

ABRIDGED SUSTAINABILITY Report

Integrating **ESG principles** into Remgro and its investee companies isn't just the **right thing** to do. It is a **moral** and **business imperative** to **unlock sustainable** stakeholder value.

Sustainability highlights



View the full Sustainability Report online at www.remgro.com.



Introduction

Since its inception, Remgro has always strived to be a values-led business. 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 genders and social and ethnic backgrounds

Remgro believes that these values incorporate the spirit in which it strives to be a good corporate citizen to create sustainable shared value for the benefit of all stakeholders. 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 integrated system of values and, flowing therefrom, Remgro acknowledges its social and environmental responsibility. Remgro also believes in enhancing socio-economic development to create a more equitable and inclusive society.

Remgro intentionally interacts and responds to the opportunities and challenges presented by the dynamic system created by these three pillars and its stewardship of 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 Sustainability Report provides a better understanding of how Remgro is aligning with the broader societal and environmental context to developing an ESG strategy that supports South Africa in achieving a more sustainable future through more positive social and environmental impacts. Refer to the sustainability highlights on the previous page for Remgro’s external recognition and achievements during the reporting period in this regard.

Remgro’s principles

As a business steward of the companies in which it invests, Remgro is fully committed to managing its business sustainably and upholding the highest standards of ethics and corporate governance practices. Remgro’s investee 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.

As part of this stewardship role, Remgro acknowledges its social and environmental responsibilities and has incorporated ESG considerations into its investment framework. This has been undertaken with the aim of encouraging the businesses where Remgro capital is invested to make continuous improvements in ESG that achieve sustainable value in the long term.

Accordingly, investee companies are influenced and encouraged to:

- Align with Remgro’s values and purpose to create sustainable stakeholder value.
- Adopt sustainable behaviour through ESG principles that contribute to measurable positive social and/or environmental impact alongside financial returns.

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

- Respect and commit to 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.
- 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. BBBEE scorecard verification, CDP (formerly Carbon Disclosure Project) verification), as illustrated in the table on page 69. 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 monitoring and sustainability are inseparable. Remgro's ESG performance and improvement is now monitored at Board level and by its Strategic ESG Committee. The implementation of an ESG Charter and governance structures provides strategic direction and oversight in support of Remgro's commitment and that of its investee companies to ESG. The Strategic ESG Committee works in conjunction with 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 78 and 132 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.

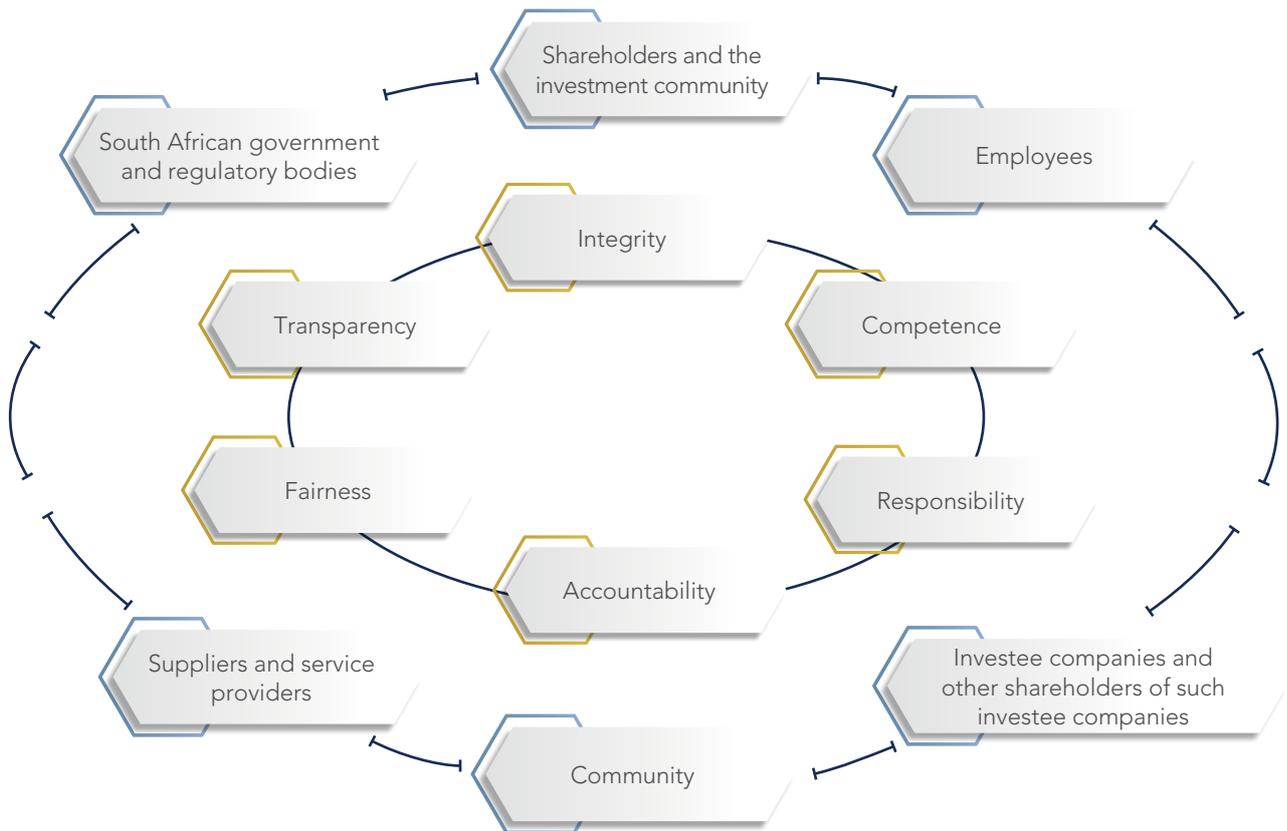
In this regard the Company has adopted a Code of Ethics (the code) that provides a framework of ethical practices and business conduct that is applicable to all directors and employees. The code is available to all employees on Remgro's in-house intranet and a copy is provided to all new employees. The 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.

Remgro 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. There was, however, a noted increase in the number of incidents where external criminal activity targeted the illegal use of the Company name, including that of some of its officers and directors in scams to exploit unsuspecting victims. Whilst this trend is commensurate to crime statistics and forensic publications and surveys on cyber-based crime, fraud and crime prevention responses by Remgro included pro-actively flagging this risk on the Remgro website and scanning for such incidents in order to alert potential victims. In addition the Company registering criminal complaints with SAPS and is supporting investigations where possible. 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.

Stakeholders and values



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

- **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, monitoring, improvements and ESG and Sustainability

Competition

The Company supports and adheres to the relevant competition and anti-trust laws applicable in the various jurisdictions in which Remgro 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

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 shared 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 elsewhere in this 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 and Chief Financial Officer. 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. Remgro's focus on diversity, equality and inclusion is designed to attract, develop and retain the best talent through access to equal opportunities, whilst creating an equitable working environment.

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 processes

Prior to the Covid-19 lockdown, the SFF journey gained a lot of momentum and many of the initiatives were either implemented or are 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 last two years.

Figure 1

BBBEE scorecard

Element	Indicator	Weighting	Score
Equity ownership	Percentage share of economic benefits	25	20.10
Management control	Percentage black persons in executive management and/or executive board committees	19	9.42
Skills development	Skills development expenditure as a proportion of total payroll	20	11.56
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	33.97
Socio-economic development	Corporate social investment for the benefit of black persons	5	5.00
Total score		109	80.05

Investee companies and other shareholders of such investee companies

Remgro's performance is directly linked to that of its underlying investee companies and, accordingly, as part of its stewardship role, 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 in the detailed Sustainability Report published on the Company's website at www.remgro.com.

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.

As part of ensuring alignment of its service providers with Remgro company values, Remgro has implemented a process to ensure that Service Level Agreements with key suppliers 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 2022, Remgro obtained a score of 80.05 (2021: 78.60), thereby obtaining a level 4 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, Distell Group Holdings Limited (Distell), RCL Foods Limited (RCL Foods), Siqualo Foods Proprietary Limited (Siqualo 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 163 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 2022	30 June 2021
Voting rights black people	4.00	3.51	3.68
Voting rights black women	2.00	2.00	2.00
Economic interest black people	4.00	3.54	3.56
Economic interest black women	2.00	2.00	2.00
Economic interest of broad-based ownership schemes	3.00	3.00	3.00
Black new entrants	2.00	–	–
Net value	8.00	6.05	6.06
	25.00	20.10	20.30



Figure 2

Summarised employment equity report (as at 30 June 2022)

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	-	15	1	-	1	3	-	-	22
Professionally qualified and experienced specialists and mid-management	-	1	2	16	3	5	-	8	-	-	35
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3	9	-	12	3	12	1	24	-	-	64
Semi-skilled and discretionary decision-making	19	20	-	-	3	7	-	-	-	-	49
Grand total	22	33	2	46	10	24	2	36	-	-	175

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

Although Remgro's BBBEE score includes the initiatives of Distell, RCL Foods, Siquo 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".

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 75.

Remgro's summarised employment equity as at 30 June 2022 is presented in Figure 2 above and sets out the distribution by race of permanent employees per occupation level.

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 76.

BBBEE at investee companies

Remgro monitors and contributes to its investees' BBBEE performance and improvement 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 40 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" in the detailed Sustainability Report published on the Company's website at www.remgro.com.

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 175 people being employed as at 30 June 2022 (2021: 173 employees). Refer to Figure 3 on the next page 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 8.0%, compared to 5.2% for the comparative year to 30 June 2021. The turnover rates were calculated by using the total number of employees at year-end. When considering resignations only (thus avoidable employee turnover), the above numbers reduce to 4.0% for 2022 and 1.7% for 2021.

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".

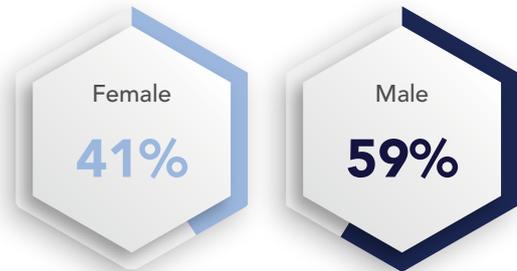
The current EE plan was developed and duly approved following robust engagement through well-established consultative EE Forum and steering committee structures. Despite the numerous challenges through the Covid-19 lockdown period to meet at regular intervals, our approved plan continues to be actioned 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.

The current five-year EE plan comes to an end in the 2024 financial year thus requiring the company to develop a new EE plan during the 2023 financial year. This process will again be conducted through engagement and consultation with the respective EE Forums and the EE steering committee.

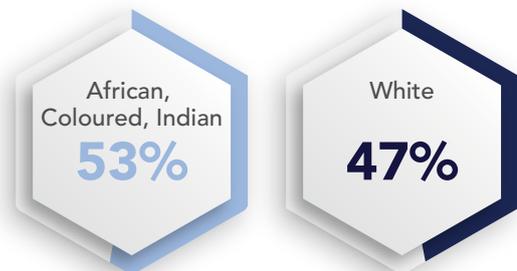
Figure 3

Composition of employees (as at 30 June 2022)

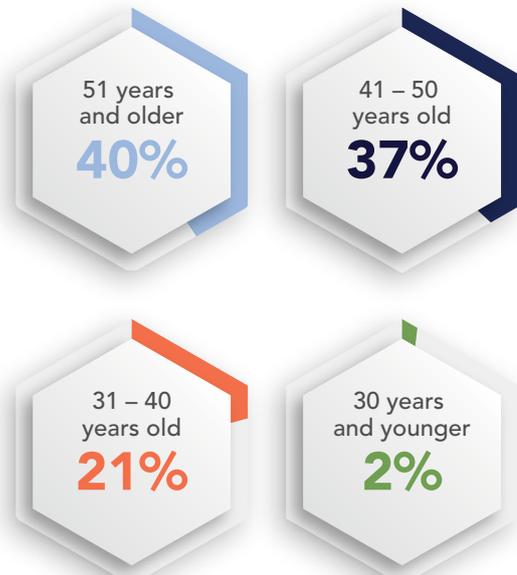
Gender



Race



Age



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

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 98 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 and disability cover, study assistance and other benefits typically offered by a responsible employer. Qualitative ESG measures have been incorporated into long term incentive structures to incentivise and motivate management in driving Remgro's ESG strategy.

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 this financial year, the value of many training sessions and workshops with regards to the Protection of Personal Information Act (No. 4 of 2013) (POPIA) was appreciated with the successful integration of POPIA principles and practices in the organisation. This will ensure that Remgro's directors, management and employees are equipped to maintain sound corporate governance at all levels where they are involved.

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 responsibly manage the risk of the coronavirus on our employees, Remgro continuously conducted Covid-19 risk assessments and adjusted the preparedness and response plans accordingly. A key part of the response plan was the introduction of a Vaccination Policy in November 2021. The focus of the policy was to educate and consult employees regarding the efficacy of vaccinations and by the end of June 2022 almost 98% of employees were vaccinated.

After further risk assessments, the scientific information at the time and the severity of the Omicron variant of the coronavirus, the company decided in June 2022 to put some of the aspects of the policy on hold. The most important consideration that was put on hold, was the requirement of all employees to be vaccinated by June 2022.

The company still believe that vaccinations are the most effective form of protection against the coronavirus, hence the decision to "pause" the policy and not to cancel the policy. In terms of the objective of the policy to ensure that all employees need to be vaccinated, the implementation was very successful. At year-end almost 98% of employees were fully vaccinated.

If at any stage scientific data, such as a new variant causing more people to become seriously ill or die, and our risk assessment support this, the company will "un-pause" the specific policy aspects.

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

Remgro's CSI initiatives and donations programme cover a broad spectrum of society and can be summarised as follows:

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

Remgro aims to maintain a CSI spending of approximately 2.5% of its net free cash flow annually. In this regard, an official CSI committee meets regularly to consider and approve grants to institutions in need. Donations to qualifying institutions are made on an annual basis for a specific period and, although such contributions cover a wide range, there are two noticeable exceptions: political parties and religious institutions. Remgro respects its employees' choice to participate in these institutions, but does not exercise a choice itself.

During the year under review, Remgro’s CSI spend amounted to R26 million (2021: R22 million), as set out in the table below.

Summary of CSI spend	Year ended 30 June 2022 R million	Year ended 30 June 2021 R million
Community development	7	6
Cultural development	4	3
Entrepreneurship, training and education	10	8
Environment	2	2
Healthcare	–	1
Sport development	3	2
	26	22

Further details regarding Remgro’s CSI initiatives can be found in the detailed Sustainability Report published on the Company’s website at www.remgro.com.



ESG and Sustainability at investee companies

Remgro recognises that as a responsible steward of its investments, it can achieve the greatest progress in advancing its sustainability agenda by partnering with all investee companies across their value chains to influence sustainable behaviour to achieve common and collective sustainability goals. Remgro is committed to helping those companies it invests in to shape their approach to corporate citizenship to ensure its investments reflect its ambition to create environmental, social and economic change throughout the entire ecosystem.

Remgro’s four main operating subsidiaries, namely Distell, RCL Foods, Siqalo Foods and Wispeco, are operated and managed on a decentralised basis as independent entities with autonomous boards of directors.

Please refer to the detailed Sustainability Report published on the Company’s website at www.remgro.com for further details regarding the social and environmental performance of these subsidiaries.



Environment

All businesses operate within a wider ecosystem in which the natural environment, as an independent stakeholder, provides certain essential services. Remgro’s investee companies are dependent on many of these services, such as water, productive land, and clean air. Remgro believes it is imperative that the companies in which it invests ensure their own long-term sustainability by minimising their impact on the environment and, importantly, put in place measures to proactively protect the natural resources on which they depend.

While Remgro does not exercise operational control over its investee companies, it does maintain oversight of their environmental performance and expect its investees to adhere to prevailing environmental legislation, appropriate reporting procedures and environmental best practice in the sectors in which they operate. Each company is encouraged and influenced to set their own environmental targets and disclosures in alignment with their sector expectations, and with autonomous decision-making powers on how targets for these activities are to be achieved. Remgro will be working with its investees to address the impact of climate change, reducing exposure to risk and leveraging the market opportunities that present themselves.

During the year under review, a formal Strategic ESG Committee of the Remgro Board, as well as an Operational ESG Committee (a subcommittee of the Strategic ESG Committee) was formed to formally address the ESG environment through a formalised terms of reference.

The Remgro Board has overall responsibility for environmental practices implemented and maintained by its head office operations (“Remgro’s head office” or “the investment company itself” or “Remgro Management Services Limited (RMS) and the subsidiaries managed and administered by it”) 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). This is in line with the Remgro Safety, Health and Environment Management (SHE) Policy, which commits the investment company itself to full regulatory compliance; minimisation of environmental impact; participation in relevant reporting outputs; responsible environmental investment; and transparency in environmental reporting procedures.

As a diversified investor, Remgro has investees in different sectors, of different sizes and with differing impacts on the environment. Remgro’s ultimate aim is to account for the majority of its portfolio, including those with the largest environmental footprints, within its environmental reporting. Remgro has historically reported on the investment company itself and just three of its investee companies (RCL Foods, Siqalo Foods and Wispeco) in accordance with the greenhouse gas (GHG) Protocol’s Equity Share approach, thereby apportioning their GHG emissions to Remgro in alignment with its equity shareholding in these companies. As part of its ultimate aim, Remgro is extending its own environmental reporting beyond those companies in which it maintains majority shareholding to ultimately include its entire portfolio of investments. As an initial start Remgro is including its head office operations (therefor the investment company itself), Mediclinic International plc (Mediclinic), Distell, RCL Foods, Siqalo Foods and Wispeco. This will be the first time that Remgro includes Distell and Mediclinic in its environmental reporting boundary.

Further details regarding Remgro’s initiatives to minimise its impact on the environment are presented in the detailed Sustainability Report published on the Company’s website at www.remgro.com.

