


Abridged ESG and Sustainability Report

ESG and sustainability highlights



Held an **ESG and Sustainability Conference** with representatives from the Remgro investee companies making up more than **80%** of INAV




Initiated a **qualitative climate risk analysis** which further supports **TCFD** reporting. Developing an **ESG** risk register, taking into account operational and long-term risks



Established a collaboration network to **build and share ESG and sustainability knowledge** and good practice




Carbon reporting now includes **nine** (2023: seven) companies in **Remgro's environmental reporting boundary**. This makes up more than **70%** of INAV.



Revised Board subcommittee structures and Terms of Reference to merge the **Strategic ESG Committee** with the **Social and Ethics Committee** effective 1 July 2024



Implemented a survey to establish progress of **ESG and climate** governance processes at investee companies




Continued to **improve** transparency by increasing disclosure



Achieved **BBBEE level 5** contributor status




Continued implementation of the **ESG investment framework** and policies, including a Standard Operating Procedure



Rolled out group-wide collaboration on topics such as social impact and CSI initiatives; human resources challenges; waste solutions and sustainability; power solutions; and data protection and cyber security



Developed a **Responsible Sourcing Policy** adopting **best practice principles** and commenced assessment of major suppliers against these principles



Remgro continues its inclusion in the **FTSE4Good Index Series**



Developed a **Tax Transparency Policy**, also published on the Remgro website. We are also delivering on the commitment to publish a Tax Transparency Report this year



Continued to use the **United Nations Sustainable Development Goals** to measure our **impact** across our CSI programme

Remgro's role is to **create sustainable** stakeholder value over the long term and deliver strong and sustainable financial returns for shareholders, including wider **prosperity, social progress** and a more **resilient** planet.

The companies that Remgro invests in are **established businesses** with independent boards. The companies and boards vary in their maturity in **understanding** and **managing Environmental, Social and Governance (ESG)** as well as sustainability matters. Remgro's approach is one of stewardship and influence, rather than control.

Overview: our ESG and Sustainability Journey

As a values-based business, Remgro has long acknowledged its ESG responsibility and is determined to play its role in delivering on them as the associated challenges become greater and more urgent.

In 2021, Remgro reconfirmed its commitment to make ESG and the transition to corporate sustainability integral to its core strategy and the future success of the business. ESG and a sustainability strategy are part of Remgro's DNA, demonstrating our commitment to long-term value creation and protection.

The impacts of climate change necessitates alignment between business, society and the environment. Remgro's aims and actions include an ambition towards a net zero future in line with the goals of the Paris Agreement, along with the related role we play in supporting South Africa's national efforts to achieve the UN 2030 Sustainable Development Goals.

Remgro's own ESG ambitions and journey reflect South Africa's unique sustainability challenges and are designed to help address the opportunities and risks they present. Our support of South Africa's sustainability transition depends on our ability to achieve improved social and environmental impact across our value chain and through partnerships.

This aligns with our purpose to invest in companies that will accelerate the transition to a more sustainable future, one that enhances South Africa's prosperity by delivering shared value over the long term for our shareholders and other stakeholders.

We have identified three priorities for our ESG strategy which underpin and guide our ongoing sustainability journey across Remgro: sustainable investment stewardship; ESG action across Remgro; and unlocking shared value for South Africa.

Sustainable investment stewardship

Remgro's approach to ESG and sustainability is anchored in what we see as our critical stewardship role in managing our assets and the pursuit of new investments. Our responsible investment principles are at the cornerstone of our decision-making, enabling us to adhere to robust criteria for our investments, delivering sustainable financial returns, whilst fostering a positive, measurable ESG impact that delivers shared value for all our stakeholders.

Remgro's focus on sustainable investment stewardship aligns with its sustainability ambitions. An integral part of its responsible investment decision-making is informed by the ESG Investment Framework which includes criteria regarding ESG risk, impact considerations, value creation opportunities and sustainability of its current and potential investments.

Implementation of the ESG Investment Framework is supported by Standard Operating Procedures (SOP) to enable the various governance structures and investment teams to apply the ESG Investment Framework consistently and effectively across all investee companies.

Remgro conducted a third assessment across a subset of investee companies to ascertain how they are managing and measuring the material ESG aspects. We expanded our baseline ESG footprint report to include more investee companies than the prior year to better monitor adoption and progress of sustainable practices across the Group, increasing the assessment from 10 to 11 companies.

ESG action across Remgro

As a holding company Remgro uses influence, stewardship and knowledge to promote improved ESG performance within the Group. The ESG collaboration conference held in October 2023 for all Remgro investment managers, the Operational ESG Committee executives, the chairman of the Strategic ESG Committee as well as key individuals from the investee companies. This was an important vehicle for communicating Remgro's ambitions and expectations. This has led to improved exchange of information, enabling the setting of meaningful action plans to address key matters.

Remgro is working across the Group to implement sustainable behaviour through ESG principles and the creation of consistent standards to achieve our common sustainability goals that collectively will deliver greater and more measurable impact. Governance and climate risk mitigation practices form part of Remgro's value chain. Including its investee companies' ecosystems is important in order to drive progress towards decarbonisation.

Although there is still much to do, we can already see progress with respect to climate action. Many of the companies in which Remgro invests have set ESG targets regarding climate change and energy management. More than half of the 11 investee companies assessed have set decarbonisation targets, while two are in the process of considering setting targets. Six have energy efficiency targets and two are in the process of setting energy efficiency targets. Remgro plans to work with the remaining companies to support their ongoing implementation actions as well as the development of future targets in this respect.

Unlocking shared value for South Africa

Remgro has a crucial role to play in unlocking shared value, and enabling a more prosperous and equitable future for all South Africans. By creating inclusive socio-economic development and growth, we can help create meaningful impact across our stakeholders and positively contribute towards making a difference to society.

Remgro supports collective business action in partnership with national government to resolve critical issues that confront South Africa. Committing time and senior executive resources to these programmes contributes to the common good and the stimulating of the economy in ways that support job creation, employment and the wellbeing of our people.

At Remgro, we recognise and affirm the importance of transformation and empowerment in the creation of access to equal opportunities for all South Africans. We are continuously striving towards improving our broad-based black economic empowerment (BBBEE) rating where appropriate. All of our assessed investee companies are reporting their BBBEE scorecards. We remain committed to creating a more equitable working environment built on diversity and inclusion and seek to empower our employees through skills and talent development.

Our support to communities is focused on unlocking shared value to create socio-economic development in a way that improves the lives of the people of South Africa. This is aligned to the UN Sustainable Development Goals which we use to measure impact. This includes working in the communities where we serve with NGOs, as well as Corporate Social Investment (CSI) projects involved with enterprise and community development and the creation of opportunities for young people in education and training to eradicate poverty and enable sustainable livelihoods.

During 2023, Remgro held a workshop for facilitating engagement among investee companies on their social impact initiatives and CSI plans, with the aim of exploring shared opportunities for collaboration. This dialogue is ongoing and Remgro plans further workshops to address other ESG topics to leverage experience, knowledge and best practice across the Group.

Governance and oversight

During the financial year we made improvements to our ESG governance framework as well as to specific ESG aspects.

When we embarked upon this journey, we recognised that we needed to grow our internal understanding of ESG and sustainability as well as support the Board to perform the necessary oversight. The Strategic ESG Committee of the Remgro Board was established, chaired by non-executive director, Mr Murphy Morobe. It meets quarterly to provide oversight on the incorporation of the ESG strategy, policies and rationale into investment decisions.

An Operational ESG Committee meets monthly and is chaired by Mr Pieter Uys, who is a member of the Executive Management Committee and also serves on the Strategic ESG Committee. The committee is supported by Executive Director Compliance and CSI, Mrs Mariza Lubbe and the ESG Manager, Ms Tanis Brown.

As part of our scheduled review of ESG governance and in recognition of our maturing understanding of ESG and sustainability matters, the Board decided to merge the Strategic ESG Committee with the Social and Ethics Committee, with effect from 1 July 2024. This new committee will have a revised charter and a quarterly meeting schedule.

Policy changes

In addition to the changes in ESG governance structures, we have revised and reviewed several policies and further added to the policy framework.

- The Tax Transparency Policy was revised, approved and published on the website in April 2024. This reaffirms Remgro's commitment to full compliance with the letter and spirit of tax laws in the jurisdictions in which Remgro and its subsidiary companies operate.
- A Responsible Sourcing Policy was developed and published, in line with targets set in 2023. This policy was approved and published on the website in May 2024. It sets out key principles for responsibility in the supply chain. It has been communicated to key stakeholders, including investee companies which have been encouraged to incorporate the principles and use the supporting documentation. The document has been made available to suppliers, professional services providers, sub-contractors and others who form part of the supply chain. Key aspects covered in the policy include human rights, fair labour practices, environmental stewardship, business ethics and integrity and confidentiality of information. The Responsible Sourcing Policy is supported by a diagnostic questionnaire for suppliers and contractors, which has been made available to all investee companies to support them in their own processes.
- A statement on the principles governing Remgro's social investments was published in June 2024. This covers the focus areas, screening and selection, conditions and metrics.
- The policies are publicly available on the website at www.remgro.com.

ESG Risk Management

An ESG risk register is in the process of being developed to ensure ESG risks are fully incorporated into overall risk management. It will focus on the nine material ESG aspects on which we have been working since 2022 and include future-focused risks, such as water, energy and health.

In support of Remgro's sustainability ambitions and as part of its established Board-level governance mechanisms, and policies and procedures, Remgro has implemented several initiatives to integrate ESG across the Group and its investee companies. Progress in this regard continues to inform performance and long-term incentives for management.

Our progress over the last year

In 2021 Remgro increased its attention on the management of ESG matters. Since then, the focus was on building its own strategic approaches and capacity, and developing a shared understanding of what is material to stakeholders and investee companies.

In the 2024 financial year, the major focus was on collaboration and engagement. Remgro through its investment managers and

initiatives led by the Operational ESG Committee interacted with most of the investee companies in its portfolio. Two training sessions were held for the investment managers to build their ESG understanding. Investee companies were engaged through a conference, several surveys and questionnaires and follow up meetings on material ESG aspects.

The nine material ESG aspects below identified in 2022 were refined in 2023 following an extensive benchmarking exercise:

- Climate change and energy
- Water management
- Waste management
- Diversity and inclusion
- Social impact
- Employee relations
- Health and safety
- Supply chain and procurement
- Governance

At the ESG collaboration conference held in October 2023, Remgro shared its short to medium-term goals and participants were encouraged to initiate actions within their own companies and to regularly provide progress on those goals. Six of the nine were prioritised for short to medium-term action.

For companies that are not yet at the required maturity level in their ESG journeys, these surveys and requests provide important insight into what key investors expect of companies. For others, who are more mature in their ESG practices, these reports provide an opportunity to showcase their ESG practice and share insights.

Remgro and its investee companies have implemented numerous ESG processes since the first baseline ESG footprint report was issued in June 2022. In the past year we increased the number of Remgro investee companies that are engaged and assessed from 10 to 11 which equates to more than 70% of INAV.

Progress against our ESG agenda includes increasing the scope of companies included in our carbon footprint from seven to nine. All these investee companies except one have already conducted a baseline assessment of water consumption and they are all reporting their BBBEE scorecard. All are addressing ESG governance either at an ESG subcommittee or their social and ethics or risk committees. Some also matured their ESG governance by reviewing and renewing their sustainability strategies, approving a climate change strategy and roadmap, launching a Responsible Sourcing Policy or starting to roll out a climate responsibility questionnaire to suppliers in order to develop a strategy for emission reduction across the supply chain.

As part of our role as a sustainable investment steward, Remgro also initiated an Investment Managers' Conference to engage on ESG. A key component of this was the introduction of a SOP for our investment managers to integrate ESG into their investment decisions.

Since the first Group-wide ESG collaboration conference held in October 2023 further collaboration workshops were held. These covered, human resources challenges; waste solutions and sustainability; a power solutions presentation from an industry expert; and data protection and cyber security.

In 2023, Remgro also appointed a dedicated ESG and sustainability manager to guide and lead the development and implementation of the ESG and sustainability strategy.

Remgro's ESG and sustainability journey is ongoing, and we are committed to providing transparent and accurate disclosures on our metrics and the progress we make against best practice standards highlighting where we have more work to do, both with regards to our goals and targets, but also in delivery of those already set.

Tracking progress

Remgro aims to provide transparent and accurate disclosures on its ESG metrics and improvements made against best practice. In the 2022 Integrated Annual Report, we committed to the creation of a schedule to measure Remgro's ESG progress through the reporting against defined targets and metrics. In furthering our commitment, this year Remgro has enhanced the disclosures through alignment to the Task Force on Climate-related Financial Disclosures (TCFD) framework by supplementing the report with a climate-related risk analysis.

As a market-driven initiative to develop recommendations for voluntary and consistent climate-related financial risk disclosures, the TCFD is helping us to address climate change effectively across the Remgro group to minimise investment risk and maximise opportunities from the transition.

Remgro is also establishing priorities and metrics for performance assessment as part of its ESG strategy with reference to the Principles for Responsible Investment (PRI), the International Finance Corporation (IFC) Environmental and Social Performance Standards, the emerging International Sustainability Standards Board (ISSB) work, BBBEE and other appropriate South African frameworks relevant to environmental, social and community developments.

An updated ESG footprint report with KPIs aligned to Remgro's focus areas will be used to set further ESG targets and aid the expansion of ESG reporting across the Group over the course of the coming year.

Corporate social responsibility

Since our inception, Remgro has been a values-led business which inspires the way we act as a good corporate citizen in the communities where we operate. For our CSI programme we measure impact using the United Nations Sustainable Development Goals. During the year under review Remgro's CSI spend amounted to R35 million (2023: R36 million).

For more information on the Corporate Social Responsibility of the Company, visit the Remgro website www.remgro.com for the full ESG and Sustainability Report.

