

As Remgro is an investment holding company, disclosure regarding sustainability is limited to that of the Company and its wholly owned subsidiaries, including Wispeco and Tsb Sugar. Social and sustainability reporting for listed investees is contained in the annual reports of those entities.

The main aspects to report on are as follows:

STAKEHOLDER RELATIONS

The following are recognised as stakeholders in the Company:

- ✦ Shareholders and lenders as providers of capital
- ✦ The State as policy maker and regulator
- ✦ The investment community as interested party
- ✦ The community, through the creation of employment, and part benefactor of taxes paid by profitable organisations and as a recipient of social contributions

The Board regularly reviews its strategies against the requirements of the stakeholders to ensure a balance between long-term growth and the viability of the Company and the environment in which it operates.

GROUP ETHICS

The late Dr Anton Rupert, founder of the Group, more than 40 years ago drew up guidelines for doing business successfully. These guidelines developed into what is today Remgro's value system. The Company believes that these values incorporate the spirit in which it strives to be a good corporate citizen. It furthermore believes that ethical behaviour stems from the value system, as communicated and demonstrated by the Board of Directors.

Remgro's commitment to ethical behaviour is contained in the following documents:

- ✦ Code of ethics
- ✦ Gift policy
- ✦ Computer: Acceptable usage policy
- ✦ Disciplinary code

SAFETY AND ENVIRONMENT

The Company has a duly constituted health and safety committee, as required by the Occupational Health and Safety Act. This committee assists the Board in ensuring 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.

Most of the Company's core activities are regarded as having a low impact on the environment.

The Company benchmarks its current environmental practices against the criteria stipulated in the Global Reporting Initiative™ (GRI) Framework. These include:

- ✦ Materials
- ✦ Energy
- ✦ Water
- ✦ Biodiversity
- ✦ Emissions, effluents and waste
- ✦ Suppliers
- ✦ Products and services
- ✦ Compliance
- ✦ Transport

Where deemed appropriate, usage and impact are being quantified and measured against best practices. Where appropriate, compliance with safety, health and environmental systems is measured against formal standard systems and is subjected to independent review.

Tsb Sugar has set itself performance measures and consumption targets to minimise its environmental impact, for example bagasse, a by-product of the sugar production process, that is utilised to generate electricity. Most of Tsb Sugar mills' electricity needs are generated from bagasse. Surplus electricity is supplied into the Eskom national network. Given the moisture content in sugar cane, Tsb Sugar also repatriates more water back into the environment than originally used in the production process.

The environmental sustainability initiative also extends into nature conservation, education and awareness.

CLIMATE CHANGE

Remgro participated in the carbon emission disclosure project (CPD6) during the previous year and was recognised for its leadership in this regard. This initiative will be continued in CPD7.

HIV/AIDS POLICY

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

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 policies and strategies is monitored against best practice standards.

COMPANY RISK

Remgro has a formal HIV/Aids policy and is committed to manage the pandemic, and the business risks associated with it, actively. 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 confidential treatment 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 can choose to participate. M&I, as specialised service company, employs all the staff of Remgro.

EMPLOYEES

Summary of employees of the operating subsidiaries

	2009	2008
Rainbow Chicken	7 417	7 653
Wispeco	1 041	1 039
Tsb Sugar (excluding contract workers)	3 008	3 010
Other	11	11
	11 477	11 713
M&I	168	172
	11 645	11 885

The boards of directors of the individual operating subsidiaries are responsible for their own strategies regarding employment equity, HIV/Aids, training and other personnel matters.

PANDEMICS

As part of its awareness of community risk, the Group monitors pandemic risks and will take appropriate steps as and when required.

EMPLOYMENT EQUITY

Remgro strives, in accordance with the Employment Equity Act, to afford all staff the opportunity to realise their full potential.

Remgro's management and personnel are continuously involved in determining training and development needs and in implementing and monitoring a labour plan. Special attention is given to those groups which, because of historic reasons, may be in a disadvantaged position.

In accordance with the requirements of the Employment Equity Act, M&I, on behalf of Remgro, annually submits a labour plan to the Department of Labour.

Because of the specialised nature of its operations, Remgro's work force is characterised by the following:

- ♦ A high level of expertise within the top structure of the organisation and in various specialised divisions
- ♦ A young employee profile, especially with regard to management
- ♦ A low turnover rate of staff and, consequently, limited opportunities for new appointments

Remgro believes that the quality of its staff is an important sustainable competitive advantage. Therefore it believes that its success does not lie in the uniformity of its staff, but in the diversity and development of their collective talents, for which space and opportunity will always be created.

Human resource policies and procedures also address the issues of non-discrimination, child labour, disciplinary practices, human rights, etc.

BBBEE – BROAD-BASED BLACK ECONOMIC EMPOWERMENT

The Board believes that BBBEE is a social, political and economic imperative and it supports and encourages the Company's subsidiaries and associated companies' initiatives in this regard. To the extent that Remgro's subsidiaries and associated companies implemented BBBEE, Remgro's shareholders effectively participate in BBBEE and the effect and success thereof. Although the ideal is to support all people to realise their full potential, special focus is needed on those who, for historical reasons, have lagged behind. The aim is to enable them to compete on merit in the market. We look forward to the day when all South Africans, especially all our children, can participate in our economy on a non-racial and equal basis.

Remgro was awarded a score of 44.18% in the FM Empowerdex 2009 "Top Empowerment Companies". Performance is assessed against the Generic Scorecard as there is no charter for investment holding companies. Remgro monitors the performance of its investees as regards BBBEE performance through its Board representation in these investee companies.

SOCIAL INVESTMENT

Corporate citizenship, namely the commitment of business to contribute to sustainable economic development, endorses the principle that no business exists in isolation but is undeniably an integral part of the environment in which it operates. In its relationship with all stakeholders (clients, personnel and the community) Remgro strives to be a value partner.

The Company's donation programme focuses primarily on the development of young people from disadvantaged communities to promote their self-esteem. This is done in the belief that such investments will provide sound dividends in the future.

Donations to deserving institutions are usually made over specific periods and, although they cover quite a wide range, there is one noticeable exception: political parties. Although the Company respects the individual's right of choice to get involved in these organisations, Remgro does not exercise a choice itself.

During the past year the Company has been involved in the following:

ENTREPRENEURSHIP AND TRAINING

Tsiba – for the Tertiary School in Business Administration (Tsiba), founded five years ago in Cape Town, 2008 has been a year of many firsts. Most significantly, Tsiba's first students graduated with B degrees in Business Administration (BBA). It was also the first year that Tsiba implemented an Independent Assessment and Evaluation Board to oversee its quality assurance processes.

Another achievement was that 95% of the foundation class proceeded with the degree course – a significant improvement from previous years. A pass rate of 64% was achieved and a full tuition scholarship awarded to these students to study for a BBA degree. In recent years, Tsiba has improved its capacity to the extent that 120 students could be admitted to the foundation class at the beginning of 2009 – an increase of 50% compared to 2008.

Tsiba's Entrepreneurship Centre also made headlines when a computer training centre, supported in Khayelitsha, won the first prize in the Western Cape division of a business plan competition for beginner enterprises. Many small businesses have already benefited from their involvement in Tsiba's centre.

Remgro has committed itself to supporting Tsiba for a full student cycle of four years.

Shalamuka Foundation – it is the objective of this foundation to ensure long-term funding for the highly successful Penreach Programme by which teacher development is supported, especially in Mpumalanga.

Penreach is an excellent example of what can be achieved when people really want to make a difference and when they are voluntarily committed to change and development. More than 2 000 black teachers (95% women), are reached by Penreach annually, impacting the lives of more than 350 000 learners in rural areas.

Besides working with teachers and school management, Penreach is also working with Gr. 10 to 12 mathematics and science learners. These young learners attend regular tutorial lessons on Saturday mornings and it is heart-warming and rewarding to see them improving their marks substantially during the year.

With its mission statement to improve the quality and accessibility of education for teachers and learners in disadvantaged schools, Penreach has established a model which can be implemented elsewhere. The preparation work is currently under way to do just that.

Beyers Naudé School Development Programme (BNSDP) – fighting poverty through education, with a particular emphasis on rural communities, has from the outset been the guiding principle of the BNSDP, which falls under the auspices of the Kagiso Trust.

The philosophy behind the programme is that rural communities have the potential to play a vital part in building the national economy, provided that all young people have access to good education. The role of schools in rural communities is crucial, not only because of the provision of essential education, but also because they are often the only institutions in these communities and are therefore used for a variety of purposes.

BNSDP was established with the aim of restoring the culture of learning and teaching in schools, while at the same time developing functional and sustainable relationships between stakeholders within the school community. At present the organisation is involved in 50 schools in Limpopo, Mpumalanga, KwaZulu-Natal, Eastern Cape and Free State.

SciMathUS – for this post-matric programme of the University of Stellenbosch, 2008 has been a challenging and fulfilling year. The students' hunger for success was a driving force, enabling them to embrace the new curriculum with enthusiasm and zest.

The programme achieved a 100% pass rate and most of the students showed a significant improvement in their marks. The use of problem-based learning proved to be a very effective method of bridging the curriculum gap. The end of the year examination started later than in previous years, giving the students an extra month for tuition and revision.

Of the final 2008 group of 62 students, all drawn from disadvantaged communities, 27 were female and 35 male; 22 were black and 40 Coloured and Indian. Forty-two students came from the Western Cape, six from Gauteng, four each from the Northern Cape and KwaZulu-Natal, two each from the Eastern Cape and North West and one each from Mpumalanga and Limpopo. All 62 students completed the course successfully and applied for tertiary education.

Since 2001, more than 450 students have gone through the programme. It is probably fair to say that as long as Gr. 12 learners are leaving school with results in mathematics and physical sciences preventing them from entering tertiary education, SciMathUS will have a role to play.

Paul Roos Academy – during its sixth year of operation, the Academy shifted its focus from learners with the potential to pass matric to those with the ability to pass mathematics in matric. This decision has partly been influenced by the withdrawal of one of the leading sponsors and has resulted in a drop in numbers from 233 learners in 2008 to 180 in 2009.

2008 also saw the first group of learners writing their matriculation examination. They were members of the first enrolment of 60 Gr. 7 learners in 2002. Because of a lack of experience in the selection process at the time, all the learners were not academically the strongest in their particular group. Eventually 25 (42%) persevered of whom 22 were successful.

Besides financial support, the Academy benefits from voluntary contributions by various organisations. Thus the Creative Education Foundation, with two members each from the United States, the Netherlands and South Africa, presented their course on creative problem-solving and youth leadership for the sixth consecutive year.

Bergzicht Training Centre – based in Stellenbosch this centre provides education in job-related skills to unskilled and unemployed people from a disadvantaged background and assists qualified learners to find employment. By providing the tools needed to break cycles of poverty, Bergzicht is addressing one of the most pressing needs faced by vulnerable communities in our country.

Since its inception in 1992, the Bergzicht Centre has trained more than 9 000 people and has established a reputation for quality training and the delivery of results in areas where they matter most. Through its infrastructure, skills and competencies, Bergzicht has become an important role player in developing the country's human potential.

Remgro has committed itself to supporting the Training Centre for three years.

Equip – this development programme of the National Business Initiative in five schools in the Stellenbosch area has been sponsored by Remgro since 2005. After a shaky start, the programme gathered momentum and in 2008 some outstanding results were achieved. Kayamandi High improved its overall pass rate for Gr. 12s from 71% to 86%, while the secondary school Stellenzicht achieved an increase from 62% to 74.4%.

At the handing-over function of the last tranche of money to the schools in November, it was reported that in every area of school life – from academic to sport to the school grounds and facilities – tremendous improvements were evident. The increased motivation and energy of teachers were also noticeable.

During the past year the growth in the learner population, especially in Kayamandi, has led to the establishment of two additional schools. When approached by Equip, Remgro has decided to extend its support for another year to accommodate the two newcomers.

ORT SEED – is a partnership project between ORT-Tech, the Winelands District of the Western Cape Education Department and Remgro to offer specialised training and support in curriculum development and implementation for teaching mathematics, natural science, technology and literacy from Gr. R to 7.

ORT-Tech facilitates on-site curriculum development at Idas Valley and Rietenbosch primary schools. They receive supportive expertise and other resources and act as anchor schools for an outreach programme to 15 primary schools in the surrounding area. Remgro has committed itself to the programme for three years as an extension of its support to the Equip project.

The main goals of ORT SEED include the following: to make sure that learners in anchor schools benefit fully from the expertise of ORT-Tech in terms of methods of teaching; to become a role model to other schools in technology, mathematics, natural science and literacy implementation; to support the professional development of educators through on-site training in their classrooms; to provide educators with access to resources and to upgrade their skills and knowledge; and to create, through outreaching, the opportunity for educators to network and share the best teaching, learning and assessment practices.

ENVIRONMENT

WWF South Africa (WWF-SA) – since the establishment of the Southern African branch of this international conservation body by Remgro's founder more than 40 years ago, the Company has used WWF-SA as its sole channel of involvement in conserving the region's rich natural resources. In recent years WWF-SA has increasingly become our national conscience regarding environmental matters.

WWF-SA plays a fundamental role in the conservation sector, both by executing in-house conservation projects and by making it financially possible for others to undertake related work. As part of the global WWF network, which operates in nearly 100 countries, WWF-SA is in a unique position, within a developing economy, to generate pragmatic, science-based solutions to global environmental challenges.

Climate change is the greatest human-induced crisis facing the world today. Southern Africa, in particular, will most probably be affected due to extreme temperature rises coupled with severe reductions in rainfall. Therefore WWF-SA has moved from merely focusing on conserving species and the natural environment, to tackling global environmental challenges such as climate change, water shortage and the human footprint.

Ultimately WWF-SA believes that, by engaging business and the society at large, it is still possible to change behaviour and to leave a living planet for future generations.

CULTURAL DEVELOPMENT

Klein Karoo National Arts Festival (KKNK) – has experienced a very successful 15th year, with a good balance achieved between ticket-buyers and casual visitors to the festival. Performances attained a 65% attendance rate against 40% in 2008.

The Remgro/VenFin scholarship for the development of a career in the arts was awarded to a learner of George High School, Zaida Fortuin, who intends to use the money to further a career in professional dancing.

Remgro's contribution was also partially used for audience development. As part of this process a committee of art and cultural representatives was appointed to consider free and cheaper tickets. More than 3 000 such tickets were made available to choirs, drama societies, dancing schools, school groups and senior citizens – the emphasis mainly being on classical music, dancing theatre and drama.

Field Band Foundation (FBF) – a combination of inadequate education, depressed socio-economic circumstances and low employment prospects threatens to marginalise the youth of our country. This is the challenge the FBF has accepted with enthusiasm.

2008 has once again been a busy year for the FBF. Both the USA and the Norwegian exchange programmes enabled a handful of youngsters to have a lifetime experience while improving their musical skills. The FBF is also working hard to create a Know Your Status culture among its members. During an HIV workshop 338 FBF members, between the ages of 14 and 24, were tested, four positively. The results were lower than expected and give a positive indication of the FBF's success in helping its members to take responsibility for their personal development.

A profile of the Stellenbosch Field Band gives an indication of the social fabric of our society and the trying circumstances under which the FBF operates. The band has 313 members comprising sister bands in Cloeteville and Macassar. It boasts a total of 153 boys and 160 girls from a total of 30 schools in the region. One hundred and thirty seven members (43.8%) stay with both parents, 83 with mothers only, nine with fathers and the rest with either grandparents, relatives or guardians. Of the parents 24% of mothers and 75% of fathers are unemployed.

WAT – the Dictionary of the Afrikaans Language (WAT) had a tough start in 2008 when its annual PanSALB subsidy was reduced by one third. Sterling support from sponsors fortunately neutralised this substantial loss.

Good operational progress has been made during the year. The manuscript of the 14th volume of the dictionary (the letter R) was completed by the end of October when the layout, setting and proof-reading commenced. WAT plans to start with the letter S this year.

One of the highlights of the year involved presenting the 13th international Afrilex congress (Afrilex being the acronym for African Association for Lexicography). Approximately 100 people registered for the congress during which 35 papers were delivered.

WAT is accessible on the internet and the fact that the six largest South African universities have bought the right to use the internet version of the dictionary, benefiting some 300 000 students, bears testimony to its relevance.

Children's Art Festival (CAF) – since its inception 21 years ago, the CAF has grown steadily, and during the past three years some 2 000 children have attended its workshops, making it an established feature of the Grahamstown National Arts Festival. CAF's mission is to provide pre-primary children and primary school learners from every segment of society with a stimulating and exciting education in the arts.

CAF focuses on elevating the status of art and culture, which, for a number of reasons, is still lacking in the majority of South African primary schools. It believes that well-rounded, healthy learners result from a balance between academic and creative endeavours. The heartbeat of the programme is to release the latent artist within every child by exposing him or her to new skills involving hand/eye co-ordination as well as to diverse cultures and talents of craftsmen, artists, actors, dancers and musicians.

In 2008, 227 pupils who attended CAF's workshops during the National Arts Festival were sponsored. Because of Remgro's contribution the scope of the workshops could be increased and better equipment and more sophisticated techniques introduced. The sponsored workshops are structured in such a way that the children can take things home that would be useful to them, such as candles, mosaic mirrors and name boards.

SPORT DEVELOPMENT

SA Golf Development Board (SAGDB) – by providing coaching and playing opportunities for children from underprivileged areas, the SAGDB has been able to make golf accessible to many who would otherwise not have had the resources to play. During the past nine years, some 16 000 young South Africans have benefited from this programme.

However, the focus is not on the game only. The SAGDB continues using the sport to teach valuable life lessons that are important off the golf course as well as on it. Young players learn that dedication, integrity and self-belief are key elements to success which can be applied to all aspects of life. While expanding the game, SAGDB is also assisting in building safe, sustainable and healthy communities, one child at a time.

A landmark development, with huge implications for SAGDB, was announced in September last year when the SA Golf Association (SAGA) made a critical decision to support the growth of golf across the country. From January 2010 the SAGA will increase its annual affiliation fees, the proceeds of which will be channelled to the SAGDB. This means that the body responsible for expanding the game across South Africa will now be guaranteed an ongoing source of support.

Because of this far-reaching decision, SAGDB, with 3 000 children in its national programme and a recognised source of new talent, will be able to sustain its current operations as well as extending its support for the first time to North West, Mpumalanga and Limpopo.

Western Cape Cricket Academy – Remgro has been associated with the Academy since the early 1990s and has witnessed its growth in the number of players and its stature within the South African cricket community.

Over the past years it has produced many excellent players for Western Province, Boland as well as for other provinces. In the recent past, we have seen two exceptional players, JP Duminy and Paul Harris, making headlines.

The current Cobras Franchise Squad of 22 is made up of no fewer than 17 present and former Academy players, while the Western Province and Boland amateur teams comprise respectively 17 and 16 present and former players of the Academy.

Excellent progress has also been made in the women's section. Notably, six players represented South Africa during the past year at the World Cup in Australia.

COMMUNITY DEVELOPMENT

Ikamva Labantu – is a broad-based community development project for black urban dwellers in the Western Cape. It caters for the needs of pre-school children, orphans, seniors and the youth, and has become a model of what can be achieved by people with initiative, dedication and an intimate knowledge of the communities they serve.

During the past two years the vulnerable children's programme, sponsored by Remgro/VenFin, in a sense has redefined the activities of Ikamva's family support sector – a sector which aims to build the capacity of affiliated carers who will, in turn, enhance the care of orphans and vulnerable children in other areas.

The project was designed as a pilot model with the potential for replicating it in similar communities elsewhere in the country. The pilot project involves seven different areas: education (enrolling children, school fees, uniforms, stationery, etc.), financial assistance, food security, accessing documentation and grants, emotional support and accessing health services and food gardens.

The great success and the impact of the pilot project enabled Ikamva to apply this accepted, effective and sustainable model of intervention across its vulnerable children's programme which is currently reaching approximately 1 000 children in the townships of Philippi East, Gugulethu, Khayelitsha, Langa, New Crossroads, Blue Downs, Du Noon and Nyanga.

In an external evaluation of the vulnerable children's programme the following was said about Ikamva: "An organisation that constantly questions itself with the objective of improving is more likely to do so than one that does not attempt it. Ikamva is not afraid of re-examining things to see how these can be rendered more efficiently and effectively."

u Mephi – takes care of children in need through its network of satellite, halfway and foster homes. Ten years ago children in need were mostly abused and abandoned children. Today the picture has changed dramatically and nearly 80% of all children in need are Aids-affected.

By 2015 there will be approximately 3.5 million children in need in South Africa and u Mephi estimates that it will need to grow its services by 25% annually to help care for the children affected by this pandemic. It plans to establish three new halfway houses in each province by the end of 2009.

Since 2001, u Mephi has moved more than 2 500 babies through its homes, while more than 1 400 babies could be placed with adoptive parents. More than 45% of babies admitted have been reunited with their parents or extended families.

Stellenbosch Community Development Programme (SCDP) – daily between 900 and 1 000 primary school children in Kayamandi are fed as part of this nutritional programme. According to recent surveys the number of malnourished children in this township has decreased significantly.

The mothers who are participating in the food parcel programme continue to express their gratitude for the help received from the SCDP in their desperately poor lives. Their dedication to the vegetable garden and craft club is testimony to this.

SCDP reports that the improvements which have been seen since the start of the programme four years ago, are tangible and real – lives are being changed for the good and the feedback from the children and their mothers is most heart-warming.

HEALTHCARE

Wits/Donald Gordon Medical Centre (WDGMC) – the past year was effectively the second year of the official integration of WDGMC into the training programme of the Wits Faculty of Health Sciences. This integration was made possible only by the generous financial contributions received from donors. Regarding developments in the academic programme in 2008, it was a year of introspection into the relationships between WDGMC and its partners, the Wits Faculty of Health Sciences and Medi-Clinic.

In December 2007, a strategic planning session was held with senior members of the Faculty and the WDGMC academic leadership during which both the vision of WDGMC and its strategic importance within the faculty were reaffirmed. This was followed in May 2008 by a strategic planning day where issues such as the governance of the board and the difficulties in managing the differences which exist between WDGMC and other private hospitals were debated. How to manage the hospital efficiently and cost-effectively without stifling development is a question which needs to be addressed in the current year.

WDGMC is likely to have an impact on the specialist and subspecialist training within the Wits Faculty of Health Sciences in a number of ways. Within the next five years the centre aims to increase the number of subspecialists produced in the country by as much as 40%. The last twelve months have sadly seen a resurgence in the wave of doctors choosing to leave South Africa. WDGMC has been relatively spared from this loss and hopes to continue to offer doctors a reasonable alternative to emigration by giving them the opportunity of having the benefits of both private and academic medical practices in one facility.

Organ Donor Foundation of SA (ODF) – celebrated its 20th anniversary in June 2008 and can be proud of its role over so many years in addressing the critical shortage of organ and tissue donors in South Africa. 2008 was also a very positive year for the ODF, with the number of individuals registering as organ donors increasing enormously. Statistics over the past three years show that more and more South Africans are educated and informed on the subject of organ donation.

Remgro once again made its contribution to this admirable cause by sponsoring four flights for the transport of organs. A special thank you must go to the staff of Falconair for their wonderful support in this regard.

2009

FINANCIAL REPORT