

SUSTAINABILITY REPORT

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.

SUSTAINABILITY REPORT

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.

In the production of its aluminium extrusions, Wispeco uses 44% post-consumer and 25% post-industrial recycled aluminium. While the smelting of primary aluminium is an energy intensive process, the remelting of scrap aluminium requires as little as 5% of this energy.

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

Climate change

Since the inception of CDP 6, Remgro has participated in the Carbon Disclosure Project every year. Initiatives are ongoing which include strategic alignment, integration of climate exposure into risk registers, building automated "carbon dashboards" to measure the progress of the initiatives online and enhancing the measurement and reporting processes supporting the initiatives at subsidiary companies.

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. Remgro Management Services (RMS), as specialised service company, employs all the staff of Remgro.

EMPLOYEES

SUMMARY OF EMPLOYEES OF THE OPERATING SUBSIDIARIES

	2010	2009
Rainbow Chicken	7 386	7 417
Wispeco	920	1 041
Tsb Sugar (excluding contract workers)	3 343	3 008
Other	16	11
	11 665	11 477
RMS	185	168
	11 850	11 645

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, RMS, on behalf of Remgro, annually submits a labour plan to the Department of Labour.

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 54.7% in the FM Empowerdex 2010 "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, 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. 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 eradicating the effects of poverty and on encouraging young people from disadvantaged communities to promote their self-esteem. This is done in the belief that such an investment will provide sound dividends far into the future.

Donations to deserving institutions are usually made over specific periods and, although such contributions cover quite a wide range, there are two noticeable exceptions: political parties and religious institutions. Although the Company respects its employees' choice to participate in these organisations, Remgro itself does not exercise a choice.

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

Entrepreneurship and training

TSiBA – also known as the entrepreneurial university of the Cape, celebrated its fifth anniversary in 2009 and took the bold step of extending its operations to the Southern Cape, where it merged its activities with those of the Eden Campus in Karatara, near Sedgefield.

Eden Campus was established in 2006 as a residential "green" business college that focuses on entrepreneurship and skills development. The decision to bring Eden into the TSiBA family was a strategic one. The time was right for TSiBA to expand its activities and to prove the replication

potential of its education model as its BBA degree was accredited and the first graduates were doing well in the workplace and winning scholarships for postgraduate studies.

Another milestone was the announcement that two of TSiBA's students had been nominated as recipients of the Mandela Rhodes Scholarship. Their achievement confirms that TSiBA is succeeding in developing young people with exceptional leadership capacity to demonstrate social responsibility, entrepreneurship and academic excellence.

In 2009 a total of 55 students completed their foundation year successfully and received a further full tuition scholarship to study for TSiBA's BBA degree in Entrepreneurial Leadership, while 110 students were admitted to the foundation year in 2010.

Remgro has committed itself to supporting TSiBA for a four-year student cycle.

Shalamuka Foundation – is a funding body which participates in BEE transactions and investment opportunities to create long-term investments that will provide sufficient funds to sustain Penreach on an annual basis and allow room for planning, replication and important research.

Penreach is a non-profitmaking, holistic school development programme, established in 1994, which aims at improving the skills of teachers and the quality of education at schools in Mpumalanga and surrounding areas. Penreach began working with 40 teachers from 10 schools. It has grown exponentially and now reaches over 2 000 teachers annually, representing more than 900 schools, while 350 000 learners from mainly rural areas benefit from the programme.

At present Penreach is piloting two exciting programmes in line with its approach to use a single high school as a centre for establishing effective learning communities, involving all stakeholders, i.e. feeder schools, local NGOs, political structures and parents.

Today Penreach is a shining example of what can be achieved by people with a deep love and passion for their country and a positive attitude.

Beyers Naudé School Development Programme (BNSDP) – significant progress has been made since 2005 to convert underperforming schools into centres of effective teaching and training. The BNSDP of Kagiso Trust has adopted methods that turn rural schools around and provide them with the education infrastructure that is generally lacking in these schools.

Kagiso uses the BNSDP in a cluster of 10 schools in a particular district for a period of four to five years. The core of the programme concentrates on team building, and work ethic, and on increasing discipline and accountability levels among principals, teachers and learners.

In 2009 the BNSDP, among other projects, launched three media centres (a combination of a library and a computer centre), four science laboratories and a computer centre in five schools in the Free State. In total 184 computers were supplied to seven schools in the Free State and Limpopo.

SciMathUS – was developed in 2001 by the University of Stellenbosch as a bridging programme with the aim of making higher education more accessible to black students who wish to further their studies in physical and applied sciences, engineering, medical and health sciences and economic and management sciences.

The programme grew from a complement of 40 students per year in 2001 to the present enrolment of 100 students per year. Over the decade 539 students were admitted to the programme. Problem-based learning forms an integral part of the programme. Students are also afforded the opportunity to develop general academic skills, such as study and thinking skills, academic language skills and computer literacy.

A new challenge for SciMathUS has been the incorporation of students with maths literacy into the programme. When choosing maths literacy as a subject, many learners are not aware of the implications of their choice, namely, that certain study areas in higher education then become inaccessible. Since 2008, a new curriculum has been developed to address this problem.

The success of the SciMathUS can be gauged, inter alia, from a 100% pass rate for the programme over the

past two years, an improvement of 15% on average in maths results over the last nine years and the enrolment of 76.6% of SciMathUS's students at the University of Stellenbosch over the past six years.

Paul Roos Academy – has come under tremendous financial strain during the past year mainly as a result of a shift in corporate social investment spending by some of its donors. As a result the Academy was forced to cancel the June/July and September school holiday presentations. If this situation does not improve, the Academy will have to reduce the number of learners substantially or even call an end to the programme.

At the end of 2009, the Academy's second Gr. 12 group (33% of the 80 learners enrolled in 2003) wrote the matric examination and 38% qualified for a bachelor's degree – a vast improvement on the results achieved in 2008. Maths and science proved to be stumbling blocks and caused some of the failures. A total of 180 learners received instruction at the Academy during 2009, but the lack of funds has reduced this number substantially in 2010.

Due to the worldwide economic crisis the Creative Education Foundation in the USA could not visit the Academy. However, the Memory Institute in Bellville continued to assist Gr. 8 learners with instruction in thinking-, learning- and life-skills, while Master Maths was responsible for teaching mathematics, by using computers, to learners in Gr. 9, 10 and 11.

Bergzicht Training Centre – offers basic skills training and job placement services to destitute people from impoverished communities in and around Stellenbosch. Its approach is unique in the sense that it offers several condensed and comprehensive courses throughout the year in various fields, such as home management, educare, frailcare and catering, with no course exceeding three months.

The Centre addresses the needs of a countless number of people living in the Stellenbosch area who are in desperate need of employment. Often these people have neither completed their schooling nor have acquired any viable skills to gain themselves employment.

Bergzicht Training has not only become a landmark institution in Stellenbosch, but has also established a reputation throughout the country. It has trained more than 10 000 people over the years, many of whom have been placed in secure employment.

Equip – is a development programme of the National Business Initiative, sponsored by Remgro, in five schools in the Stellenbosch area. During the past year good progress has been made at two schools that had encountered problems, Ikaya Primary and Kayamandi Primary. These positive developments once again demonstrated the value of Equip working in partnership with the education authorities.

Regarding the three high schools in the programme, it was reported that they have become self-sufficient in terms of developing and managing their school improvement programmes. The school management teams and staff now plan and operate their own projects and processes under the guidance of Equip in order to update and improve the skills necessary to sustain the process in each school.

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

ORT-Tech facilitates on-site curriculum development at two anchor schools, Idas Valley and Rietenbosch Primary, and supplies these schools with additional resources to give learners access to quality classroom education.

The Mathematics After School Outreach Programme, involving 47 educators from 16 schools in the Stellenbosch District, once again proved to be highly beneficial which was evident in the performance of their learners. The schools have shown great appreciation for the help they received.

ORT-Tech expressed its sincere appreciation for Remgro's willingness to make this project possible and

says: "The investment into our country's valuable asset, i.e. our children, will contribute to making South Africa a better country."

Environment

WWF South Africa (WWF-SA) – also known as the World Wide Fund for Nature South Africa, was established in 1968 and is the local office of the global WWF network – one of the largest and most experienced conservation organisations, with almost five million supporters and a global network in more than 100 countries.

WWF cooperates with various partners to conserve special environments and endangered species. In cooperation with government, civil society and the private sector, WWF works to ensure that healthy marine and freshwater ecosystems underpin the sustainable development of South Africa. It also advocates a low carbon economy for South Africa by focusing on climate change and sustainable trade and investment.

Through various environmental education initiatives, WWF invests in conservation managers and environmental leaders of the future, its mission being to stop the degradation of the planet's natural environment by conserving the world's biodiversity, by ensuring that the use of renewable natural resources is sustainable and by promoting the reduction of pollution and wasteful consumption.

Remgro uses WWF as its sole channel of involvement in conserving South Africa's rich natural resources.

Cultural development

Klein Karoo National Arts Festival (KKNK) – Remgro has come to the end of a ten-year support of this festival. Its contribution to bursaries and other programmes enabled young artists who otherwise would not have had the opportunity to further their careers in art.

In line with this philosophy, a portion of the Company's last contribution was allocated as seed capital for the establishment of a new bursary and mentorship scheme, while the residue was used to subsidise productions on the 2010 calendar.

Field Band Foundation (FBF) – the purpose of the FBF is to attract youth in economically and socially challenging communities through an exciting and creative activity, keeping them engaged for many years and in doing so providing them with a meaningful involvement and the ability to break out of the cycle of poverty.

The FBF's achievements were acknowledged in 2009 with the chairman's premier award of Business Arts South Africa. Other highlights included three new projects which came on stream in the Northern Cape, North West and in Plettenberg Bay. An invitation was also extended to the FBF to perform as part of the opening and closing ceremonies of the 2010 FIFA World Cup as well as at fan parks, open spaces and at corporate events associated with this tournament.

The relationship between FBF and the Norwegian Band Federation and the latter's commitment to the FBF's efforts continues to grow and has had a great impact over the years. To have consistent and constructive input from a country where community bands have played an important role in nation building is, indeed, invaluable.

A major challenge facing the FBF is the low level of practical and technical skills among the youth leaders who must take the Field Band movement forward in the decades ahead. The problem will be addressed by the Field Band Academy and its aim is to fulfil the emotional, intellectual and spiritual needs of all learners and to bring their education and social skills to a point where self-confidence, self-respect and self-education take over.

WAT – notwithstanding financial difficulties, the Dictionary of the Afrikaans Language (WAT) managed to sustain its activities in 2009 without dipping too deeply into its capital reserves.

The introduction of volume XIII of the dictionary (the letter R) in July 2009 was undoubtedly the highlight of the year. Work on volume XIV (the letter S) also started last year and is making good progress.

However, the lack of progress regarding the capital fund was a disappointment. The fund remains at a

level between R5 million and R6 million, depending on market movements – a far cry from the R30 million envisaged to sustain WAT's long-term activities. The reduction in government subsidy makes it very difficult to build the capital fund, especially during tough economic circumstances.

Children's Art Festival (CAF) – as an established feature of the Grahamstown National Arts Festival, the CAF endeavours to inspire children from the Eastern Cape by exposing them to many and varied branches of the arts during this annual event. Many of these children are from backgrounds where any form of art is completely foreign and it is heart-warming to see the joy on their faces when they experience something new and especially when they are able to master it.

Through its workshops CAF follows a practical approach and tries to focus on simple techniques and the making of useful items which youngsters can reproduce in their own environment. These include: basket-weaving, beading, mosaics, sand work, painting, physical theatre, drumming and the making of items such as wind chimes, electrical circuits, paperweights, decorative key racks and printed T-shirts.

Despite the economic recession the attendance numbers remained steady in 2009 and the same is expected in 2010 when the festival will run over 15 days because of the extended school holidays due to the 2010 FIFA World Cup.

Sport development

SA Golf Development Board (SAGDB) – has also experienced the cold winds of economic recession during 2009 and as a result had to cut its budget to the bone. On the positive side, the economic realities have forced the SAGDB to redouble its efforts to streamline and improve the efficiency of its administrative and operational structures.

The stability thus achieved enabled the SAGDB to keep its programmes running on limited funds. Project 312 continues to provide a strong framework for the SAGDB's coaching efforts and ensures that every region can be effectively monitored and measured. At

present 60 coaches are under contract and have the capacity to coach 3 500 children countrywide.

During ten years of golf development the SAGDB has coached over 17 000 youngsters and produced 56 junior provincial players. The board has facilitated the participation of over 1 500 players in South African Junior Golf Foundation tournaments and 16 of its most talented players have been invited to join the prestigious Ernie Els & Fancourt Foundation.

The SAGDB is constantly aware of the need to improve the level of coaching offered to learners and is therefore deeply grateful to the Professional Golfers Association of South Africa (PGA) for its support. The PGA's mentoring programme has made top coaches available to support and encourage the development coaches of the SAGDB.

Looking back over the past decade, the SAGDB expressed its sincere appreciation to the chairman of this Company for his dedication to golf development. His contributions, says the SAGDB, allowed them to carry on with their work under most challenging circumstances. "His magnanimity and ongoing encouragement allow us to spread the game of golf to South African youngsters desperate for positive experiences and to impart to them the valuable life lessons the game teaches."

Western Cape Cricket Academy – Despite organisational changes at the national level which affected training and practice sessions and also led to the cancellation of certain Sunday fixtures, the Academy reported that it had enjoyed a reasonably successful season.

Once again the Academy has left its mark on cricket in South Africa by providing provincial teams and the national squad with talented players. Three members of the Academy were included in the SA squad for the ICC T20 World Cup in the West Indies in May this year, while two former members were selected for the SA "A" side for the series against Bangladesh which took place at the same time.

No fewer than 13 former members of the Academy were included in the Cobras squad who won the

Supersport Series Competition in 2010 – indeed no small feat for the excellent work done by the Academy. Remgro has been associated with the Academy since the early 1990s and has witnessed its growth in membership and stature within the South African cricket community.

Community development

Ikamva Labantu – is a broad-based community development organisation which has a holistic approach to the development of impoverished communities: from early childhood, especially vulnerable children, and family support services to catering for the needs of senior citizens and disabled people.

During the past year food parcels were provided to approximately 200 pre-schools and 200 vulnerable families, ultimately benefitting more than 7 000 children by reducing the level of food insecurity in their households. In addition, support was given to 370 carers through whom 1 300 vulnerable children were reached.

Ikamva's team of highly experienced and dedicated community-based workers and volunteers continue to identify and assist children at risk. An experienced multi-disciplinary team develops care plans for each child in the context of his/her household. Families are then provided with services such as food parcels, financial support, assistance with government grant applications, nutrition education and assistance with school-related costs such as uniforms, books and stationery as well as emotional and psychological support.

The capacity-building project which aims at increasing the management capacity of more than 70 senior clubs in the greater Western Cape area, continued in 2009. Good progress was also made with the organisation's urban food gardens, covering an area of some 8 091 square metres. Fresh vegetables are regularly delivered to pre-schools, senior clubs and vulnerable families.

During the past four years a total of 269 children were reached by a special vulnerable children's programme, sponsored by Remgro. The project was

designed as a pilot model with the potential for replicating it in similar communities elsewhere in the country.

uMephi – cares for children in need through a network of satellite, halfway and foster homes. During the past year alone 669 children were admitted into 25 foster homes and six special care centres.

uMephi's ideal is to give a child in need a home and a family. It works with local and provincial government to include orphans in the planning of future land and property developments. The idea is to make it possible for orphans to one day own the homes in which they grew up and to give them some kind of nest egg later in life. For this purpose uMephi has already bought land with the hope that transfer of ownership will become possible in the near future.

The number of HIV-positive babies cared for by uMephi has doubled over the year. Land for building foster homes was obtained in five provinces, but the demand seems to be growing faster than uMephi can hope to meet.

Abused children also present a huge challenge. House parents need constant counselling as the children taken in are severely traumatised and often need psychiatric treatment. uMephi cares for 259 children in 30 homes with a team of 90 care givers. The severity of this programme takes a heavy toll on staff and house parents and new workers need to be trained constantly to cope with the strain.

Stellenbosch Community Development Programme (SCDP) – nourishing to sustain is the main objective of the SCDP which believes that the nutritional status of children in a community is a valuable indicator of the overall development and distribution of available resources within the community.

SCDP is based in Kayamandi, a peri-urban area where the majority of residents (30 000) come in search of work. Most live here in informal settlements and in dire poverty. This, coupled with a high incidence of illiteracy and HIV/Aids, makes Kayamandi a community in desperate need of assistance.

The prime aim of SCDP is to stamp out starvation and to provide food to needy and malnourished primary school children, and in doing so to improve learning and concentration abilities, to discipline them and to improve their overall health. In addition, it covers an agricultural initiative in the form of a vegetable garden for the mothers of the children the organisation feeds. Environmental sustainability is addressed through a craft club producing items for sale.

The SCDP feeds 1 200 children on average every school day. During the past year alone this figure has increased by 200. Monthly food parcels are delivered to 60 families.

Yabonga – which was established ten years ago, attempts to combat the scourge of HIV and Aids by improving the lives of the poorest of the poor through its focus on education, personal development and income-generating skills.

Yabonga's programmes are spread across 12 communities and offer support to thousands of women, men and children who are infected with HIV. The lack of direction and motivation among the youth is of great concern to Yabonga, as well as the fact that they are easily lured into the clutches of substance abuse and petty crime.

A new area of growth has become apparent in the orphans and vulnerable children's programme. The number of children in this programme has increased from 40 in 2006 to over 250 in 2009. One third of the children are orphaned and one third are HIV positive. Insufficient funding has unfortunately restricted the intake of more children. In addition to attending to the basic needs of the children (nutrition, education and psychological support), they are entertained by theatre productions, visits to places of interest, camps, leadership programmes, computer literacy classes and sport activities during holidays.

Healthcare

Wits Donald Gordon Medical Centre (WDGMC) – the academic programme of the WDGMC, which has been integrated into the training programme of the Wits Faculty of Health Sciences, is now in its

fourth year and its growth has been gratifying, says the Centre in a recent report. The learning curve has been a steep one in terms of the issues which have to be dealt with when a training programme is introduced into the private hospital environment.

During the past year the WDGMC funded three registrar posts, two in Anaesthesiology and one in Internal Medicine. A total of 48 registrars have had the opportunity to rotate through the Centre's ICU for their mandatory ICU training during the past three years. Consensus among them indicates that the experience gained was significantly different from that gained at other training sites.

In Adult Oncology the first training cycle was completed in December 2009 and the challenge is now to find a position in the public sector to retain the successful candidate within the University. The candidate has a dual qualification in medical Genetics and Oncology, which is unique in this country.

It is important, says the WDGMC, that its experience should be documented and its impact on specialist

and subspecialist training be surveyed. The introduction of each new programme brings with it new challenges which help the Centre to improve what is already being offered. If the Centre can get its model right, it can be an example to other universities on how to address the skill shortages in the field of specialists and subspecialists in the country.

Organ Donor Foundation of SA (ODF) – addresses the problems associated with the shortage of organ and tissue donors in South Africa. When organs become available, it is of critical importance that the organs should reach the facilities where potential recipients are waiting as soon as possible. It is in this instance that Remgro offers help by sponsoring four flights per annum.

These flights are often scheduled at short notice and deep in the night and it would not have been possible without the selfless and sacrificial contribution by the staff of the aviation company Falconair. We salute them for their sterling effort.