the needs of frail care and cut back on our hospitality programmes.

During 2020 we managed to complete 17 programmes of a budgeted 26, with students achieving a 95% attendance rate and an overall placement rate of graduates of 68%.

We love to see our students and alumni excel. That drives us. Job retention is paramount and hence we adjusted our training model to continue with support and mentoring our working alumni for up to 12 months during employment. This intervention increased our retention rate from the lower 30% in 2019 to 68% in 2020.

One of our alumni sums it up beautifully:

“You know, **when you are unemployed,** you feel that there is nothing for you. Thanks to the support of my siblings, **I got up and told myself,** I can do this and went to Bergzicht Training. I love being a carer, because it allows me to **take care of the sick** and frail.”

Zukiswa Blaai



Zukiswa from Khayelitsha was unemployed and registered for the iPOWER foundational programme. She continued the training to qualify as a frail care worker and is now employed at the Eidelweiss ACVV old age home.

Read her and other stories in our annual report available on our website www.bergzichtraining.com.

The Salvation Army Hesketh King Treatment Centre



The Hesketh King Treatment Centre supports men and youth battling with substance abuse. We have two structured programmes for adults and young men respectively, that challenge and motivate patients towards sobriety, focused on the restoration, healing, and building of relationships with God, with the self, family, and the community.

**“Remgro sharpened our edges
to help us become more effective.”**

The workshops facilitated by Remgro were very valuable. We gained new knowledge through the content-rich presentations we could share with our staff. The ability to network and build relationships in the NGO network is priceless. Remgro was sensitive to the community's suffering caused by Covid-19 and the lockdown and donated R20 000 to us to meet our additional needs brought about by Covid-19.

The Covid-19 pandemic and the subsequent lockdown were very stressful for our patients and staff. The resilience of our staff and management shone through when the hard lockdown was announced. Within 24 hours management pulled together and arranged for all patients to go home during this five-week period.

We quickly adjusted thereafter to accommodate our patients and care for our staff, concentrating on their physical and mental wellness, and implementing social distancing and other Covid-19-related measures.

Despite this trying time, our collective efforts resulted in a 70% completion of the youth programme of 79 patients and an 83.2% completion of the adult programme of 132 patients.

Please visit our website at www.hesketh.org.za.

Remgro Schools Project



The Remgro Schools Project was initiated in 2013 to strengthen our communities through school development and capacity building. A partnership was formed with 12 selected schools in Circuit 1 (Stellenbosch Municipality), with a further 10 schools with whom relationships are being built to be included in the programme. The aim of the initiative is to create a healthy environment where learners can develop holistically to reach their full potential and positively influence their communities. The schools participating in the Remgro Schools Project are the following:

| Primary Schools | High Schools |
|------------------------|--------------|
| Weber Gedenk | Stellenzicht |
| Idas Valley Primary | Lückhoff |
| Devon Valley Primary | Kylemore |
| Klapmuts Primary | Makapula |
| St. Idas Primary | Kayamandi |
| St. Vincent RC Primary | |
| PC Petersen Primary | |

Remgro also identified the following other schools that benefited from teacher development sessions:

| |
|-------------------------|
| AF Louw Primary |
| Cloeteville Primary |
| Rietenbos Primary |
| JJ Rhode Primary |
| Ikhaya Primary |
| Kayamandi Primary |
| Joostenberg Primary |
| Pniël Primary |
| Dorothea Special School |
| Vlottenburg Primary |

This project follows a holistic needs-based approach to strengthen academic performance and provide psycho-social, sport and cultural development to the learners, and leadership and management skills to principals, teachers, and learner leaders.

The schools identified and prioritised their needs, which formed the basis of the structured support programme. Remgro engaged and ultimately selected eight service providers to provide specific assistance in relation to the needs-analyses of the respective schools, either at the schools, virtually, or a combination of both.

The eight service providers are as follows:

| | |
|---|--|
| Reading Eggs | Online literacy programme |
| Green Shoots | Maths curriculum online project |
| Community Keepers | Providing mental and health support and services |
| MiDO | Providing digital training to educators |
| Living Legends | Providing sport and life skills for primary schools |
| Teachers' Assistants | Providing assistants to help educators in the classroom and with ancillary tasks |
| Columba Leadership | Providing leadership development from grade 10 onwards |
| Stellenbosch United in Maths (SUM) | Online high school maths assistance for educators and learners |

We are now in our eighth year of the Remgro Schools Project, with the project going from strength to strength. During this time, we have had deep reflections and key learnings. The success of the project is dependent on the level and quality of relationships built with the schools and their principals and teachers, as well as the senior officials of the Western Cape Educational Department (WCED). Leadership is the catalyst for change, which also influences the extent of execution and action. Once people have found their own voice, there is no stopping them, with schools starting to take the initiative as opposed to being passive recipients of programmes. The co-operation and partnership with the WCED has created a wonderful synergy, which further strengthens the effectiveness of the programme.

We have asked some of our service providers and partners in this programme to share their stories.

Green Shoots



“We are **good** with data, but **brilliant** with people.”

Through our partnership with Remgro, we can support eight public primary schools in the Cape Winelands with online maths for learners from Grade 3 to Grade 7, reaching approximately 3 000 learners and 80 teachers.

The curriculum is mapped to the weeks, with online maths exercises and assessments forming the core of the programme. Learners receive instant feedback once they have submitted their work for marking, which builds out their personal performance profile. The data enable principals, teachers, parents, and district officials to gauge the level of competence of the learners to intervene and provide targeted support.

When the Covid-19 pandemic hit, we had to quickly regroup and adjust our way of doing things. The primary communication changed to the people at home, who did not necessarily understand the maths language. We changed our narrative to stories of “I CAN”, using social media platforms such as WhatsApp and Facebook to communicate with learners, parents, and teachers.

Something unexpected happened. Champions at schools emerged and helped their colleagues through peer-learning. Parents formed support groups and became very proficient in helping their children with their maths. Learners surprised us with their resourcefulness and Green Shoots became something to look forward to.

We were able to continue our support throughout the lockdown period and partnered with the education department to develop a “recovery curriculum”. Since our operating model lends itself to a virtual environment, the learners and teachers were able to transition smoothly to the new way of online education.

“Green Shoots is one of the **best things** that have happened to our school. The learners are **extremely excited**, every period. Not a day passes that the kids ask when **Green Shoots** are coming, when are we doing Green Shoots.”

Dimitri Benting, Grade 7 maths teacher, PC Peterson Primary

For more information, visit our website at www.greenshootsedu.co.za.

MiDO



We strive to empower youth with digital skills to gear them for the Fourth Industrial Revolution. We work with leadership, teachers, and learners in schools to bridge the digital divide.

Remgro and MiDO have collaborated over the last five years to teach teachers from under-resourced schools how to use technology in the classroom and beyond. Teachers from 10 schools of the Remgro Schools Project have undergone Google Level 1 and 2 and mobile device training during this period.

Engaging from a position of empathy is core to our approach. We create a safe environment in which training can take place without criticism or fear of failure. This approach became more important during the Covid-19 lockdown period, when we had to pivot to online training and remote learning. Key to adapting successfully was to engender a change of thinking. How can you get there when you cannot get there with limited resources?

We used social media such as WhatsApp and Google Classroom, and identified champions in schools to drive the new way of doing things. Interestingly, often older persons would step up and were instrumental in peer learning. One person cannot do this alone, it is all about partnerships.

Our training at Idas Valley Primary School during the year was well received and we have built a strong relationship. We had the privilege of working with the teachers to design and publish the school website. The school leadership also intends to extend the benefit of technology to the wider community. Mr Gordon, Deputy Principal provides more detail below:

“Because our school **benefited from this type** of training, we can carry those skills over to our children and our community. Our community seems to miss out on **learning these types** of skills and it is therefore very difficult for them to work online. So, what our school did this year, was to open up our **computer laboratory for any person** who has children at Idas Valley Primary and does not have Wi-Fi or a computer, to come to the school and **use our resources...** So we have shared with them the knowledge **we have learnt** from MiDO.”

Mr Gordon, Deputy Principal at Idas Valley Primary

We invite you to go to our website at www.mido.org.za.

Community Keepers



Many of our learners are either experiencing or exposed to some form of trauma, neglect, violence, or abuse. This can result in the learners becoming involved in high-risk activities, self-harm or morphing from victim to perpetrator. Studies have shown that exposure to these kinds of traumas and stresses negatively impact on a child's ability to learn effectively, resulting in extremely high school-drop out levels.

This potentially dangerous situation can be turned into one of hope and new beginnings by providing a safe space for a child to deal with his/her emotional and psychological challenges, complete his/her schooling and develop resilience, agency, and self-efficacy.

This is where Community Keepers comes into the picture. Since 2008 we have been providing psycho-social support and therapeutic interventions at no charge to more than 20 000 children in a school environment thanks to the support of companies and other entities like Remgro. Remgro has been supporting Community Keepers since 2015 and through their annual funding of R400 000 we are able to support four schools in the Stellenbosch Winelands.

The mental wellbeing of the children is our priority. We support children to achieve their potential, to work efficiently and effectively to be able to deal with normal life stresses and contribute to the larger community.

Our services are either reactive or proactive, depending on the circumstances. We work in partnership with schools by placing dedicated mental health first aiders on site at schools, together with specialists available as needed. In collaboration with the schools, we arrange voluntary, proactive workshops where age-appropriate and relevant topics are discussed to build the resilience and self-efficacy of our children. Reactive counselling is arranged following a referral.

The Covid-19 pandemic increased the levels of stress and anxiety of our children and we had to adjust quickly to provide the required support. Virtual therapy is not well suited to the children's environment and we switched to telephonic support, which resulted in the additional benefit of connecting with the parents.

We developed short snippets of supportive material using social media, such as WhatsApp and Facebook, which requires low data usage. We have also developed our opensource library of resources available on our website, where a user can easily navigate to the specific support documentation required.



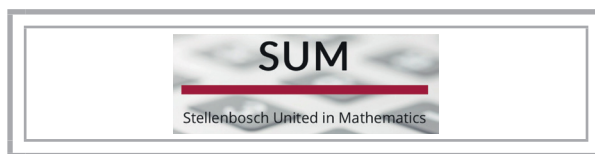
The opening of the Community Keepers therapy rooms at Klapmuts School.

“... believe me when I say **it was so much harder** when the lockdown started. Your continuous chats, calls and WhatsApp **motivations kept us going every day.** Thank you for your love, support and for never judging us or our circumstances. Keep up with your good work. **Stay Blessed.**”

During this period, we initiated our community-based mental health first aiders pilot programme. The initial selection process and training have been completed and we are excited that six Receiving Keepers are placed at different schools. As the training continues and their competence levels increase, so will their scope of responsibility. The Receiving Keepers, as first point of contact, play a crucial role in the building up of resilience and self-efficacy of the children.

Please visit our website at: www.communitykeepers.org.

Stellenbosch United in Maths



SDG 17 is considered by some to be the most important SDG to achieve sustainable development where no one is left behind. The aim of the goal is to strengthen the means of implementation through partnerships and collaboration.

SUM is an initiative where the whole is greater than the sum of its parts. The lockdown has forced us to rethink our traditional methods of schooling and move into an online digital world. This transition has been easier for some and Remgro and Paul Roos Gymnasium realised that this pandemic has brought about an opportunity for exponential digital adaption for the schools in the Stellenbosch area.

The mathematics department of Paul Roos Gymnasium approached Remgro to share this newly created knowledge with the rest of the schools in the area. SUM was initiated early 2021 as a five-year programme with an annual budget of just below R500 000, comprising two components.

The first entails the development of short videos covering the mathematics syllabus for Grades 8 to 12, on an open access website and on the YouTube channel. The focus is on the Grade 11 and 12 syllabi in 2021 with Grade 9 and 10 to follow in 2022. The videos are used by both teachers and learners as an additional tool and explains mathematical concepts in easily understandable language.

The second component brings together the mathematics teachers of five Stellenbosch schools in collaboration to mentor new teachers in one-on-one sessions and small workshops.

You can access the links here:

www.google.com/paulroos.co.za/sum or www.youtube.com/channel/UCX72_nuwW_qqPfawJXDNYdw.

Jannie and Hennie van der Westhuizen



During the planning phase of the Remgro Schools Project, it became evident that sound leadership and management are critical for the prosperity of schools and the wellbeing of the learners, teachers, and staff.

As part of the Remgro Schools Project, the brothers Jannie and Hennie van der Westhuizen as seasoned pedagogues have been providing mentoring and support to the principals, teachers and senior learners on leadership and management issues.

The interactive Leader-and Management Skills Programme sessions, regular inspirational circulars, workshops, and individual interactions are invaluable to the principals, teachers and learners and greatly contribute to the impact of the Remgro Schools Project. This support has been valuable especially during the Covid-19 pandemic, when principals and leadership required additional support and guidance to navigate their schools during these stressful and uncertain times.

One of the schools participating in the Remgro Schools Project for more than five years share their experiences below.

St. Vincent RC Primary School

We are blessed to be part of the Remgro Schools Project since 2015. We benefit from the support provided by Green Shoots, MiDO and the help of two dedicated teacher assistants. Soon we will also receive Reading Eggs assistance, a programme focused on improving the reading ability of our children.

Eleven of our teachers, including the Principal, Sr. Lucie, attended the Google Level 1 training provided by MiDO. This has enabled us to create our own Google forms, which we have been using throughout the lockdown period. A second round of training has resulted in our teachers becoming more proficient in ICT (Information and Communication Technology) skills and using a combination of their smart mobile devices and projectors to reach all the kids during online and in person classes.

The newly gleaned knowledge has brought about an excitement and culture of “CAN DO” amongst the teachers, also positively affecting our children. Teachers are proactively reaching out to their colleagues through peer-learning. The focus for this year is to further increase the ICT skills of our teachers.

The two teacher assistants funded by Remgro and appointed to St. Vincent have been of immeasurable help during the lockdown and restrictions period. Over and above their normal functions they assisted with Covid-19 screening, gate control and providing the daily meals to the children.

“My sincere appreciation to Remgro. Our story speaks of **belonging, building of character** and **embedding values** through partnership with Remgro. Thanks too for the support Remgro gives to us as **leaders in our schools**, thanks for always putting humanity before compliance. **I’m proud to be part of such a partnership.**”

Sr. Lucie, Principal of St. Vincent Roman Catholic Primary School

The support and assistance received bore fruit and during 2019 the Grade 3 and Grade 6 learners did very well in the annual departmental numeracy and literacy systemic testing. Remgro acknowledged the progress made and celebrated St Vincent’s achievement with a monetary reward. We used the funds to commission murals of numeracy and literacy activities, which are now incorporated into our daily learning routine.

Here are some of the murals painted on our walls:



Stellenbosch Schools Broadband Initiative (SSBI)



The SSBI is a trust created by Remgro in partnership with the Stellenbosch municipality and the University of Stellenbosch to provide internet services and unlimited data access to schools in the Stellenbosch municipal area at no cost. The network stretches from Stellenbosch to Klapmuts, Priel, Kylemore and Franschoek.

The initiative started in 2013 and has since grown to such an extent that a total of 37 schools and 35 000 students are connected.

Through our broadband network we enable digital education, or e-learning, and importantly level the playing field by providing all schools an equal opportunity to cross the digital divide. We promote the spirit of SDG 9 – build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

We also provide the required support to the schools to maintain the data and keep the system going. We have access points into the labs at the schools where teachers have access to Wi-Fi throughout the school.

Over this period the network and system have matured to the extent that we have a 99.7% uptime and can access the system and maintain, monitor and fix problems smoothly and remotely.

This support forms the foundation for the other school initiatives enabled by Remgro such as the online Green Shoots programme, MiDO digital training and the Siyavula initiative. The Siyavula programme provides online high school maths and physical science education, including access to textbooks. During the Covid-19 pandemic and lockdown it has become more important to ensure reliable access to the internet and connectivity in the transition to online schooling.

Stellenbosch Academy of Sport (SAS) and Stellenbosch Football Club (SFC)



Nelson Mandela famously said that “Sport has the power to change the world and to unite people like little else”. Stellenbosch Academy of Sport (SAS) was established in 2012 and, whilst it strives to be a world class multi-sport training environment, it is acutely aligned with Madiba’s wise words in its mission statement –

“To **positively impact people** and **communities** through sport.”



With Stellenbosch (and the Winelands) being a proud sport-rich area, sport and recreation can certainly make a significant contribution to social development, cohesion and transformation.

The SAS “Making Stellenbosch Healthier” wellness programme has developed progressively since 2012 and now comprises eight pillars, each of which contributes to personal development and harmony. Various initiatives take place throughout the year with the help of volunteers and trained SAS community wellness champions. Across the 14 Dorpies of the Stellenbosch municipal area, weekly initiatives such as family fun days and friendship games take place to bring people from different backgrounds together in a fun and stimulating environment. Together with partners, the programme has also coordinated the establishment of various walking routes and sand pitches which is being extensively utilised to promote wellness.

We believe the UN SDGs are the blueprint to achieve a better and sustainable future for all. We strive to promote each goal in our wellness activities, accelerated through partnership with local schools, Stellenbosch University, the Municipality as well as other socially responsible organisations.

The focus of our community programmes is not on developing sporting excellence, but rather on promoting social cohesion and wellness through general recreation and personal development activities. Participants are guided by the Olympic and Paralympic values of equality, respect, courage, inspiration, excellence, friendship, and determination.

Most of the initiatives are aimed at the youth, with other initiatives focusing on the education and upskilling of teachers, parents, coaches, and sport coordinators on the benefits of being active.

As the very first professional sport team based in Stellenbosch, the Stellenbosch Football Club (SFC) plays a significant uniting role in the community and has strengthened the ability of SAS to be a catalyst for social upliftment in the area.

The club was purchased by SAS in 2018 as a second-tier professional club with one senior team. Three short years later and the club has progressed to the aspirational top-tier of professional football and comprises the professional team, an under 21 team and a youth academy of 80 talented footballers aged between 10 to 18. Understanding that only a small percentage of these players will become professionals, we focus on the holistic development of their life skills so that they can become well-rounded citizens and community leaders.



“Having never before travelled outside Stellenbosch, **my life and outlook** was suddenly changed when I was selected for the **SFC Youth Academy**. The coaches have taught me so much already and I will never forget the day I flew for the first time to Gauteng to stay in a hotel and play against **Kaizer Chiefs U21** the next day on live TV! My family and friends **were so proud** and now many of the younger boys in my neighbourhood want to **also work hard** to try and achieve this.”

SFC U21 Footballer from Cloetesville



resilience, empathy, and adaptability shown during this extraordinary year were cause for celebration. These commonalities also highlighted important aspects not always considered during “business as usual”, but which forms the bedrock of a successful society. Remgro has reflected on the events of the past year and specifically on the actions and responses of its CSI partners.

Young players that before only dreamt of professional football are now living their dream and inspiring their communities. The likes of Ashley du Preez of Idas Valley, Jayden Adams of Cloetesville and Leletu Skelem from Kayamandi have progressed from amateur players to playing professional football for their hometown and being recognised at national age group level.

SFC has also created employment for over 20 staff along with multiple volunteering and part-time jobs. It cannot be underestimated how this club inspires the community by providing a football development pathway for players, coaches and support staff that was simply not available before. Individuals and entire communities are being brought together through this club.

A strategic football partnership with the Stellenbosch University has also further strengthened our resources to make a difference through sport. The partnership includes positioning the iconic Danie Craven Stadium as the home venue of SFC – on match day, it will become a visible illustration and beacon for all the community development work performed by SAS and SFC.

During the Covid-19 pandemic and lockdown period, the wellness programme initiatives were redirected to assist the most vulnerable in our communities. SAS also provided accommodation to frontline medical staff who could not travel easily between work and home.

Thulani Mapoyi is a local Kayamandi resident and passionate about developing his community. He transitioned naturally from a community volunteer to SAS Champion and coach at SFC Youth Academy since 2018. As SAS Champion he is responsible to facilitate programmes in the Kayamandi schools. He is an inspirational stalwart, cooking for and serving between 400 to 600 children per day since the lockdown, and still going strong, as part of our feeding scheme run in partnership with some of our friends. To date, approximately 400 000 meals have already been served, and we will continue providing this support to our community for as long as the need remains.

With the required knowledge, passionate staff and access to well-known sport personalities and teams that typically inspire people, SAS and SFC are well positioned to continue using sport as a tool to build social cohesion and drive sustainable community upliftment in our area.

The Remgro-initiated and managed projects described above, with the remarkable people bringing these projects to life, have many aspects in common. Their tenacity,

Remgro reflections and lessons learned

2020 was a most challenging year, with the Covid-19 pandemic still not behind us. Remgro has learned some valuable lessons from our SOS and Remgro Schools Project partners and service providers.

Narratives of "I CAN"

The power of positive narrative ran as a golden thread through all the programmes and initiatives. Feelings of helplessness and anxiety were replaced with examples of self-efficacy and proactive action.

Communication and connection

The human need for communication and being part of a community became more pronounced. There was no lack of creativity to quickly find new ways of communicating effectively with the most vulnerable members of our communities, keeping in mind their specific circumstances and general lack of resources.

Information snippets and short videos

Our SOS and Remgro Schools Project partners became prolific in developing Covid-19-related information snippets and short videos, covering topics such as physical wellness, nutrition, exercises suited to a home environment, mental wellness and emotional support, gender-based violence and knowing what your human rights are and how to deal with someone contracting Covid-19 and vaccination information. It was important to ensure that these were not data intensive.

Social media platforms and access to data

The ability to connect through social media was used very effectively by all our partners and service providers. WhatsApp and Facebook groups were created and became the only mode of communication and support in some instances. Most of our partners provided the learners and beneficiaries with data to be in contact and be able to access the information snippets and videos.

We are all in this together

The SAS, SOS and Remgro Schools Project are founded on reciprocal beneficial relationships based on trust and respect. Existing networks and relationships were leveraged to form joint community responses to provide help and support to our beneficiaries and learners, such as the initiative to provide food parcels to the vulnerable communities through Stellenbosch Unite.

SELF ISOLATION

If you have any of the symptoms of COVID the most important thing is to try not spread it. We don't want our loved ones to fall ill.

- Fever
- Body Aches
- Dry Cough
- Unusual Headaches
- Unusual Tiredness
- Sore Throat
- Shortness of Breath
- Diarrhoea
- Loss of Taste/Smell
- Vomiting



If you have any symptoms try and avoid contact with others. **STAY AT HOME** and try to separate yourself from others in your home and life.



Images: Freepik.com

One of the first snippets circulated to the students and alumni at Bergzicht Training.

Additional CSI projects receiving Remgro funding

The following CSI projects and initiatives are those in which Remgro does not play an active strategic, leadership or managerial part, but contributes funding. The projects and initiatives are set out within the six categories falling within the Remgro CSI mandate mentioned above.

Community development



Ikamva Labantu

Ikamva Labantu is a trusted community-led organisation promoting socio-economic development in the Cape Town township communities. The aim is to protect and promote human rights and dignity, especially of the vulnerable members of society. Ikamva Labantu assists with addressing the critical needs of children, youth and the elderly through targeted projects and initiatives relating to early childhood development, safety and care of children after school, provision of healthy meals and food parcels and caring for senior citizens.

During the year Ikamva Labantu managed five projects with wide-reaching impact throughout the communities. It was recognised as the third-largest food distributor in the Western Cape during the hard lockdown in 2020.

The projects are as follows:

- *Early Childhood Development Programme* – reaching over 7 000 children and 1 000 childcare workers
- *Afternoon Angels Programme* – assisting 1 600 children and their families
- *Senior Citizens Programme* – feeding and assisting more than 1 300 older people
- *Neighbourhood kitchens* – serving over 160 000 meals a month
- *Food Security Programme* – providing more than 300 000 meals a month

Ikamva Labantu adjusted quickly to the Covid-19 pandemic, setting up an emergency relief programme primarily addressing food security, social and health wellbeing, and Covid-19-related support.

Please visit www.ikamva.org.za for more information.

Stellenbosch Community Development Programme (SCDP) trading as Love to Give

The vision of Love to Give is to break the poverty cycle in the Kayamandi community through firstly addressing the basic needs of a family and thereafter assisting with securing salaried employment or self-employment.

The Covid-19 pandemic severely affected the Kayamandi community, with increased levels of unemployment, poverty, and hunger. Therefore, Love to Give adjusted its programmes to provide additional food parcels to families over and above the 100 families normally being supported during the latter part of 2020. During the first part of 2021 the focus shifted to assisting with securing employment through CV writing and printing services, free access to computers and Wi-Fi, skills training and business support, and providing a comprehensive business course to SMEs. The established programmes relating to home gardens, educational support for primary school children and training in book sharing continued during the year.

Love to Give has also taken on 16 young people from the community for the Year Beyond @Home Learning Programme (in collaboration with the Western Cape government) to work with young people affected by school disruptions, social issues and who may have dropped out of school altogether to encourage them to rejoin school. The programme also provides meals to approximately 1 500 school children every school day.

Please visit www.lovetogive.org.za for more information.

Stellemploy NPC

Stellemploy is a community development project providing accredited skills training to young unemployed people from the developing community in the greater Stellenbosch area for improved employability.

A total of 12 candidates were selected for the accredited Basic Food Production programme sponsored by Remgro during 2021. Trainees need to pass the Highfield Level 2 Award in Food Safety for Catering to qualify for the certificate and be eligible for the selection process for the 12-month diploma in Food Production and Cooking.

A plumbing skills training programme was offered to 13 unemployed youths prior to the most recent lockdown period, of whom two youths have already secured employment and eight are completing internships at a plumbing business.

During April 2021 a welding skills programme was completed, combining theory with experiential training. A painting skills programme, sponsored by Remgro, is scheduled to commence in October 2021 providing skills training to youths with the highest qualification of Grade 9.

Please visit www.stellemploy.org for more information.

Cultural development



Field Band Foundation (FBF)

The FBF uses music as a platform to create a structured and productive environment within which young people are brought together to form a field band. In this fun and safe space, empowered, resilient and self-confident young band members are fostered, able to make use of opportunities and contribute towards creating more inclusive societies.

The band started in 1997 and has since grown to 290 band members, under leadership of Thulani Dupa, representing the communities of Macassar and Stellenbosch. During the year the band was able to participate in 17 days of workshops covering project facilitation and management and received training on 27 different life-skill topics. Training was also provided to six tutors-in-training to become mentors and tutors to their fellow band members. A total of 160 rehearsals enabled the band to participate in nine Covid-19-appropriate performances. Despite the challenging year, the Cape Whalers achieved an average of 75% on their monthly scorecards, placing them in the high-performing band category.

The Covid-19 pandemic affected the band, and interventions were enacted to ensure the safety of the band members, the staff, and their families. Field Band staff who lived in remote areas without adequate water supply were relocated. Early on during the lock down period an information system was put in place to provide band members with regular updated health, safety, wellness, and Covid-19 regulations information.

New tools were developed to monitor the wellbeing of the band members and staff, and to gain a better understanding of the impact of Covid-19 within the band. A health and safety steering committee was established to ensure continual compliance to the ever-changing Covid-19 legislation and regulations.

Please visit www.fieldband.org.za for more information.

Entrepreneurship, training, and education



TSIBA NPC

TSIBA is an accredited higher education institution providing quality and fully funded tertiary education to talented students from at-risk communities in South Africa. TSIBA aims to contribute towards the social and economic transformation in South Africa, creating a prosperous future in which young people participate as active economic citizens. Its mission is to provide the opportunity to young people who are traditionally excluded, to gain access to, and succeed in tertiary education.

TSIBA offers business administration courses through a values-based approach to teaching and learning in a changing world. TSIBA sees education as a catalyst to unlock the best in people.

TSIBA was able to quickly adapt to the changed circumstances caused by the Covid-19 pandemic and associated lockdown. Further financial relief was provided to the 4% of students who can afford to financially contribute towards the payment of their tuition fees. The students enrolled for the Bachelor of Business Administration (BBA) degree received Chromebook learning devices and ongoing provision of data at no cost to enable remote learning and assessment. The TSIBA Chairman's fund was established to assist the students with the greatest financial needs to counter the negative financial effects of the pandemic and lockdown.

The transition to a blended digital/contact-based learning pedagogy during the year brought about by the lockdown enabled a significantly increased student intake in 2021. This positions TSIBA well to achieve its long-term target of 1 000 registered students per academic year by 2023.

Please visit www.tsiba.ac.za for more information.

SciMathUS

The SciMathUS programme is a university preparation programme driven by the Stellenbosch University Centre of Pedagogy and is part of its Education Faculty. The programme aims to bridge the gap of access to higher education for educationally challenged disadvantaged students into highly selective fields of study. This is done by improving the student cohort's National Certificate marks in Mathematics, Physical Science and Accounting, thereby securing access to tertiary education.

Since exploring alternative ways of teaching and learning have always been part of the SciMathUS ethos, it was a natural progression for the teaching staff to transition to a digital online environment. However, the digital divide challenged the students due to a lack of access to electronic devices, data and connectivity. In-person sessions were reinstated as soon as the strict lockdown regulations were lifted, and the year was completed successfully. The class of 2020 excelled despite the extraordinary circumstances. They achieved an average of 71.2% for Mathematics, 75.9% for Physical Sciences and 77.0% for Accounting. Most of the students registered for undergraduate studies at Stellenbosch University, whilst some opted to study at other universities.

Over the last 20 years, 1 697 students have completed the SciMathUS programme. In 2020, 38 SciMathUS alumni graduated with a first qualification and 18 with a second qualification.

Please visit www.sun.ac.za for more information.

Stellenbosch University's Centre for Pedagogy (SUNCEP)

SUNCEP aims to assist senior school learners in the Stellenbosch region to prepare for, and access higher education. SUNCEP offers programmes in mathematics and physical sciences for academically deserving Grade 10 to 12 learners.

These programmes were previously offered by qualified tutors over five-day contact sessions during the March, June and September school holidays. As a result of the Covid-19 pandemic and lockdown, SUNCEP was able to quickly pivot to online learning by means of a Learning Management System (LMS) to continue the programme online for Grade 12 learners from August to November.

The Stellenbosch participating schools were Cloeteville, Kylemore, Kayamandi, Lückhoff and Makupula Secondary Schools. A total of 30 learners were selected to participate in the programme and each received a tablet with 10 GB of data per month from August to November.

The online LMS provided the learners access to online supplementary programmes in Mathematics and Physical Sciences in the format of video lessons, a workbook in English or Afrikaans and a subscription to the Siyavula online Mathematics and Physical Sciences Practice Programme comprising livestream revision lessons during the exam period.

Please visit www.sun.ac.za for more information.

Pinotage Youth Development Academy (PYDA)

PYDA strives to contribute towards the development and employment of talented youth from disadvantaged communities in the wine sector and related industries. The customised, industry-specific programmes aims to address the training gap by means of an immersive, industry-lead curriculum, underpinned by personal development and psycho-social support.

PYDA started off with a wine sector programme, and quickly realised the need to expand into the tourism and entrepreneurship space to provide graduates with a competitive advantage based on a broader skillset.

The programmes offered during the year under review included wine and digital marketing and is also venturing into the FMCG (fast moving consumer goods) sector. The curricula were co-developed by the relevant sector stakeholders to ensure robust, fit-for-purpose content, contributing to the students' technical and personal development skills.

The learning experience includes in-programme work placements, invaluable to the students' development, confidence and building of networks. This effective combination has ensured a 91% retention rate with a total of 75 students participating in the programmes. The students fared very well with 92% of the Tourism and Entrepreneurship students graduating and 84% of the Wine and Tourism students.

The Covid-19 pandemic subjected the students and staff to a multitude of challenges resulting in elevated levels of anxiety and stress. PYDA transitioned to a hybrid model of programme delivery, supported by robust and secure IT infrastructure. The programmes were adapted to suit online training and learning, and students were assisted with IT, technical, and psycho-social support to assist with the transition and additional stress.

Please visit www.pyda.co.za for more information.

Mandela Rhodes Foundation

The Mandela Rhodes Foundation is one of Dr Nelson Mandela's three official legacy organisations and strives to build exceptional leadership capacity in Africa. Young Africans are identified, funded, and empowered to make meaningful contributions to the African continent and her people. These talented and exceptional youths are provided with postgraduate scholarships to study in South Africa and participate in a residential leadership development programme. The programme is underpinned by Nelson Mandela's unshakable belief that leadership starts with inner transformation, supported by foundational concepts including reconciliation, education, and entrepreneurship. To date a total of 558 Mandela Rhodes scholarships have been awarded to students from 30 African countries.

The Covid-19 pandemic and lockdown impacted the programmes, which had been structured as in-person sessions. The team was able to overcome the challenge and adjusted to remote working and adapted the residential programme to an online offering from March 2020. Investigations into the development of a hybrid model are under way.

For more information, please visit www.mandelarhodes.org.

SA College for Tourism (SACT)

SACT is a non-profit organisation operating under the auspices of the Peace Parks Foundation, established in 2001 by Dr Anton Rupert. The college provides professional training to unemployed people from impoverished rural backgrounds to enable them to participate in the nature-based tourism industry. The purpose of SACT aligns perfectly with SDG 8, and more specifically the targets to promote youth employment, education and training, as well as to promote beneficial and sustainable tourism.

SACT provides training in hospitality, tracking and eco-herding skills to develop young entrepreneurs, enabling them to contribute towards their community economy within the eco-tourism and conservation sector.

2020 was a devastating year for SACT with the passing of our esteemed former executive director, André Killian. SACT is grateful for his more than 20 years of commitment and he will be sorely missed.

During 2020 a total of 116 youths from across southern Africa registered for the three courses. Despite this challenging year beset by Covid-19 and lockdowns, 89.6% of students graduated and overall, the cohort did very well.

Notwithstanding the impact of Covid-19 on the eco-tourism industry, SACT was able to deploy 74% of Hospitality graduates, 70% of Tracker graduates and 100% of Herding graduates into internships and learnerships.

SACT managed to adapt to the impacts of Covid-19 and the lockdown regulations by transitioning to online classes, supported by the required IT infrastructure. The necessary measures were put in place to ensure the health and safety of our students and staff. The intake of the Hospitality students were reduced to 65 students to ensure compliance with social distancing and safety requirements. With Covid-19 still part of daily life, SACT continues to adjust and adapt to the new normal, finding innovative ways to ensure the graduates can continue with protecting and regenerating our precious ecosystems.

Environment



Peace Parks Foundation (PPF)

PPF was founded in 1997 by Dr Anton Rupert, Prince Bernhard of the Netherlands and Dr Nelson Mandela, guided by the vision of reconnecting Africa's wild spaces to create a future in which mankind lives in harmony with nature. The mission is to regenerate and preserve extensive, functional, and transboundary ecosystems and protect biodiversity.

Engagement and strong partnerships with governments are critical to secure protected land. Funding is accessed and utilised to develop transboundary conservation areas and regenerate ecological services. Such regenerative actions include the translocation of herds of animals to previously degenerated wilderness areas and investing significant resources to counter wildlife crime. Nature-based tourism provides local communities the opportunity to be part of the sustainable protection of protected areas.

PPF had to quickly adjust to the impacts of Covid-19 and the lockdown regulations. The head office had to close temporarily, and the staff transitioned to remote working. Activities in the parks continued on a limited basis within the Covid-19 regulatory ambit, with the focus on continuing core operations, protection, and anti-poaching activities. A major challenge was the reduction in revenue due to the lockdown, which would severely impact the communities relying on these revenues for their livelihoods.

PPF reached out to its donors, and the funding received, together with \$100 000 of its own funds enabled the distribution of more than 240 000 personal protection and medical items to communities and healthcare services. The German KfW Development Bank donated €6 million for health and employment programmes to meet the most urgent needs of thousands of families affected by the loss of livelihoods.

Please visit www.peaceparks.org for more information.

WWF South Africa (WWF-SA)

WWF is the world's leading independent conservation organisation with the purpose of conserving our natural resources – oceans, land, and wildlife. The vision is to build an equitable and sustainable future in which both people and nature thrive. WWF-SA catalyses strategic initiatives to restore balance, reduce impact and protect our country's vital resources and natural biodiversity.

During 2020 WWF-SA continued to focus on projects and initiatives relating to South Africa's natural resources, climate change and the illegal wildlife trade. In addition, WWF-SA in partnership with the Nedbank Green Trust have facilitated funding for several projects and programmes relating to food security in South Africa. This has been in response to the Covid-19 pandemic and the severe impact of the lockdown on the livelihoods of many people.

The WWF-SA staff met the challenges of Covid-19 head-on, moving into the field to ensure the continuation of the conservation projects, whilst adhering to strict health and safety requirements, as well as lockdown regulations.

Ultimately conservation is all about shifting people's views and behaviour. The Covid-19 pandemic is a great shock to the system with many dire consequences. However, it also presents an opportunity to take stock and do things better – to build a more resilient future in which all people live within the limits of Earth's carrying capacity.

For more information, please visit www.wwf.org.za.

Healthcare



Organ Donor Foundation of SA

For more than three decades the Organ Donor Foundation of SA has been instrumental in obtaining life-sustaining organs for those in need of an organ transplant. The Foundation raises awareness of the need for, and benefits of organ and tissue donation and transplantation. It also educates medical professionals about the transplantation process. Where possible, the Foundation assists with the transport and delivery of organs.

The Covid-19 pandemic had a significant systemic impact on organ transplantation. Less organs became available for transplantation. Intercity transport of organs and surgeons were impacted by the drastic reduction in scheduled flights and the number of transplant operations reduced because transplant recipients were classified as exceptionally high risk.

However, during the year, urgent transplants continued to be performed whenever donor organs became available. The Foundation is grateful to our partners who made this possible. Remgro assisted with sponsoring four flights for the transportation of organs. Falconair flew two crucial flights, contributing to saving seven lives during the year, one of which was a flight to Bloemfontein for a heart transplant to be performed at the Red Cross Children's Hospital.

Throughout the Covid-19 pandemic, the transplant teams have continued to assist hospitals, especially their ICU and Trauma divisions, whilst being available to assist the transplantation process as soon as donor organs became available.

For more information, please visit www.odf.org.za.

Sport development



SA Golf Development Board (SAGDB)

The SAGDB vision is to make golf accessible to all South Africans by providing and facilitating practice and playing opportunities for children and talented players from underprivileged communities. Golf is founded on a core set of values, providing guidance both on and off the golf course. Through learning the rules of the game and playing golf, young people acquire valuable life skills and build resilience, enabling them to make positive contributions to their communities.

Since its inception in 1999, SAGDB has grown into a network of 54 coaches and more than 2 300 active players, as the development service provider to all 14 golf unions in South Africa.

The activities during the year were severely disrupted by Covid-19 and the subsequent lockdowns. During hard lockdown, the children were unable to receive coaching or play golf. Through careful financial planning and the continued support of the funders, the SAGDB was able to continue to pay the contracted coaches and staff and also to contribute to a GolfRSA fund, which provided families of children participating in the programme with food vouchers.

Endurocad SA Endurance Academy

Endurocad aims to inspire the next generation of South African athletes, by providing a complete sports management solution for talented endurance athletes. High potential athletes, especially females, are identified and incorporated into the programme, focusing on athletic training, and personal and career path development.

The mission is to develop South African, best-in-category endurance athletes able to forge a career from their talent and build a brand and sustainable business after sport.

During 2020 Endurocad introduced “the Daily Mile” as a pilot programme to primary schools to improve the health and wellbeing of young children. A total of six schools with 5 000 children participated in the programme. Endurocad has since partnered with the Western Cape Education Department to offer the Daily Mile to all schools as part of the Life Orientation Physical Education curriculum.

The Covid-19 pandemic and lockdown severely affected the activities and revenue streams of Endurocad and innovative changes were required to keep the programme operational. During the period no fundraising events could be arranged and time was spent finding solutions to ensure effective partnerships and the sustainability of the programme.

For more information, please visit www.endurocad.co.za.

Sustainability at operating subsidiaries

Remgro’s four main operating subsidiaries, namely RCL Foods, Distell, Siqalo Foods and Wispeco, are operated and managed on a decentralised basis as independent entities with autonomous boards of directors. Only summarised “non-financial” disclosure relating to their governance structures, as well as social and environmental performance is provided in this report, while their financial performance is discussed in more detail in the “Investment reviews” section on page 42 of the Integrated Annual Report.



RCL Foods

Introduction

RCL Foods has three divisions: Food (which houses the Groceries, Baking and Sugar business units), Chicken and Vector Logistics, supported by common group functions. Through them, the group manufactures and distributes over 30 of South Africa’s much-loved brands – including *Rainbow* chicken, *Selati* sugar, *Supreme* flour, *Sunbake* bread, *Nola* mayonnaise, *Ouma* rusks, *Yum Yum* peanut butter, *Simply* Chicken, *Number One* mageu, *Bobtail* and *Catmor* pet food, and *Epol* and *Molatek* animal feed. The business also manufactures a wide range of private label food products for various retail and food service customers.

Through its more than 20 000 employees, its diverse portfolio of brands and private label products, its dedicated food service arm and its route-to-market supply chain specialist, Vector Logistics, the company strives to provide “MORE FOOD TO MORE PEOPLE, MORE OFTEN”.

Governance, risk management and compliance

RCL Foods’ board consists of 11 non-executive directors (seven of them independent) and two executive directors. The chairman of the RCL Foods board, Mr Jannie Durand, is not independent given his role as CEO of Remgro Limited, RCL Foods’ major shareholder. For this reason RCL Foods appointed Mr G M Steyn as lead independent non-executive director on 13 November 2020 (following the retirement of Mr R V Smither), to act as chairman during meetings in situations where the chairman’s independence could be conflicted.

As RCL Foods is a listed company, it has to comply with the JSE Listings Requirements and the King IV Report on Corporate Governance for South Africa (2016) (King IV), to the extent that King IV’s recommended practices have been incorporated in the JSE Listings Requirements. The social and ethics committee, a subcommittee of the RCL Foods board, reviews and monitors the company’s performance in areas such as good corporate citizenship, consumer relations, employment equity and labour relations. The risk committee, another subcommittee of the board, is responsible for overseeing the adequacy and overall effectiveness of the group’s risk management function and its implementation by management. It is assisted by an internal audit department that comprises a dedicated team of appropriately qualified and technically experienced personnel.

In order to comply with quality requirements and regulations, management systems based on the International Standards Organisation (ISO), Food Safety Systems Certification (FSSC), the Occupational Health and Safety Assessment Series (OHSAS) and South African National Standards (SANS) have been implemented throughout RCL Foods.

Key sustainability areas

RCL Foods’ operating context is impacted by various issues, events and trends that present opportunities and risks for the way it generates value for its stakeholders. Many of these have been amplified and accelerated by the Covid-19 pandemic. These include:

- demanding economic conditions, with rising unemployment placing further pressure on cash-strapped consumers;
- increasing pressure on food systems in a context of escalating environmental degradation, population growth, malnutrition (both undernutrition and obesity) and diet-related chronic non-communicable diseases;
- food insecurity driven by poverty and unemployment, rising food costs, and market oversupply affecting the viability of local industries (which the newly finalised Master Plans for poultry and sugar aim to address);
- changing consumer behaviour characterised by a growing value emphasis across all Living Standards Measure (LSM) groups, coupled with a rising demand for convenience, as well as a preference for products that are good for people and the planet; and
- the rise of digital as both a mindset and a tool to drive business transformation in response to the “new normal” consumer, customer and work landscape.

RCL Foods’ response to the key challenges and opportunities it faces is captured in its Sustainable Business Framework, which aims to ensure the company’s long-term sustainability across the value chain through a focus on **Nourishing People, Enriching Communities and Sustaining Resources** (see framework below). These are implemented via its Sustainable Business Drive, which is documented in the RCL Foods 2021 Sustainable Business Report, available at www.rclfoods.com.

The RCL Foods Sustainable Business Framework

| 1. Nourishing people | 2. Enriching communities | 3. Sustaining resources |
|--|--|--|
| <i>More nutritionally creative solutions</i> | <i>More socially creative solutions</i> | <i>More environmentally creative solutions</i> |
| <p>1.1 More nutritious products We will provide more nourishing food, better value and greater choice to all people – educating our consumers on the benefits of a balanced diet.</p> <p><i>Ambition</i> To lead the promotion of nutrition with innovative product solutions in the context of a balanced diet.</p> | <p>2.1 More inspired employees We will build a unique organisation where work is safe, fun, meaningful and enriching in a way that unlocks the potential and creativity of our 20 000+ people.</p> <p><i>Ambition</i> To become THE place to work by building a compelling RCL Foods culture.</p> | <p>3.1 More energy self-sufficient operations We will invest in energy sufficient operations and support the generation of renewable resources at a rate greater than we consume them.</p> <p><i>Ambition</i> To become an energy self-sufficient business.</p> |
| <p>1.2 More nutritional thought leadership We will strive to become a trusted source of influence in food policies, regulation and food labelling development.</p> <p><i>Ambition</i> To lead the promotion of nutrition through influencing policy development.</p> | <p>2.2 More economically developed communities We will drive an inclusive business agenda through land reform and new interconnected business models.</p> <p><i>Ambition</i> To become THE trusted business partner for economic development in the communities in which we operate.</p> | <p>3.2 More water-smart operations We will invest in water-smart operations and influence local government and other key stakeholders for collective solutions in the higher risk areas.</p> <p><i>Ambition</i> To become a water-smart business that continually seeks new ways to reduce, reuse and “create” water.</p> |
| <p>1.3 More basic nutrition for children We will drive awareness of the basic nutrition challenges for children through collaborative multi-stakeholder partnerships aimed at addressing nutritional stunting.</p> <p><i>Ambition</i> To lead the promotion of nutrition for children through collective action against stunting.</p> | <p>2.3 More socially developed communities We will drive social upliftment of our communities through a dialogue approach – understanding their needs and partnering with like-minded organisations to find solutions.</p> <p><i>Ambition</i> To become THE respected business partner for social development in the communities in which we operate.</p> | <p>3.3 More waste-free operations We will invest in new business opportunities that turn our waste into value (through circular economy principles), and minimise our waste landfill.</p> <p><i>Ambition</i> To become a waste-free business that continually seeks new ways to turn waste into value.</p> |

Underpinned by new disruptive models Achieved and sustained by strong win-win multi-stakeholder partnerships

Covid-19 impacts and response

In navigating the continued pandemic, RCL Foods has continued to focus on four key priorities:

- **the safety of its employees** – enabled through the implementation of enhanced health and safety protocols, cleaning and medical provision amounting to a direct cost of R52 million in the 2021 financial year;
- **maintaining food production and distribution** – successfully delivered through the above safety focus and an emphasis on careful supply chain contingency planning, resulting in operations continuing uninterrupted;
- **safeguarding cash flow and liquidity** – achieved through careful cash management and engagement with stakeholders to ensure all financial obligations continue to be met;
- **assisting vulnerable communities** – through a special-purpose Covid-19 food relief initiative run by RCL Foods’ non-profit organisation, the DO MORE FOUNDATION, which provided nearly 7 million meals to vulnerable

communities during the financial year. Key to this was RCL Foods’ provision at cost of over 270 tons of sorghum-based Do More Porridge.

The lingering effects of the pandemic and related lockdown have continued to impact RCL Foods, with direct on-costs amounting to R121 million in the current year. These were largely related to additional storage costs in Chicken, owing to the shutdown of the food service sector in the prior year, which have declined as the supply chain has returned to more normal operating levels.

RCL Foods’ stakeholders and its response to key issues

RCL Foods’ stakeholder universe includes a broad range of stakeholders with an interest in its business, products, activities and initiatives, as well as those it impacts. In line with its belief that building a sustainable future depends on strong partnerships, it strives to address key needs in a collaborative and mutually beneficial way. Below is a summary of RCL Foods’ key stakeholders and its response to the main issues they face.

| Stakeholder | Key issues | RCL Foods' response |
|--------------------|---|--|
| Communities | <ul style="list-style-type: none"> • Unemployment, especially among youth • Need for skills transfer • Need for enterprise development • Food insecurity • Community Early Childhood Development (ECD) support • Community nutrition and collaborative solutions | <ul style="list-style-type: none"> • Providing food to families and young children • Providing early learning support to young children • Providing parenting and caregiver support • Implementing multi-stakeholder social and economic development initiatives in the Worcester, Nkomazi, Hammarsdale and Pongola communities • Inspiring stakeholders to partner in DO MORE FOUNDATION projects • Empowering sugar grower communities through sustainable farming programmes and interconnected business models |
| Consumers | <ul style="list-style-type: none"> • Product quality and food safety • Product affordability • Product convenience • Compliance with issues regulated by government (e.g. labelling, salt, sugar, plastics reduction and recycling) • Support for social development | <ul style="list-style-type: none"> • Continuously strengthening its food safety and quality assurance in line with international best practice • Innovating to offer greater convenience within its product ranges • Continuing to provide a broad range of affordably priced, staple food products and competitively priced household brands • Complying with relevant regulatory requirements • Constructively engaging with regulators to positively influence standard setting • Leveraging the growing reputation of the DO MORE FOUNDATION to inspire consumers (and companies they represent) to support large-scale social development initiatives e.g. the #GiveltUp campaign for Covid-19 |
| Customers | <ul style="list-style-type: none"> • Product quality and food safety • Revenue growth and profitability • Responsiveness of RCL Foods • Tailored sales solutions • Mutually beneficial partnerships | <ul style="list-style-type: none"> • A single sales force interface that drives common ways of working across all Food division customer teams with "best in class" service methodologies • Leveraging its enhanced capabilities to provide food service customers with a growing and profitable portfolio of solutions • Providing technical expertise and support in the animal feed and industrial flour sectors • Expanding its basket to offer a broader range of product solutions • Selective provision of private label brands in certain categories |
| Employees | <ul style="list-style-type: none"> • Career development and growth • Education and training • Diversity, equal opportunities and inclusivity in the workplace • Constructive employee relations and engagement • Employee health, safety and wellness • Remuneration and benefits • Making a difference in the community | <ul style="list-style-type: none"> • Building a community of inspirational and productive people with a common passion • To facilitate its growth ambition and make RCL Foods THE place to work, the company focuses its efforts on four key areas: <ul style="list-style-type: none"> – Develop leaders and grow talent; – Culture and diversity (creating a more diverse and inclusive RCL Foods); – Collaborative employee relations and engagement; and – Employee health, safety and wellness. • Implementing its "Total Rewards" strategy to ensure competitive remuneration • Connecting with nearly 13 000 employees via its mobile communication app • Employee involvement events and initiatives through the DO MORE FOUNDATION |

| Stakeholder | Key issues | RCL Foods' response |
|------------------------------|---|---|
| Government | <ul style="list-style-type: none"> • Future sustainability of poultry and sugar industries • Alignment on industry growth and development plans • Sustainable land reform • Industry transformation • Ongoing compliance with regulatory framework • Partnerships for joint solutions • Employment creation and transformation • Food security | <ul style="list-style-type: none"> • Active monitoring of all compliance requirements and engagement with government to understand any proposed changes. • Ongoing input towards implementation of the Poultry Sector and Sugar Industry Master Plans. • Ensuring transformation in its mill areas through sustainable land reform and community economic development • Collaborating with government to implement the National Integrated ECD Policy in six wards of Nkomazi • Engagement with government to ensure food security |
| Investors and funders | <ul style="list-style-type: none"> • The need for improved and more sustainable returns • The RCL Foods strategic portfolio review and its implications • The turnaround of the Chicken business and the end goal for the Chicken division • Good Environmental, Social and Governance (ESG) performance • The need for regulatory intervention in the Poultry and Sugar industries and whether the Master Plans are durable solutions • The opportunity in plant-based foods • The cost and impact of social unrest • High commodity costs • Implications of the strategic review on the capital structure and funding requirements • Cash flow management • Impact of the pandemic and social unrest | <ul style="list-style-type: none"> • Communicated the outcome of the strategic portfolio review in the annual results, annual report and investor events • Created a separate Chicken division whose results are reported as a separate segment, providing clarity to investors on its progress • Established LIVEKINDLY Collective Africa (LKCA) in partnership with LIVEKINDLY Collective – a significant opportunity for RCL Foods • Increased its solar and Waste-to-Value energy generation by 509% and 182% respectively • Ongoing engagement with government and industry to improve the sustainability of the local poultry and sugar industries via the respective Master Plan structures • Active engagement with government and industry to deal with issues of food security during the pandemic and the recent social unrest • Rapid and proactive response to the impacts of the social unrest on its business • Ongoing engagement with the government and industry to manage dumping and improve sustainability of the local poultry and sugar industries • Moving towards a more balanced and diversified portfolio with higher-margin value-added components • Hedging instruments purchased to manage exposure to raw material and currency fluctuations • Strong focus on cash and liquidity management during the Covid-19 pandemic to ensure sustainability of the business • Balance sheet impact of proposed strategic actions is carefully assessed as part of the business case |
| Media | <ul style="list-style-type: none"> • RCL Foods' operational and financial performance • Current industry issues • Current consumer issues • Corporate social investment initiatives • Environmental sustainability initiatives | <ul style="list-style-type: none"> • Enhanced media engagement through RCL Foods' Corporate Brand department • All queries responded to within a specified period • Access to the CEO and CFO for editors and journalists • Increased participation in industry-related issues • Via the DO MORE FOUNDATION, sponsorship of positive parenting radio programmes |

| Stakeholder | Key issues | RCL Foods' response |
|-------------|--|--|
| Suppliers | <ul style="list-style-type: none"> Understanding the key supplier markets and where they source their inputs helps identify potential opportunities and risks Creating a win-win partnership with suppliers, during difficult economic conditions Certain spend categories lack local accredited suppliers of certain key ingredients and materials in the South African market, hence reliance on non-accredited and/or international suppliers Ability to guarantee supply to RCL Foods in terms of meeting the minimum requirements of food safety Local and international disruption of the material supply chain due to pandemics or supply issues at local or international level | <ul style="list-style-type: none"> Implementing co-created sourcing strategies that can unlock opportunities, reduce risk and identify substitute materials Strong partnership-based supplier relationships allowing the business to identify potential product improvements, improve efficiency throughout the supply chain and reduce total cost delivered Continued support to develop domestic farmers through inter-connected business models Focusing on trying to grow the opportunity for Qualifying Small Enterprise (QSE) and Exempt Micro Enterprise (EME) suppliers within the overall supply chain R10.4 billion spent with BBBEE compliant suppliers in the 2021 financial year |

People

The central pillar of RCL Foods' Sustainable Business Framework is "Enriching Communities", both within and beyond the business. Internally, it seeks to build a unique organisation where work is safe, fun, meaningful and enriching. Externally it pursues an inclusive business agenda with the grower communities that contribute to its value chain, while contributing towards social development in impoverished communities around its operations. The current section focuses on internal people initiatives which relate to the first segment of the Enriching Communities pillar, namely "More inspired employees".

In order to build a high-performance culture with satisfied employees, RCL Foods seeks to attract and retain the right talent in the right places, while creating a diverse workforce and an enabling environment for individual growth. Key highlights for the year were as follows:

- RCL Foods has continued to drive its diversity and inclusivity strategy through Diversity and Inclusivity Conversation Circles, transparent communication on its progress towards greater diversity, and the setting of new targets to drive increased transformation at management level by 2025.
- RCL Foods was certified a Top Employer by the Top Employer Institute for the second year running.
- Although the business did not participate in the Youth Employment Service (Y.E.S.) Programme during the lockdown, 82 of more than 330 youth from its first Y.E.S. intake have now been placed in permanent positions within the business – a retention rate of over 25%.
- The Basadi Bereka (Women at Work) programme took on 49 participants, bringing to 98 the number of female mid-level employees who have embarked on a mentorship-driven growth journey in RCL Foods' Processing operations.
- The More Flex project was initiated to develop a fit-for-purpose best practice framework and implementation toolkit to help National Office employees transition from a fully remote to a hybrid working model when lockdown restrictions ease.

- The business maintained a strong focus on learning and development, investing R33 million in training 9 250 employees, of which 87% were ACI (African, Coloured and Indian).
- Technology was leveraged to engage with large numbers of employees during the pandemic, creating a more connected business.
- RCL Foods implemented an extended leave entitlement to allow up to 15 days of negative leave to be taken to supplement annual or sick leave in the case of employees being unable to work from home or self-isolating due to Covid-19 infection or exposure. As a result of this, no employee missed a single paid day as a result of Covid-19. No jobs were lost as a result of Covid-19.
- Currently, 75% of RCL Foods' employees are represented by various bargaining units in the business, and 56% of the bargaining unit negotiated agreements are multi-year, which has provided certainty and stability.
- A director has now been appointed to lead the Safety, Health, Environment and Quality (SHEQ) portfolio.
- Various interventions were implemented to improve employee resilience and address anxiety and stress related to the pandemic.

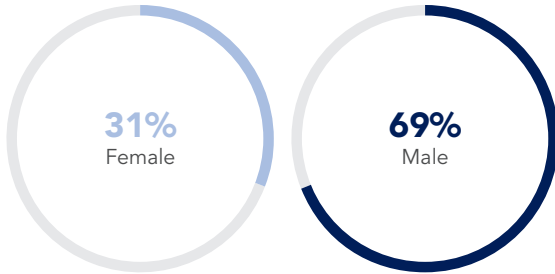
BBBEE

RCL Foods believes that BBBEE is a component of the broader transformation imperative in our country. RCL Foods' transformation policy has always been guided by a continuous focus on growing a healthy and sustainable business that creates value for all its stakeholders, while contributing to nation-building.

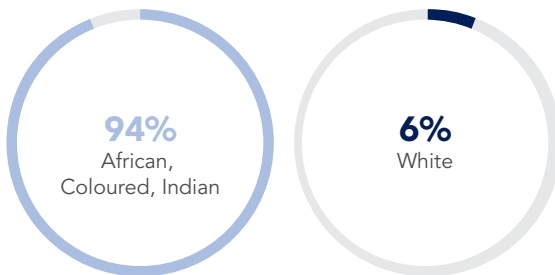
RCL Foods' latest BBBEE verification, in terms of the Broad-based Black Economic Empowerment Act (No. 53 of 2003) (BBBEE Act), was completed in September 2021 for the financial year from 1 July 2020 to 30 June 2021. This was done in accordance with the JSE regulations pertaining to the BBBEE Act on the Agriculture Sector Codes. As a group, RCL Foods obtained a Level 5 score for the 2021 financial year.

Figure 4
RCL Foods' composition of workforce (as at 30 June 2021)

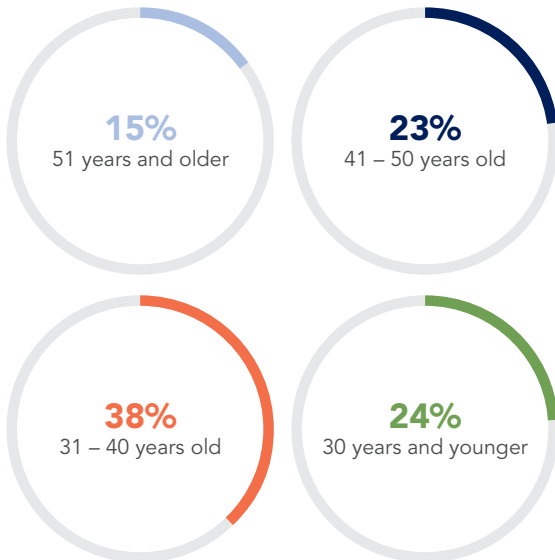
Gender



Race



Age



RCL Foods' commitment to driving transformation and development is not limited to compliance with the BBBEE scorecard. Its aim is to lead transformation in the communities around its operations through a strong focus on community and public-private partnerships. This corresponds to the second segment in the Enriching Communities pillar, namely, "More economically developed communities".

Through joint ventures with land claimant communities on private land, long-term land reform partnerships on government-owned land, and partnerships with 1 200 small-scale sugar cane farmers on communally-owned land, cane-growing communities are empowered to improve their agricultural practices, enhance their competitiveness and better their livelihoods. During the 2021 financial year:

- 1.6 million tons of cane were delivered through these partnerships, providing 31% of RCL Foods' total cane supply.
- 192 beneficiaries from land claim communities benefited through direct employment.
- R42 million in lease payments was received by partnering land claimant communities.
- 26 companies owned by land claim beneficiaries were awarded contracts totalling R98 million in procurement spend, as part of RCL Foods' enterprise development efforts.
- The 1 200 small-scale growers (SSGs) generated approximately R370 million in turnover through the supply of approximately 570 000 tons of sugar cane to RCL Foods' mills.
- SSGs reinvested nearly R200 million into their own operations through retention savings and new loans facilitated by Akwandze Agricultural Finance (AAF), the financial services joint venture between RCL Foods and the growers.
- Through TSGRO, RCL Foods' farming services joint venture with the growers, 630 SSGs and seven co-operatives accessed a Bulk Water Supply service (BWS) to maintain their irrigation infrastructure on approximately 6 000 hectares of land. In addition, 315 SSGs utilised TSGRO's basic accounting and bookkeeping services to ensure good governance, while 35 utilised TSGRO's complete farm management service.
- In partnership with the AgriSETA, RCL Foods supported 35 SSGs and five land reform entities through a structured training and mentoring programme to enhance their sustainability

Corporate social investment (CSI)

In 2017 RCL Foods established the DO MORE FOUNDATION as a separate non-profit organisation (NPO) to enable it to amplify the impact and sustainability of its CSI in impoverished communities surrounding its operations. The Foundation catalyses and coordinates strong multi-stakeholder partnerships in order to drive sustainable change in Early Childhood Development (ECD), youth enterprise development and hunger alleviation.

The Foundation has launched various National Young Child programmes focusing specifically on nutrition, early learning and parenting support. The Foundation also runs geographically-focused programmes that aim to engage, uplift and capacitate various stakeholders (parents and caregivers, ECD practitioners, the local and provincial public sector, the private sector and communities) to better meet the rights and needs of young children in Worcester, Hammasdale, Pongola and Nkomazi through programmes focusing on ECD, easing hunger and enterprise development.

During the Covid-19 pandemic, the Foundation has leveraged its national and community-based partnerships to:

- Mount a nation-wide #DoMore Feeding campaign to ease hunger amongst vulnerable children and families affected by the pandemic. Since the start of the pandemic, nearly 10.5 million meals have been donated, including a million Rainbow chicken meals for Mandela Day in 2020;
- Support parents and caregivers of young children via an online "parenting resource hub";
- Continue providing resources that promote cognitive skills in young children through its Repurpose for Purpose programme, where quality early learning materials are printed on excess white board by a DO MORE FOUNDATION partner and distributed to underresourced ECD centres, playgroups, toy libraries and home visiting programmes; and
- Drive enterprise development at community level as part of its Township Economy Programme – with a particular focus on youth.

Social responsibility expenditure for the year to 30 June 2021 amounted to R8 million (2020: R7 million).

Environment

RCL Foods' environmental sustainability ambitions are captured in the "Sustaining Resources" pillar of its Sustainable Business Framework. Its progress in 2021 is detailed in its Sustainable Business Report. Please also refer to the "Environment" section on page 49 where RCL Foods' environmental practices are incorporated.

RCL Foods' complete Sustainable Business Report is available on its website at www.rclfoods.com.



Distell

Introduction

Distell is listed on the JSE in the "Beverages Sector".

Distell is Africa's leading producer and marketer of ciders and other ready-to-drink beverages (RTDs), spirits and wines, enjoyed responsibly by people across the world. Its portfolio of brands offers consumers a choice for every occasion and provides unique moments of social enjoyment. The value Distell creates also enriches the lives of its employees, shareholders and the communities in which it operates.

Governance, risk management and compliance

Governance

Distell takes great care to ensure good governance. The Distell board is accountable for the Distell group's overall performance. It comprises individuals elected by shareholders and is entrusted to provide direction and leadership. The Distell board consists of nine non-executive directors (eight of who are independent) and two executive directors. The board of directors is committed to complying with the requirements of the Companies Act (No. 71 of 2008) as amended (the Companies Act), the JSE Listings Requirements and the King IV Report on Corporate Governance for South Africa (2016) (King IV).

Mr Jannie Durand is the controlling shareholder's (Remgro's) representative on the board and chairman of Distell's board. Mr Durand is therefore not an independent non-executive director due to his role as CEO of Remgro. In compliance with King IV and the JSE Listings Requirements, and to guard against any perceived conflict of interest, the board annually elects a lead independent director (LID). The current LID is Mr André Parker. The main function of the LID is, *inter alia*, to lead and advise the board when the chairman has a conflict of interest (without detracting from the authority of the chairman). All 16 principles of King IV are adopted and applied by Distell to ensure Leadership, Ethics and Corporate Citizenship.

The ultimate custodian of sustainability at Distell is the social and ethics committee (SEC), which oversees Distell's sustainability performance and provides feedback to the board on whether it believes the business is fulfilling its social and ethical obligations as a good and responsible corporate citizen. The purpose and role of the SEC is to assist the board with discharging its responsibility to monitor Distell's activities with regard to social and economic development, good corporate

citizenship, the environment, health and public safety, consumer relationships and labour and employment matters.

In 2019, Distell strengthened its involvement with the United Nations Global Compact and increased its level of engagement from signatory to participant.

Risk management and ethics

The company secretary serves as the chief risk officer for Distell and attends all audit and risk and compliance committee meetings. Senior management, supported by the internal audit function, is responsible for identifying, managing and mitigating risks.

Distell believes in fostering healthy, mutually beneficial relationships with its suppliers, business partners and customers. While giving and receiving gifts can play a role in building these relationships, doing so should never impose improper influences or obligations. Distell's gifts and entertainment policy therefore limits the type, nature, extent and value of gifts and entertainment that may be given or accepted.

Distell strives to create a culture which facilitates the disclosure of information by employees relating to criminal and other irregular conduct in the workplace in a responsible manner, by providing clear guidelines for the disclosure of such information and protection against reprisals as a result of such disclosure. The Distell Ethics Line, independently managed by Deloitte's Tip-Offs Anonymous division, is available to employees in South Africa, Europe, Asia and the rest of Africa and offers a selection of communication channels, which are available 24 hours a day and 365 days a year. Distell undertakes to thoroughly investigate all matters reported and take the necessary legal, civil or disciplinary steps flowing from such investigation. Management has established a quarterly ethics committee that reviews all reported matters in detail and to ensure appropriate action were taken. Feedback on this forum is submitted to the SEC for consideration. Additionally, a year-to-date report is discussed at each SEC meeting.

The Distell board exercises ongoing oversight of the management of ethics and in particular, the monitoring of adherence to its Code of Ethics and Conduct.

In the 2021 financial year, actions to ensure effective ethics management included drafting an ethics strategy, which provides the broad outline of the focus areas and activities that Distell should pursue to deal with risk and build an ethical culture.

Focus areas for the 2022 financial year include conducting an ethics opportunity and risk assessment to identify strategic focus areas. The identified areas will be translated into an ethics management plan, which contains measurable interventions, responsible functions and target dates.

Compliance

Distell has stringent measures in place to ensure compliance with all laws pertaining to employment in South Africa. Distell adheres to recommendations set out in the Code of Good Practice for the agricultural sector and abides by the South African Bill of Rights as enshrined in the Constitution.

Distell undertakes third-party social and ethics audits to measure its compliance with national and international social compliance standards including Wine and Agricultural Ethical Trade Association (WIETA) audits and amfori Business Social Compliance Initiative audits (on request).

Distell became a member of Sedex in July 2020. Sedex is a global membership organisation dedicated to helping companies drive responsible business practices in their global supply chains. Working in partnership with its suppliers, Sedex will help Distell build a resilient, transparent and ethical supply chain, underpinned by responsible and sustainable business and sourcing practices.

Distell updated its Human Rights Policy during the year and will publish an updated Responsible Sourcing Policy in the 2022 financial year. These policies build on the Distell Code of Conduct and Supplier Code of Conduct as Distell works with its partners to adhere to and champion human rights and responsible sourcing across its operations and supply chain. To ensure its employees understand the purpose and value of the revised Human Rights Policy, Distell will launch an awareness booster campaign in the upcoming financial year. This campaign will evoke change management and drive a responsible culture across its operations, together with uplifting employees.

Distell is committed to implementing best practice social compliance practices on its farms. This is supported by Distell's partnership with PROCARE, a leading emotional wellness company that provides critical psychosocial support to its farm workers and their families across six of Distell's farms. PROCARE's emotional wellness programme enhances general wellbeing in the workplace and reduces the effects that personal, work-related and socio-economic challenges can have on individuals and their families.

Distell's vision: *Making a difference by creating shared value in its chosen markets.*

Distell's purpose: *Creating memorable moments, crafting a better future.*

| Distell's values | | |
|--|--|--|
| Customer and consumer focus Distell is passionate about its customers and consumers. | Excellence Distell is committed to excellence in everything it does. | One Distell Distell wins by collaborating with integrity, honesty and respect. |

| The behaviours that underpin Distell's values | |
|--|---|
| <ul style="list-style-type: none"> • Distell delights its consumers by putting them first. • As Distell's customers grow, they grow. • Distell thinks and acts like business owners. • Distell challenges, then commits. • Distell is digitally fluent. | <ul style="list-style-type: none"> • Distell fails fast, and learns faster. • Distell dares to care. • Distell builds trust together. • Together, Distell plays to win. |

Distell's Marketing Ethics and Brand Communication Policy guides its approach to developing and distributing ethical and responsible content when marketing and promoting alcoholic beverages to consumers. This policy includes an internal review and approval process to ensure compliance, as well as strict regulation of all marketing that uses digital and social media platforms.

Covid-19 impacts and Distell's response thereto

Covid-19-related lockdowns and the resultant restrictions on alcohol sales in South Africa threatened Distell's financial stability and placed significant pressure on its ability to invest in social and environmental initiatives. The lockdowns and restrictions also threatened the livelihoods of almost a million people employed in South Africa's alcohol industry across diverse fields including agriculture, retail, manufacturing, logistics and more.

Despite these challenges, Distell managed to recalibrate, respond and restore momentum during the pandemic. Distell played a role in advocating for its industry and supporting partners along its value chain. Overall, Distell invested over R25 million in alcohol harm reduction programmes and campaigns to reposition the alcohol industry in South Africa and promote a culture of responsible consumption and moderation.

Distell remains supportive of government's efforts to stem the spread of the pandemic. It is therefore imperative that government and the alcoholic beverages industry collaborate to achieve a balance between protecting lives and livelihoods.

The liquor industry remains an important contributor to South Africa's broader economy. The alcohol manufacturing industry employs about 90 000 people and millions more rely on the industry's value chain. Distell created 1 157 jobs in the 2021 financial year with a target of creating 1 000 jobs per annum through its enterprise and supplier development programmes.

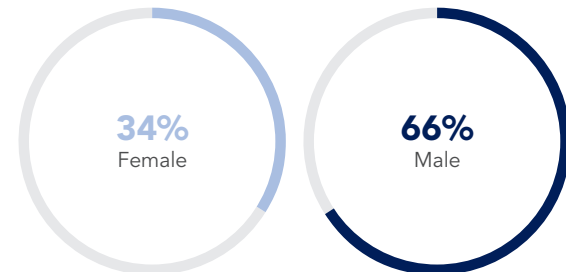
Distell is firm in its belief that it is necessary to support and sustain economic growth and employment provided by the liquor industry while confronting the realities of alcohol-related harm. During the year, Distell launched its Social Compact undertaken in partnership with external stakeholders, civil society and local industry to launch programmes and related campaigns focused on alcohol harm reduction. Distell will use science-based data to develop change management programmes that address alcohol-related harm where it happens. This includes raising awareness about and taking concrete action against health and societal problems such as drunk driving and interpersonal and gender-based violence.

Ultimately, Distell remains a willing partner to all of its stakeholders and is open to opportunities to collaborate and share its experience, skills and expertise to do good in South Africa. Examples of this during the year include its partnership with SANTACO to train 1 324 taxi drivers on the importance of road safety, as well as working with community policing patrollers in nine locations across South Africa where gender-based violence is rife. Distell also collaborated with the liquor industry to help address the critical shortage of medical supplies during the Covid-19 outbreak. As part of this collaboration, Distell provided essential personal protective equipment (PPE) and N95 respirators to 24 hospitals across four provinces.

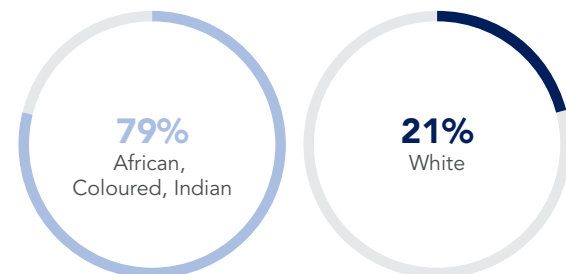
Figure 5

Distell's composition of South African-based workforce (as at 30 June 2021)

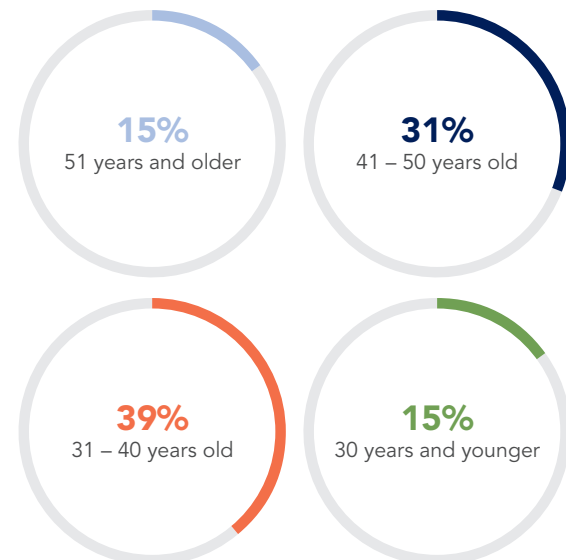
Gender



Race



Age



Key sustainability areas

Distell has identified areas along its value chain where it believes it can make the most significant impact and contribute towards sustainable development. These areas shape Distell's contribution to the United Nations Sustainable Development Goals (SDGs), which aim to end global poverty, protect the planet and ensure prosperity for all.

The 2021 financial year was the first year of setting targets for Distell's revised short-term incentive (STI) scorecard. Distell now has a better understanding of the complexities and opportunities for each SDG target. Distell is therefore using its 2021 financial year's actuals as its new base year, from which it has identified revised stretch targets for the 2022 financial year. Looking ahead, Distell's approach to identifying and setting targets will continue to evolve each year, as they challenge themselves to remain ambitious and focused on living its purpose.

Distell identified SDGs to help it realise its broader 2025 sustainability performance targets. To support performance against these targets, Distell instituted a group-wide STI scorecard that includes a focus on two key financial performance indicators (net revenue growth and free cash generation), as well as non-financial measures. These non-financial measures contribute 20% to the overall STI scorecard. These SDGs are:

Good health and wellbeing

- Decrease vehicle accidents attributable to drink driving
- Decrease the incidence of babies born with fetal alcohol spectrum disorder (FASD)

Gender equality

- Decrease the incidence of gender-based violence through a holistic, targeted, multi-layered and multi-faceted programme with measurable impact

Clean water and sanitation

- Reduce water usage intensity
- Reduce wastewater load discharged intensity

Decent work and economic growth

- Increase procurement spend with black-owned businesses as a percentage of total procurement spend
- Increase procurement spend with black women-owned businesses as a percentage of total procurement spend
- Create jobs that will support economic growth and community resilience
- Achieve a verified BBBEE rating of level 4

Responsible consumption and production

- Reduce non-renewable electricity usage intensity

People

Distell's South African-based number of full-time employees was 4 440 on 30 June 2021. Overall, Distell's headcount has evolved as a result of improvements to its operating model and the exiting of non-core activities, which is in line with its growth aspirations.

Key activities in the 2021 financial year were as follows:

- Distell revitalised its employee value proposition pillars and included a specific focus on diversity and inclusion. Distell's employee value proposition continues to evolve to attract and retain diverse talent and offer great employee experiences to its multi-generational workforce.
- Covid-19 accelerated new ways of working. Distell responded with agility and adapted its people practices to ensure these remain fit for purpose and aligned to key global human capital trends.
- Distell launched its Flagship Leadership Programme during the year. This programme aims to equip its leaders with the skills they need to inspire employees and help them thrive and flourish in the face of complexity. Learning and development remains a key element of Distell's business strategy and an integral component of its employee value proposition.
- Distell's focused and well-maintained employee safety, health and wellness programme and comprehensive occupational health and safety strategy remain in place.

| Stakeholder | Our approach |
|------------------|--|
| Employees | <ul style="list-style-type: none"> • Distell's employees are critical in enabling it to create memorable moments and craft a better future. • One of Distell's goals is to create a diverse and safe work environment for its employees, which is free of harassment or discrimination and with opportunities for career development. • A culture of respect, trust and mutual understanding is fostered through open, two-way communication. • Work-life balance is highly encouraged as part of the employee wellness programme. To grow Distell's future leaders, it invests in training programmes. • Through Distell's employee volunteer programme, employees can make a significant contribution to their communities. Distell ForGood is an online platform that enables employees to sign up and contribute to more than 350 non-profit organisations on the platform. |
| Suppliers | <ul style="list-style-type: none"> • Distell's continued success is highly dependent on its suppliers who provide the raw materials and services used in the production and marketing of its top quality alcoholic products. • Distell's suppliers can be assured of ethical behaviour and practices at all times; commitments fully met and on time including long-term and mutually beneficial relationships with Distell. • Suppliers benefit from a development programme which assists them with accessing developmental loans from financial institutions. • Distell collaborates with its suppliers to ensure all products are harvested and manufactured to the same environmental, ethical and human rights standards. This includes collaboration with leading industry players such as the WIETA. |

| Stakeholder | Our approach |
|---------------------------|--|
| Strategic partners | <ul style="list-style-type: none"> • Distell supports various strategic partnerships along its value chain, particularly in Africa, where the business partners to establish local manufacturing and route-to-market platforms. • Distell's growth strategy relies on opportunities for mutually beneficial relationships that are long term in nature and respectful in character. • Distell is signatory to the DTIC's Guidelines for Good Business Practice in Africa, which encourage South African companies to align their involvement and practices with the South African government's integration and development objectives in Africa, and to build mutual confidence, trust and benefit for the companies and societies in which they operate. |
| Communities | <ul style="list-style-type: none"> • Distell actively participates and invests in the many communities in which the company operates. • Distell recognises the importance of earning acceptance in the host communities and believes that communities should be better off because of Distell's presence. • Distell's CSI strategy is focused on sustainable economic initiatives that create positive and long lasting socio-economic impact for host communities. These include job creation, skills training, and empowering women. • Distell has also identified the arts as a catalyst for individual and social empowerment that supports community upliftment. |
| Government | <ul style="list-style-type: none"> • Distell engages with all levels and spheres of government, including national and regional Governments as well as government agencies such as regulators. • Distell believes that strong relations between government and the private sector are good for the development and growth of South Africa and society as a whole. • Distell supports government's broader developmental goals as contained in the National Development Plan and the country's transformation goals and efforts, which are aimed at creating opportunities to reduce poverty and inequality, and in particular, gender inequality. • This is guided by Distell's integrated BBBEE strategy and innovative approach to enterprise and supplier development. • Distell also creates value and maintains its licence to operate by complying with legislation. |
| Investors | <ul style="list-style-type: none"> • As providers of financial capital, investors have a vested interest in Distell and Distell wants to keep them informed about its financial performance and sustainability. • Distell builds investor confidence by demonstrating that it adheres to the highest standards of corporate governance and that Distell is a company that creates value and return on investment for all its stakeholders. |
| Trade customers | <ul style="list-style-type: none"> • Distell's trade customers (including wholesalers, retailers, tavern owners, etc.) are the interface between the business and its consumers. • Distell's engagement with trade customers focuses on demand trends to ensure supply consistency and facilitates a thorough understanding of its brand portfolio. • Distell's customer loyalty programmes, Bansela and Upsella, build relationships with tavern and counter service outlets in South Africa. Customers are incentivised to trade responsibly and to stock, price and display a specially selected portfolio of Distell products to earn "Bansela bucks". |
| Consumers | <ul style="list-style-type: none"> • Distell remains consumer focused by offering value, quality and innovative products. It engages across traditional and digital channels and values consumer feedback on its product offerings so that they can improve their experience of Distell's brands. In response to consumer needs, Distell expands its portfolio to offer consumers greater choice, for example recyclable packaging, premium non-alcoholic and low-alcohol brands and beverages with less sugar. • As a key player in the alcoholic beverages industry, Distell understands its responsibility to be part of the solution to reduce the harmful impact that alcohol abuse can have on health and wellbeing. It promotes responsible enjoyment of its products and invests in harm reduction initiatives, including responsible advertising. • Distell is a proud member of Aware.org.za. In addition, it has developed transformational partnerships with FASfacts and FARR. |

| Stakeholder | Our approach |
|------------------------|---|
| Environment | <ul style="list-style-type: none"> Distell knows that to continue to grow over the long term it must strive to be sustainable, take care of the environment and tackle the causes and impacts of climate change. Distell's environmental policy, supported by a dedicated organisation, focuses on both environmental stewardship and acting on climate change. |
| Industry bodies | <ul style="list-style-type: none"> Distell is represented on several industry bodies, including Business Unity South Africa, Business Leadership South Africa and the South African Liquor Brand owners Association. Through these bodies, Distell engages on matters relating to, among others, promoting responsible drinking, supplier and enterprise development, industry regulation, social compliance and matters of environmental concern. As a member of these bodies, Distell is also able to respond as an industry to global and local social, political and regulatory changes. |

BBBEE

The BBBEE codes were revised in 2020, with changes particularly impacting the skills development element. The impact of these changes was compounded by Covid-19, which prevented planned training from taking place. This substantially decreased Distell's previous skills development score. In the 2021 financial year, the business impact of lockdowns and alcohol sales bans further delayed planned expenditure on various programmes related to the other elements of the BBBEE scorecard, including preferential procurement, management control and employment equity. Despite these challenges, Distell's retained its BBBEE rating of level 4.

The Distell Development Trust (the Trust) is an important contributor to Distell's BBBEE score. As the Trust is required to operate as a B-BOS (Broad-based Ownership Scheme), it contributes towards the ownership element. The BBBEE points are awarded provided the Trust fulfils its mandate. This is assessed independently by an Independent Competent Person's Report.

Distell increased its preferential procurement score from 19.2 to 21.75 points out of a maximum of 29 (as per the amended codes). This is a 13.3% increase on the previous year. Distell also increased the spend in black-owned and black women-owned enterprises in its supply chain.

High-potential employees are supported to fast-track and accelerate their career development through various training and development interventions. Highlights for the 2021 financial year are:

- 99.6% of all learnerships, 100% of all internships and 59.1% of leaderships were awarded to African, Coloured and Indian employees.
- R24.5 million invested in training initiatives.

Distell's revised National Employment Equity Plan 2020 – 2024 has been rolled out across all business functions and sets key workforce transformation milestones. Transformation and diversity targets include a 75% directive on African, Coloured and Indian (ACI) appointments and promotions, and a 50% female directive on appointments and promotions. During the year, 37% of appointments (2020: 39%) and 35% of promotions (2020: 49%) went to female employees.

Distell made slow progress to narrow the gap between male and female employee appointments and promotions during the year. This was due to limited opportunities as a result of the

moratorium on vacancies and the strained economy. Distell recognises that this will require a more concerted effort going forward and remains fully committed to attaining its aspiration of 50% gender representation across all management occupational levels. Initiatives in place to support Distell's female leaders and working mothers:

- Distell launched a nursing room at its head office and plans to cascade this service to sites are under way.
- Distell continuously reviews its policies with a gender-based lens to eliminate any barriers.
- Distell supports parents on maternity leave through Unemployment Insurance Fund assistance.
- As a UN Women signatory, Distell continuously strives to apply the Women's Empowerment Principles (WEPs) throughout its value chain. Distell used the WEPs Gender Gap Analysis Tool in November 2018 to assess gender equality within its business. Developed in consultation with more than 170 companies, this online tool uses a global framework and helps companies identify strengths, gaps, and opportunities to improve their gender equality performance.
- Gender equality is integrated into Distell's Gender Acceleration Framework, which was launched during the year. This framework is aligned with the UN Women flagship programming initiatives and aims to create an inclusive culture, eliminating barriers in the workplace and allowing women access to opportunities.

Over the past 12 months Distell has made progress against its employment equity targets for appointments and promotions within the business. The oversight of targets and performance against targets for top management will remain an area of focus in the new financial year.

Key partnerships and collaborations along Distell's value chain

Distell's Social Compact focuses on four key areas to reduce the harmful impact that alcohol abuse can have on individuals, society, health and wellbeing. These focus areas are:

- Responsible trade – promote responsible trading and Covid-19 safety protocols
- Road safety – reduce drinking and driving (and road fatalities)
- Binge drinking – promote a culture of responsible consumption of alcohol
- Gender-based violence and femicide (GBVF) – promote a culture of breaking the cycle of GBVF

Distell remained a sponsor of the Stellenbosch University Small Business Academy's Development Programme. Distell again partnered with Ranyaka Community Transformation to support the Chicago Development Initiative: a community-led intervention that aims to increase the resilience and prosperity of Chicago, a community situated in Paarl East in the Western Cape that struggles with high levels of poverty. Distell also partnered with the Chrysalis Academy, which unleashes the potential and deepens the resilience of youth across the Western Cape through an empowering three-month residential programme.

Empowerment of communities through arts and culture remains a focus. Sponsorships during the year included Zabalaza Theatre Festival and Body of Evidence. Launched in November 2020, Body of Evidence was a multi-faceted, three-phase campaign to create awareness about gender-based violence and femicide.

GreenUP remains Distell's flagship recycling programme that aims to create employment, prosperity and cleaner environments by formalising an effective value chain for the collection, separation and processing of recyclable post-consumer waste in the informal sector. GreenUP is about empowering communities and includes the creation of sustainable income streams for environmental assistants (EAs) (also known as waste pickers), who are provided with training, resources and access to recyclable waste buy-back centres (BBCs) near their working environments. This helps to empower entrepreneurs with the tools they need to operate solid-waste recycling, sorting and collecting businesses and instils them with a sense of purpose and dignity. The BBCs also help to address the low percentage of recyclables being collected from landfills and at source. GreenUP is a tripartite agreement between public and private stakeholders. 165 EAs are registered with seven BBCs in Khayelitsha.

Other partnership highlights for the 2021 financial year include:

- GreenUP was named the winner of the Recycling Partnership Gamechanger category in the 2021 annual PETCO Awards. These awards are South Africa's premier environmental awards initiative, recognising excellence in reuse, recycling and waste minimisation among businesses, organisations, community groups and individuals within the South African polyethylene terephthalate (PET) plastic industry.
- All 165 EAs attended substance abuse training which was delivered in partnership with PROCARE.
- 67 EAs were part of the government's Expanded Public Works Programme in 2021. This is a key national programme aimed at providing poverty and income relief through temporary work for the unemployed.
- Ongoing partnership with Kudoti (an app developer helping Distell to build a digital platform that will support its local waste-management industry).
- Leveraging the information, abilities and ideas gained through its flagship programme GreenUP, Distell partnered with external stakeholders to roll out recycling initiatives elsewhere in South Africa and in Mozambique.

Distell's Taverner Training Programme is designed to empower female taverners with basic business and in-trade execution skills to grow their businesses sustainably. The programme was launched in 2019 and advances collaboration from the

boardroom to the taverns along Distell's value chain. The programme focuses on women-owned taverns and counter service outlet owners, offering them various courses on common retail issues and operational challenges as well as opportunities. It also provides insight into how they can utilise marketing tools to grow their business and execute in ways that excite consumers. The module touching on responsible retailing empowers and encourages tavern owners to operate in a socially responsible manner within communities. The programme is typically run over two days and consists of interactive training and development. However, Distell adapted the programme to overcome the challenges of Covid-19. Distell therefore offered two platforms: classroom-based as well as online training through social media platforms (WhatsApp and YouTube). The online training included a series of short videos that touched on topics such as responsible retailing, pregnancy and drinking, underage drinking, drinking and driving and more. In the 2021 financial year, 552 retailers participated in the classroom-based training programme. The programme delivered on its primary objective to empower female taverners, with 82% of attendees being women. Online training reached an average of 12 642 retailers.

Environment

Distell understands its long-term sustainability is intrinsically linked to the natural resources Distell depends on, from farm to consumer and back again. Distell must therefore ensure its supply chain practices are efficient, agile and protect the environment – while meeting its customers' requirements in full. Distell carefully manages its supply chain to ensure Distell delivers reliably, responsibly and sustainably and at the right quality. Distell monitors its performance against 2025 aspirational goals related to water, electricity, fossil-fuel-based energy usage, GHG emissions and wastewater discharged. These 2025 aspirational goals are broken down into annual sub targets to help it drive yearly improvements and ensure Distell reaches its long-term goals.

Quality

Quality is a critical component to ensure Distell delivers superior products and packaging. This includes working with procurement to establish quality requirements for external suppliers; ensuring that Distell's manufacturing and production processes meet international and national quality standards for each product type; and establishing and maintaining quality controls. Distell conducts on-site audits and, where necessary, assists suppliers to improve their production processes to ensure consistent quality. This ultimately ensures Distell functions as effectively as possible to stay ahead of its competitors. Distell's quality scorecard is carefully monitored and its performance against targets is reported to the Sustainability Council and to the SEC.

Distell's complete Sustainability Report is available on its website at www.distell.co.za.



Siqalo Foods

Introduction

Siqalo Foods is a business that has been part of South Africa’s rich history for almost 70 years. Growing from this heritage, it embraces tomorrow and the opportunities it holds – “Siqalo” means “new beginnings”. Siqalo Foods was launched in 2018 when Remgro completed the purchase of the Spreads business from Unilever South Africa Holdings Proprietary Limited (Unilever). The business is a wholly owned subsidiary of Remgro and is the leading manufacturer of some of South Africa’s most loved spreads brands like *Rama*, *Stork*, *Flora* and *Rondo*.

Governance, risk management and compliance

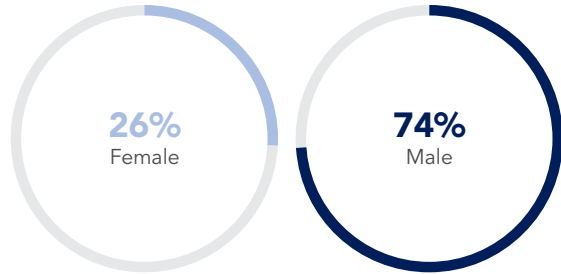
Siqalo Foods’ board of directors currently consists of two Remgro representatives who are also responsible to ensure that the business adopts and implements Remgro’s policies, processes and procedures to warrant that good corporate governance and sustainability practices are executed. Siqalo Foods has established its own social and ethics committee at the end of the 2021 financial year and reported directly into the Remgro Social and Ethics Committee, as well as the Audit and Risk Committee of Remgro, during the year under review through the Siqalo Foods board. Remgro’s internal audit division is ultimately responsible for all internal audit matters at Siqalo Foods with the assistance of RCL Foods’ internal audit and reports directly into Remgro’s Audit and Risk Committee.

RCL Foods is appointed by Siqalo Foods to manage all aspects of Siqalo Foods’ day-to-day business operations. The management services agreement between Siqalo Foods and RCL Foods states that RCL Foods will provide independent assurance that Siqalo Foods’ risk management, governance and internal control processes are operating efficiently in relation to the services provided by RCL Foods.

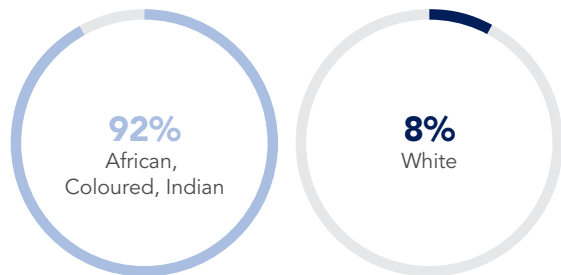
Figure 6

Siqalo’s composition of workforce (as at 30 June 2021)

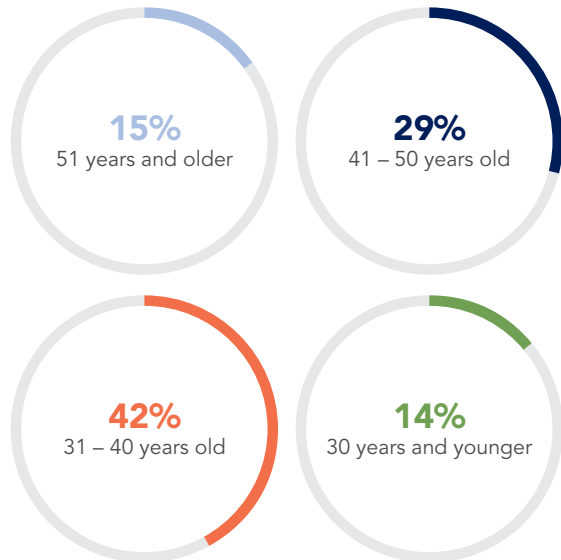
Gender



Race



Age



| Stakeholder concerns | Risk management approach |
|-----------------------------|--|
| Product quality | <p>Dedicated quality controllers are appointed and allocated to each production shift to ensure the highest quality standards are adhered to.</p> <p>Monthly quality meetings are held to discuss any concerns or problem areas and to implement corrective measures.</p> <p>On-site batch testing facility with dedicated staff to guarantee that quality standards are upheld on all finished goods.</p> |
| Safety | <p>Dedicated safety officers are identified and employed throughout the plant.</p> <p>Regular safety inspections are performed and analysed by senior plant management monthly.</p> |
| Customers | <p>Continue to grow mutually beneficial partnerships to drive growth and profitability for all stakeholders and the category at large.</p> <p>Leverage of RCL Foods “best in class” service methodologies to drive common ways of working across all customer teams.</p> |
| Consumers | <p>Ongoing focus to guarantee the highest product quality and food safety at affordable prices.</p> <p>Commitment to and compliance with regulations instituted by government and regulatory boards to ensure production of safe and nutritional products.</p> |
| Employees | <p>Continued focus on the talent agenda and talent management tools has ensured that the business has been able to maintain its current strong talent bench.</p> <p>Work continues to build upon the now established industrial relations environment at the shop floor level.</p> <p>Shop floor structures including engagement forums through various worker representative committees are well established.</p> <p>Siqalo Beliefs and Behaviours have been defined and communicated to all employees across the business.</p> <p>Focus on all employee’s health, safety and wellness remains a key priority and a continuous agenda item, especially during the Covid-19 pandemic.</p> <p>The business has implemented numerous processes and protocols to ensure that it adheres to all Department of Employment and Labour and Department of Health regulations to decrease the risk of infection at the workplace.</p> |
| Environmental impact | <p>The continuous monitoring of the production plant’s impact on the environment with regards to pollution, waste management and energy efficiencies and commitment to sustainable sourcing practices.</p> |

Key sustainability areas, risks and opportunities

Stakeholder concerns at Siqualo Foods mainly involve areas such as product quality, safety, customers, consumers, employees and environmental issues. Page 44 contains a summary of how Siqualo Foods addresses these issues.

People

2021 Achievements

The 2021 financial year has, in many ways, represented a watershed year for Siqualo Foods. During the 2020 financial year, the focus was to maintain business continuity post the exit from Unilever whereas the 2021 financial year has seen Siqualo Foods establish and integrate many of its own purpose-led talent practices.

Siqualo Foods has established a robust talent review model and practice, which has allowed for the identification of critical roles and key talent. This has ensured seamless succession planning and effective talent management with the focus on the retention of key talent and building future capability.

During the 2021 financial year Siqualo Foods has continued to seek and build upon opportunities to further enhance the skills and knowledge of employees and, due to Covid-19, how best it could provide its employees with the right capabilities to manage and navigate through very unusual times.

Siqualo Foods is embarking on a Management Development Programme (NQF level 5) that will equip its emerging leaders with leadership competencies for future opportunities. Siqualo Foods together with key stakeholders developed Covid-19 toolkits that were designed to educate and equip employees with the information and mindset needed to protect themselves as well as their families and loved ones.

To support its employees during these business unusual times, due to Covid-19 lockdown restrictions, Siqualo Foods has also launched an online virtual "Staying Strong" training which focused on providing employees with support structures to manage the stress and anxiety that come with working from home. Furthermore, to promote team collaboration, Siqualo Foods has set up Team Connect and Dialoguing sessions that helped build deeper connectedness and adaptability within teams and enhanced their capacity to be more agile and innovative while working remotely.

Considering many of its employees having to work from home, Siqualo Foods continued to maximise technology, and have procured additional LinkedIn licences, which has enabled employees to access bespoke learning material that they can engage with at times most convenient to themselves and within the safety of their homes. Some of the courses included finance foundations, Excel training, business etiquette, "The leader habit" and workplace productivity.

However, Siqualo Foods' focus was not only to support its own employees but to also provide learning opportunities for others. In this regard, Siqualo Foods offered 12 learnerships for people with disabilities. These learnerships ran from 1 June 2020 to

31 May 2021 and was aimed at providing the learners with practical learning experience in assisting them towards obtaining a National Certificate in Business Administration (NQF Level 3). The duration of the programme was 13 months. This included classroom based training and practical on the job training. A portfolio of evidence (POE) was completed by each learner. All the learners were deemed to have a 100% competency rate at the end of the learnership.

Employee engagement/employee relations stability

Building sound, trust-based relationships with unionised employees remain a key focus area for Siqualo Foods. As a result of appointing a Manufacturing Executive and an HR Business Partner at Boksburg, we have seen more authentic and fluid conversations being held between management and union members, which has contributed to the development of a mutually respectful relationship.

The launch of the mobile communication platform "Let's Talk" in the 2019 financial year has continued to prove an invaluable platform through which to communicate and engage with employees. This has been particularly evident during the Covid-19 lockdown period where the ability to hold townhall sessions and alike have been prohibited. The Let's Talk app has therefore ensured that the employees at Siqualo Foods have been able to remain connected to management and to each other as a broader community through various initiatives which have been rolled out through the app during the 2020 financial year. Some of the new value-added initiatives which have been rolled out during the 2021 financial year include Covid-19 self-screening for National Office employees; publishing "Meaningful Mondays" newsletters focused on the wellbeing of Siqualo Foods' employees, education and communication around Covid-19; and safety incident logging making it easy for staff to log safety issues and drive a safety culture.

Culture, diversity and inclusion

Building a new culture has been another key focus area – as reflected in Siqualo Foods' Belief statements and Vision. A five-year Employment Equity Plan was put in place during the 2019 financial year to promote equal opportunities and fair treatment for all its employees. Progress, in line with Siqualo Foods' targets, has been made during the 2021 financial year with its management representation of African, Coloured and Indians, tracking ahead of its five-year targets because of targeted recruitment and succession plans.

In addition to driving the delivery against its Employment Equity targets, Siqualo Foods has also embarked upon launching a series of diversity and inclusivity "Conversation Circles" around how to create a more diverse and inclusive culture at work. To date, 12 "Conversation Circles" have been run across the business and all functions and sites have participated. This remains a key agenda item for Siqualo Foods during the coming year.

Siqualo Foods conducted its first "Employee Engagement Survey" during the 2021 financial year. The aim and intention of the survey was to get a sense from employees how people were feeling about working at Siqualo Foods. The survey contained

50 questions which covered 12 key dimensions focused on Siqalo Foods' Beliefs. All employees were able to participate in the survey and various mediums were used to solicit feedback from paper-based surveys to on-line surveys. Overall, Siqalo Foods had a response rate of 42%, (72% response rate from National Office and a somewhat disappointing 26% response rate from Boksburg). This did give the Executive a good sense of some of the burning issues for employees and the results will be communicated back to all employees to ensure that the business can continue to leverage on its strengths and to manage and address the lower scoring dimensions.

Employee health, safety and wellness

Siqalo Foods is committed to promoting employee health, safety and wellness. The occupational healthcare efforts are aimed at ensuring that employees are monitored, and their exposure to risk is kept to a minimum. A core occupational and primary healthcare service is provided to all employees at the Boksburg site.

BBBEE

Siqalo Foods is still a new company that is currently in the process of improving on its BBBEE processes and procedures. The business is structured to procure and import a material amount of its raw materials from international businesses and therefore the business needs to focus on improving its designation sourcing spend. The business remains committed to show progress in this regard in the 2022 financial year.

Corporate social investment (CSI)

Siqalo Foods' CSI initiatives are manifold and span across the short term and long term.

One of its long-term CSI initiatives includes the Rama Good Breakfast Schools Programme. Established in 2017, based on a white paper, which revealed that school aged South African children who regularly skipped breakfast struggle to concentrate in class, thus affecting school performance. Currently one in five children in South Africa do not consume breakfast and of those that do, a large majority are not eating what is deemed to be a nutritious breakfast.

The programme was created in conjunction with several internal and external partners, chief of which is the Department of Basic Education. The mission of the programme is to make a nutritious breakfast an everyday reality for all South African children.

The project has to date reached just over 500 000 school going children. The 2020 financial year marked some of the highest reached figures as the project found its way to Gauteng. Unfortunately, with the challenges of Covid-19 and a national lockdown in the 2020 and 2021 financial years the programme had to be reimagined and reconfigured with key stakeholders as physically going into schools was not a possibility.

The new and interim version of Siqalo Foods' programme, to be delivered in the 2022 financial year, will be delivered predominantly digitally using the WhatsApp platform. This was accepted and signed off by the Department of Basic Education and will be rolled out from September 2021.

Previous results have shown a 13% improvement in awareness of the definition of breakfast and the importance thereof. There was a 4% improvement in understanding the best time to consume breakfast in the morning, and a 10% increase in understanding the food groups and the importance of these in the body.

Most encouragingly is the decline in children who arrive at school without having eaten breakfast.

In 2022 the project will continue in Gauteng.

Some of Siqalo Foods' short-term CSI initiatives include quarterly product donations to Love to Give, Domino Foundation, Dennis Hurley and Ikamva. In addition, Siqalo Foods has partnered with the Do More Foundation on multiple occasions and will continue to do so into the 2022 financial year to ensure that it is filling the bellies of the neediest amongst us.

Covid-19

Lockdown has meant that consumers have had to spend disproportionately more time at home than ever before and this has radically impacted consumer behaviour. "Baking, spreading, cooking, frying and topping to add flavour" is what defines spreads from a functional perspective, and it is this versatility that has enabled consumers to do more, without having to spend more.

Therefore, the more time consumers spend at home (versus eating out), the more consumption opportunities there will be for the category. It is this increase in category usage that will continue to drive future growth of the spreads category.

The increase in category usage is not the only trend that we've seen during this period. Many South Africans have not been back to work, and rising unemployment and salary reductions have resulted in increased relevance of the value and economy segments.

The business has largely been able to meet its production requirements during the lockdown; however, this hasn't been without its challenges. The business has needed to increase its stock holding of raw materials, especially those that are imported, to mitigate the risk of shortages during this period. As expected, there have also been challenges experienced at the production facility due to positive Covid-19 cases. The implementation of the associated protocols as required by regulations regarding isolation has impacted production output as and when the cases arose.

The business will continue to prioritise the safety of its employees and the initial quick implementation and adoption of policies and protocols as prescribed by the leading authorities have resulted in very few employees testing positive to date.

Environment

Refer to the "Environment" section on page 49 where the environmental practices of Siqalo Foods are also incorporated.

For more detail regarding Siqalo Foods, refer to its website at www.siqalofoods.com.



Wispeco

Introduction

Wispeco is a wholly owned subsidiary of Remgro and has become one of South Africa’s leading aluminium suppliers. Its main business is the manufacturing and distribution of extruded aluminium profiles used mainly in the building, engineering and durable goods sectors. Currently, Wispeco is the largest supplier of aluminium to the architectural market and leads the way with development of architectural aluminium products to meet market needs.

Governance, risk management and compliance

Wispeco’s board of directors currently consists of four directors of whom one is independent. Remgro currently has two representatives on Wispeco’s board and as part of their duties they ensure that sound corporate governance and sustainability practices are followed through the adoption and implementation of Remgro’s policies, processes and procedures. Wispeco’s social and ethics committee meets twice a year.

Wispeco’s audit committee consists of three non-executive members and, in terms of the Companies Act (No. 71 of 2008 as amended), it is considered a duly constituted audit committee, which reports directly to the Wispeco board. The

Remgro Audit and Risk Committee satisfied itself that this committee functions independently. Remgro’s internal audit division is responsible for all internal audit work at Wispeco and in this regard assists the Wispeco board to maintain a comprehensive risk management system.

Key sustainability areas, risks and opportunities

Stakeholder concerns at Wispeco mainly involve areas such as product quality, safety, raw material procurement, customer service and environmental issues. The table on page 47 provides a summary of the ways in which Wispeco addresses these issues.

Low-cost imported copies of its products represent the main risk area to the long-term sustainability of Wispeco’s manufacturing business. This, however, presented Wispeco with the opportunity to improve its production efficiencies and develop competitive pricing structures.

People

The remuneration rates of unionised employees (representing approximately 80% of the permanent workforce of Wispeco) is determined by the Main Agreement periodically negotiated through central bargaining. Current wage negotiations are underway; however, parties have reached a deadlock. Due to this deadlock, Wispeco is considering implementing an increase of 4.4% as an interim measure. Once the wage negotiations are finalised, the increases will be revisited to align to the agreed rates. Wispeco will also apply an increase for those employees who are not governed under the Main Agreement (those referred to as non-scheduled employees).

| Stakeholder concerns | What we do |
|---------------------------------|---|
| Product quality | <ul style="list-style-type: none"> • Appointment of dedicated quality controllers on each production line to ensure production within defined tolerance levels and specifications. • Monthly quality meetings where quality trends are monitored and problem areas identified and resolved. • Extrusions produced according to BS-EN755, finishing produced according to international quality standards: Qualicoat (Powder Coating) and Qualanod (Anodising). |
| Safety | <ul style="list-style-type: none"> • Dedicated safety officer supported by safety representatives on plant level. • Monthly safety inspection reports for submission to monthly safety meetings. |
| Raw material procurement | <ul style="list-style-type: none"> • High-quality virgin billet procurement from two dedicated sources around the globe. • Extensive procurement of second-hand aluminium which is sorted to remove impurities and blended with virgin material to correct metallurgical composition to specification. |
| Customer service | <ul style="list-style-type: none"> • In line with its vision of “One-Day-Delivery”, Wispeco is able to activate spare capacity and overtime shifts in all operational units on short notice to deal with any peaks in order intake. • Shift systems allow for a large degree of flexibility in terms of labour availability and production capacity. • Flexible production scheduling allows for urgent orders and special requests from customers to be included in daily production schedules. |
| Environmental impact | <ul style="list-style-type: none"> • The continuous monitoring and controlling of effluent waste streams from Wispeco’s anodising and powder coating plants to ensure compliance to required discharge limits. • The continuous monitoring of energy usage to ensure maximum efficiency and to identify opportunities for energy usage reduction. |

Employment Equity (EE) within Wispeco is managed through an employment equity committee (EE committee) that meets on a quarterly basis and provides input on the finalisation of the annual EE reports submitted to the Department of Employment and Labour as well as Wispeco's EE Plan. The focus is on promoting equity in the workplace, ensuring that all employees receive equal opportunities and that employees are treated fairly. The existing EE Plan expires next year, and preparations will start in the final quarter of this calendar year to develop a new plan. A collaboration between the EE and training committees has been established to ensure that skills development initiatives are aligned with race and gender underrepresentation.

Wispeco management recognises its responsibility towards health and safety, as well as improving the working environment of its staff. In this regard, Wispeco has a dedicated Safety Officer that is responsible for the management of Wispeco's health and safety programme. Each department also has a dedicated safety representative, which conducts monthly safety inspections. Each department is required to have a monthly non-statutory Health and Safety meeting, where important topics are discussed and reported on. Major safety-related issues, which cannot be resolved on departmental level, is brought to the quarterly statutory health and safety committee meeting (these are often issues that require additional funding etc.).

During the year ended 30 June 2021, the injury rate at Wispeco had reduced significantly toward the end of the year with a total of 47 injuries in Q1 versus 8 injuries in Q4. Reportable cases in terms of the Compensation for Occupational Injuries and Diseases Act (No. 130 of 1993) amounted to 24 during the year under review (2020: 26 cases). A comprehensive compliance audit was conducted by Makro Safe in March 2021 and the Safety team has already started working on some of the critical findings. Occupational Hygiene surveys are underway in each department.

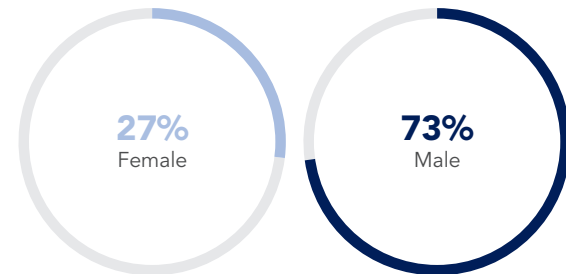
Wispeco is committed to providing a safe and healthy working environment for all employees and the HIV/Aids Policy is intended to support this. HIV/Aids training programmes are conducted from time to time and continuous individual counselling sessions are facilitated by the Clinic Sister for affected employees. Wispeco also supports the government's Antiretroviral (ARV) programme and ensures the confidentiality of all employees' HIV status. A qualified medical practitioner also visits the in-house clinic once a week to assist with issues that are more complex.

A well-established training committee within Wispeco is responsible for identifying the training needs of staff and for the development of training programmes, which enable staff to maintain and develop the required skills in order for Wispeco to remain competitive in the market. These initiatives include formal training programmes in the form of learnerships for leadership development, as well as technical training in the form of apprenticeships. Although leadership development initiatives

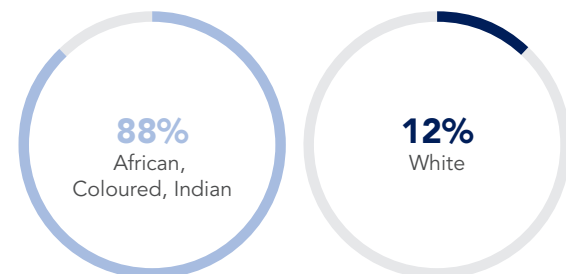
Figure 7

Wispeco's composition of workforce (as at 30 June 2021)

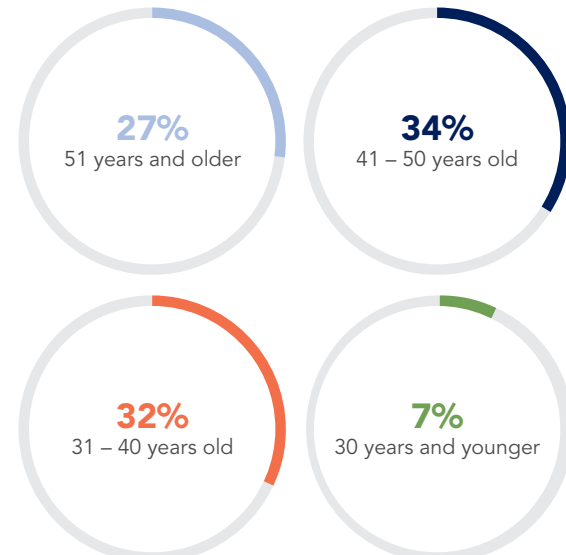
Gender



Race



Age



are continuing, the focus of the skills development plan has shifted to the shop floor. The main objective is a workforce with a shared language in terms of continuous improvement, quality, productivity and safety. Wispeco aims to enable all employees to participate in improvement initiatives and working towards a sustainable future. Wispeco hosted various learnership programmes in Alrode and in Cape Town. There are 17 learners on various NQF Level learnerships in Cape Town. In Alrode there are currently 29 learners that have completed a Production Technology (NQF level 2) qualification and 10 learners that have completed a Certificate in Management: Process Manufacturing (NQF level 4). A new group will be starting on the Certificate in Management (NQF level 3) qualification at Alrode in September 2021. Wispeco also provides experiential learning opportunities for young engineers to assist them in obtaining their engineering qualifications. Wispeco currently hosts eight experiential learners in various production departments.

Wispeco also has a proud record of training people with disabilities, with formal technical training for the deaf having been provided for the past 15 years. In this regard, the Alrode 2020 group of 11 deaf students from previously disadvantaged communities completed the aluminium fabrication learnership in May 2021. The late finish date was because of the training being suspended due to lockdown. A new deaf group will start in January 2022. Training for the 8 Wispeco learners at V.N. Naik School for the deaf in KwaZulu-Natal resumed and the group should finish the learnership later in 2021. As in previous years, the MERSETA has ring-fenced discretionary grant funding for Wispeco for this group of deaf learners. Wispeco aims to train but also to assist in finding employment opportunities for these students and ensure successful integration into the workplace. The latest permanent appointment was at the end of February 2020. Wispeco has assisted a total of 31 people with disabilities, who completed their learnerships, to find employment opportunities.

Training expenditure for 2021 amounted to over R7 million (2020: R7 million).

BBBEE

Wispeco latest BBBEE verification was concluded during September 2020 and a Level 5 status, which equates to 80% procurement recognition and a total of 75.21 points on the generic scorecard was achieved (September 2019: Level 5, 77.33 points). Wispeco anticipates retaining its Level 5 status based on the 2021 financial figures. The elements of skills development, enterprise/supplier development and socio-economic development continue to be a priority to Wispeco.

Corporate social investment (CSI)

Wispeco's CSI programme mainly involves training in the fabrication and installation of architectural products. The training initiative enables trainees to perform an income-generating activity. This practical training is facilitated by experienced trainers in technical training centres situated in Cape Town, Durban and at Wispeco's head office in Johannesburg. During the past year the initiative was on hold as the Covid-19 risk for extra people on site was too high.

Another aspect of Wispeco's CSI programme is the SpazAL franchises. The SpazAL initiative aims to empower young black entrepreneurs to start and successfully run aluminium fabrication businesses in rural areas around the country. There are currently eight active SpazALs operating in the Gauteng and Limpopo areas. Since the programme started in 2006, these SpazALs have collectively purchased more than R21 million worth of aluminium and hardware products from Wispeco Crealco Distribution Partners (CDPs). In February 2021 a new group of 25 students started the New Venture Creation and Entrepreneurship Short Learning Programme with the Tshwane University of Technology in Soshanguve. Twelve students (including three black females) have already gained contracts from local clients in the Mabopane, Soshanguve and Ga-Rankuwa areas during their first seven months of studies. A large part of the programme focusses on individual coaching and mentoring. The support for the SpazAL initiative continued with donations of equipment, sliding doors, metal and the setting up of a temporary workshop in Soshanguve for training. A total value of R1.6 million was spent. Ongoing support and education from Wispeco will continue to ensure survival and prosperity of the SpazALs.

Covid-19

Wispeco commenced post-lockdown operations on 4 May 2020 with a 50% workforce utilisation as prescribed by the published level 4 guidelines. A company Covid-19 compliance officer was appointed, and a detailed workplace readiness plan was compiled after conducting a comprehensive risk assessment of all areas. Wispeco's site was equipped with designated daily screening and testing stations, a dedicated isolation station, more than 150 Covid-19 awareness and prevention posters, 120 sanitiser dispensers and social distancing signage was introduced at all high traffic areas. Initial induction and Covid-19 awareness training was provided to every employee entering the site post-lockdown, followed by regular awareness and prevention presentations. Wispeco has recorded 75 positive Covid-19 cases, of which 70 have fully recovered, one is still in recovery and regrettably four fatalities were recorded.

Environment

Refer to the "Environment" section below where the environment practices of Wispeco are also incorporated.

For more detail regarding Wispeco, refer to its website at www.wispeco.co.za.

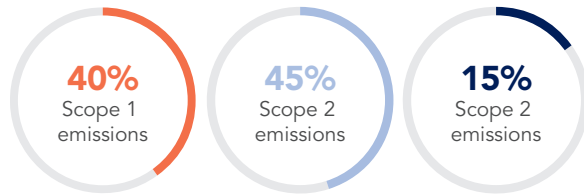
Environment

2021 has been a year of greater understanding of the essential role environmental services play in the global economy. The drivers are many, including the Covid-19 pandemic and the desire to "build back better"; increased investor demand for transparency, especially with relation to climate change; changing consumer behaviour; and the increase in frequency and severity of extreme weather events. All Remgro businesses are influenced by such trends and, as individual entities, are responsible to their diversified stakeholders as well as to Remgro as their parent company, for the appropriate management of critical environmental issues such as greenhouse gas emissions; energy; water consumption; and the generation and safe disposal of waste products.

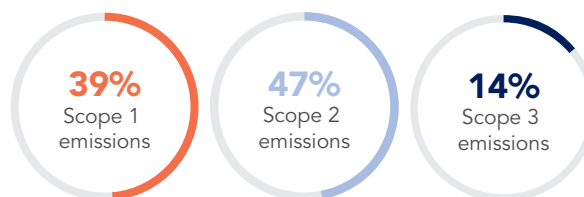
Figure 8

Remgro's GHG emissions (equity portion) (tCO₂e)

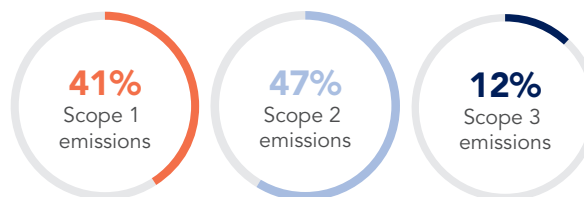
2021



2020



2019



In line with the Remgro Safety, Health and Environment (SHE) Management Policy, the Remgro Board has overall responsibility for environmental practices implemented and maintained by Remgro Management Services Limited (RMS – the Service Company), and these are overseen by both the Social and Ethics Committee and the Risk, Opportunities, Technology and Information Governance Operational Subcommittee (a subcommittee of the Audit and Risk Committee). The SHE Policy commits Remgro and its subsidiaries, managed and administered by the Service Company, to full regulatory compliance; minimisation of environmental impact; participation in relevant reporting outputs; responsible environmental investment; and transparency in environmental reporting procedures. In the year to come, a formal Environmental, Social and Governance (ESG) Committee of the Remgro Board, as well as a Management Operational Committee will be formed to formally address the ESG environment through formalised terms of reference.

At the separate operating subsidiary level (i.e. RCL Foods, Siqalo Foods, Distell and Wispeco), environmental management is the responsibility of the subsidiary executive teams who are expected to adhere to the Remgro SHE Policy and report to their boards on which Remgro is represented. Each subsidiary sets their own environmental targets in alignment with their sector expectations and have autonomous decision-making powers on how these targets are to be achieved.

As separately listed companies on the JSE, RCL Foods and Distell also report their environmental performances through their annual integrated and sustainability reporting procedures, and into third-party reporting initiatives such as the CDP (formerly Carbon Disclosure Project) on its climate change, water security and forestry questionnaires.

For the purposes of this report, Remgro presents the environmental figures of those subsidiary companies in which it has an equity interest of greater than 50%. This is guided by current environmental reporting practices and includes RMS, RCL Foods, Siqalo Foods and Wispeco. In terms of the Remgro carbon footprint and in accordance with the Greenhouse Gas (GHG) Protocol, the "equity share" approach is adopted, where carbon emissions are apportioned to Remgro in alignment with its equity ownership of the subsidiary, hence: RMS – 100%; Wispeco – 100%; Siqalo Foods – 100%; and, RCL Foods – 74.5%.

At a Remgro Board level, close monitoring continues of emerging trends in future environmental reporting such as the GHG Protocol; Science-based Targets; and, the TaskForce for Climate-Related Financial Disclosures (TCFD).

2021 highlights

- Remgro awarded an A- in 2020 CDP Climate Change (up from a B in 2019)
- 1.6% decrease in purchased electricity
- 322% increase in generation of solar renewable energy at RCL Foods
- 181% increase in generation of biogas renewable energy at RCL Foods
- Purchase of 116 023 kWh of renewable (photovoltaic) electricity at Millennia Park (Remgro head office)
- 7.5% decrease in total water consumption (municipal and non-municipal)
- RCL Foods’ participation in the South African Plastics Pact
- RCL Foods’ participation in 10x20x50 initiative to halve food loss and waste by 2030

GHG emissions

Climate change is an issue of critical global importance and the management (and reduction) of global warming GHG emissions is the responsibility of all economic sectors and participants.

At a group level, Remgro measures and independently verifies the GHG emissions of its majority-owned subsidiaries and reports according to the equity-share approach in which its emissions are reflective of its shareholdings in each subsidiary company. Remgro also participates in the CDP investor database process, improving its score from a B to an A- from 2019 to 2020 – one of only 15 South African companies to score an A- or higher.

A minor reduction in Scope 1 (direct emissions from owned and controlled equipment) and Scope 2 (indirect emissions from the purchase of electricity) was achieved in 2021, despite production volumes returning to pre-Covid-19 lockdown levels. However, due to Remgro’s increased percentage ownership of RCL Foods, this records as a minor increase in Scope 1 and 2 emissions (see graph below). These reductions were due to the installation of various

renewable energy initiatives within RCL Foods’ operations (solar photovoltaic, bagasse co-generation and waste-to-value plants) and the installation of additional photovoltaic capacity at Millennia Park (Remgro head office).

Scope 3 indirect emissions (emissions upstream and downstream in the Remgro companies’ value chains) increased by 11% as a result of increased production waste and an audit of RCL Foods’ 2020 waste to landfill by their service provider in which figures from both 2020 and 2021 needed to be restated. Upstream distribution emissions also increased due to the inclusion of transportation figures at Wispeco, being reported for the first time, where previously such data was unavailable. Business travel decreased significantly, following greater “work from home” scenarios as a result of the Covid-19 pandemic.

The impact of the South African carbon tax, introduced in June 2019, is monitored by the respective subsidiary companies. RMS’ carbon tax liability is independently assessed, with Falconair being the only entity incurring the tax for its South African flights. It can be expected that a new tax regime with different tax-free thresholds will be introduced in the second phase of the carbon tax that is to be implemented from January 2023.

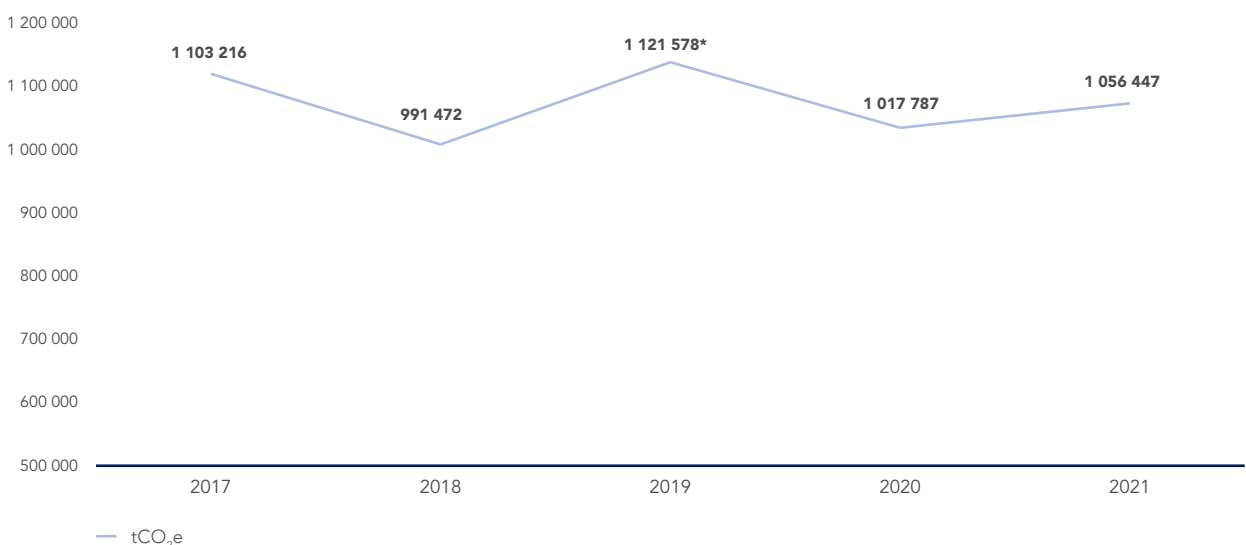
Energy

As significant consumers of energy, all Remgro’s subsidiaries are focused on energy efficiency measures and the replacement of fossil-fuel based energy with renewable energy sources. This is relevant in the South African context with intermittent load shedding realities continuing through 2020 and 2021; inflationary pressures on energy prices; and high carbon content of the national electricity grid.

While electricity consumption from the national grid was consistent year-on-year across all subsidiaries, Remgro was able to reduce its annual consumption by 23% as a result of the installation of third-party solar panels at its head office in Stellenbosch.

Figure 9

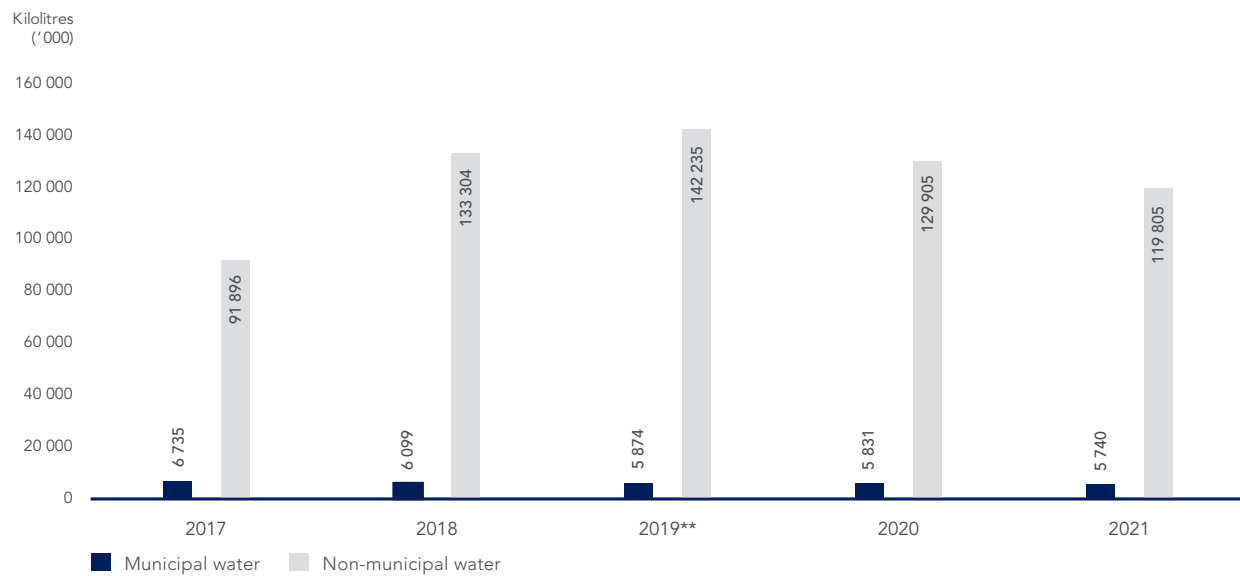
Remgro GHG emissions (equity portion) (scope 1, 2 and 3 and outside scopes)



* Siquo Foods included for the first time.

Figure 10

Total water consumption 2017 – 2021*



* The water consumption reflects 100% of the consumption by all subsidiaries.

** Siqalo Foods included for the first time.

RCL Foods' ambition to be energy self-sufficient is being driven by a roadmap that sets a target of 50% of electricity needs to be self-generated and a reduction in coal consumption of 50% by 2025. During 2021, 149 gigawatt-hours (GWh) of bagasse-based co-generated electricity was produced, supplying 88% of the RCL Foods' sugar mills electricity requirements while a further 13 GWh was exported to the Coega Industrial Development Zone outside of Gqeberha. RCL Foods' newly completed "waste-to-value" plant at its Rustenburg chicken facility increased the amount of electricity generated by these plants by 182% (13.4 GWh in total), while the generation of rooftop solar power was increased by 509% (to 1.3 GWh) due to two new installations in Nelspruit and the Cape Peninsula.

Siqalo Foods reported increased energy usage during the year due to its maintenance requirements on their biomass-fed boilers that increased reliance on coal-fed boilers, while return to normal operational volumes at Wispeco (following the severe early lockdown in response to Covid-19) also saw proportionate increase in energy consumption.

See "Key Environmental Indicators" table on the next page for main energy consumption figures.

The Remgro Power Initiative continues to develop renewable energy; energy efficiency; and, carbon abatement opportunities across the Remgro Group. Through Kigeni Ventures RF Proprietary Limited (Kigeni Ventures), a renewable energy company in which Remgro holds a strategic stake, some 13.2 GWh of solar photovoltaic electricity has been generated on-site at various Distell, RCL Foods, RMS and MMI (Eris) facilities. This equates to an increase of 7.3 GWh during the year, displacing 12 504 tonnes of potential GHG emissions. Mobius Energy Proprietary Limited, a joint venture

between Kigeni Ventures and Remgro, is further exploring the opportunity of electric solar and battery refrigerated truck systems, with three prototypes currently in final testing stage, all of which are delivering expected performance and GHG emission savings of 15 to 30 tonnes per vehicle.

Water

Due to climatic and infrastructural reasons, all river catchment basins in South Africa are considered "stressed" by the World Resources Institute's Water Aqueduct model and the country is prone to drought events and erratic rainfall. The availability of sufficient quantity and quality of water is critical to all Remgro subsidiaries and a strict focus is maintained on the use of this resource, with targets being set for improved efficiencies in its consumption.

RCL Foods aims to reduce total water consumption in its chicken processing operations by 50% by 2025; in its logistics warehousing by 60% by 2025; and improve its water use efficiency in its sugar-based agriculture activities by 30% by 2023. The sugar division aims to replace 80% of its overhead irrigation systems with subsurface drip irrigation by 2031, which will produce total savings of 3 000 megalitres (MI) per year. With these efficiencies starting to be deployed, overall water usage (municipal and non-municipal water) decreased 7.5% in 2021 at RCL Foods.

Wispeco reduced its total (municipal) water use by 8% in 2021 despite returning production levels to pre-Covid-19 levels, and RMS reduced its total (municipal) water consumption by 32% due to decreased employee numbers on site as a result of "work from home" practices in response to the pandemic.

Waste management

The production and management of waste continues to be an issue of importance in South Africa as existing landfill sites reach capacity, prices increase and related national regulation strengthens. Of significance has been the Extended Producer Responsibility (EPR) regulations which extends the responsibility of producers to the post-consumer, or waste disposal, phases of their products.

By joining the South African Plastics Pact in early 2020, RCL Foods has proactively responded to these pressures and aims to be a "waste-free" business by targeting "zero waste to landfill" from its operations by 2025; 100% of its packaging to be reusable, recyclable or compostable; and 70% of its plastic packaging to be from recycled origins. Currently 10% of RCL Foods' total waste is sent to landfill. The company also joined the 10x20x30 campaign, a retailer-led international initiative to halve food loss and waste in the food supply chain by 2030.

Siqalo Foods recycles its food waste into biodiesel products through an independent agent and, due to increased production levels, realised concurrent increases in the volumes of this waste flow. Similar increases in recycled waste were experienced by Wispeco as a result of improved productivity levels post the Covid-19 lockdown realities.

| | RCL Foods | Siqalo Foods | Wispeco |
|-----------------------|---------------|---------------------|------------|
| 2021 | | | |
| Waste to landfill (t) | 81 038 | Not recorded | 237 |
| Recycled waste (t) | 4 037 | 1 432 | 19 |
| 2020* | | | |
| Waste to landfill (t) | 75 303* | Not recorded | 224 |
| Recycled waste (t) | 3 674* | 956 | 9 |

* Figures restated.

Regulatory compliance

During 2021, Siqalo Foods received environmentally-related fines and penalties to the sum of R0.2 million and RCL Foods received an effluent fine of R5.2 million at its Rustenburg chicken processing plant, of which it was liable for R1.0 million – the remainder being the liability of the RCL Foods joint venture with Green-Create, Matzonox.

Key environmental indicators

| Emissions, effluents and waste ⁽¹⁾ | 2021 | 2020 ⁽²⁾ | 2019 | 2018 | Units |
|--|----------------|---------------------|---------|---------|--------------------|
| Total direct and indirect GHG emissions | | | | | |
| Scope 1 – Direct emissions | 398 371 | 373 971 | 396 833 | 375 793 | tCO ₂ e |
| Scope 2 – Indirect emissions | 448 357 | 447 206 | 446 161 | 387 326 | tCO ₂ e |
| Scope 3 – Indirect emissions | 145 976 | 131 611 | 113 047 | 170 559 | tCO ₂ e |
| Other relevant indirect GHG emissions | 63 752 | 64 999 | 65 537 | 57 794 | tCO ₂ e |

⁽¹⁾ The numbers referred to above include Remgro's equity portion of RCL Foods (74.5%), Wispeco (100%), RMS (100%) and, since 2019, Siqalo Foods (100%).

⁽²⁾ The emissions of 2020, which mainly relate to waste to landfill (Scope 3) and to a lesser extent diesel and coal consumption (Scope 1), have been restated due to additional information obtained. The waste to landfill emissions of 2019 have also been restated.

| Energy ⁽¹⁾ | 2021 | 2020 ⁽²⁾ | Units |
|--|--------------------|---------------------|------------|
| Direct energy consumption by primary source | | | |
| Diesel | 21 451 | 22 709 | kilolitres |
| Aviation fuel | 642 | 763 | kilolitres |
| Natural gas | 8 777 | 6 657 | tonnes |
| LPG | 3 127 | 3 017 | kilolitres |
| Coal | 176 491 | 172 068 | tonnes |
| Paraffin | 1 608 | 1 726 | kilolitres |
| Heavy furnace oil | 756 | 561 | kilolitres |
| Carbon dioxide | 1 411 | 1 555 | tonnes |
| Indirect energy consumption by primary source | | | |
| Electricity (non-renewable) | 574 050 822 | 583 163 396 | kWh |
| Electricity (renewable) | 165 448 638 | 160 434 512 | kWh |
| Water⁽¹⁾ | | | |
| Total water withdrawal at source | 5 740 391 | 5 830 873 | kilolitres |
| Raw water (borehole, river, dams) | 119 805 196 | 129 904 986 | kilolitres |

⁽¹⁾ The numbers referred to above include 100% of RCL Foods, Wispeco, RMS and Siqalo Foods.

⁽²⁾ Figures restated.

