



SUSTAINABLE
DEVELOPMENT
REPORT
2020

Remgro
Limited

SUSTAINABLE DEVELOPMENT REPORT

SUSTAINABILITY HIGHLIGHTS

SUCCESSFUL INCLUSION IN THE
**FTSE/JSE RESPONSIBLE
INVESTMENT INDEX
ON 30 JUNE 2020**

CONTINUED PARTICIPATION IN THE
**CARBON DISCLOSURE
PROJECT (CDP)**

CONTINUED MEMBERSHIP OF THE
**ETHICS INSTITUTE OF
SOUTH AFRICA**

OBTAINING OUR **LEVEL 6**
CONTRIBUTOR STATUS IN TERMS
OF THE

BBBEE SCORECARD

INSTALLATION OF
**A SOLAR ENERGY
SYSTEM AT THE
REMGRO HEAD OFFICE**

“OUR **TRUE POWER**
DOES NOT LIE IN OUR
SAMENESS, BUT IN
OUR **RICH DIVERSITY:**
DIVERSITY OF FAUNA
AND FLORA; PEOPLE
AND CULTURES.”

Dr Anton Rupert

INTRODUCTION

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

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

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

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

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

REMGR0 GROUP PRINCIPLES

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

Accordingly, Group Companies are encouraged to:

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

COMBINED ASSURANCE

ASSURANCE OUTPUT	BUSINESS PROCESSES ASSURED	PROVIDER
Independent external auditor’s report	Financial reporting	PricewaterhouseCoopers Inc.
Internal audit reports	Risk-based selection of audit areas	Remgro Risk Management and Internal Audit
Internal risk and opportunities management	All key business risk and opportunities areas	Internal management reviews, assisted by Remgro Risk Management and Internal Audit
BBBEE contributor verification	Broad-based black economic empowerment	AQRate Proprietary Limited
External calculation of carbon footprint	Carbon footprint calculation	Carbon Calculated, assisted by an independent consultant
Safety, Health and Environmental procedures	OSH Act and related compliance	EHS Green Leaf Consultancy

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

EXTERNAL ASSURANCE

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

MANAGEMENT'S APPROACH TO SUSTAINABILITY

Remgro's Board is ultimately accountable for the performance of the Company, appreciating that strategy, risk, performance and sustainability are inseparable. In this regard the Board has delegated the general oversight and reporting of sustainability to the Audit and Risk Committee, assisted by the Social and Ethics Committee. The role and function of these committees are dealt with in more detail in the Corporate Governance Report and the Social and Ethics Committee Report on pages 65 and 103 of the Integrated Annual Report respectively.

ETHICS, COMPETITION AND COMPLIANCE

ETHICS

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

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

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

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

The Audit and Risk Committee monitors compliance with the code and addresses among other things, any instances of fraud or irregularities that may arise. The Group has an effective fraud prevention and detection process and ensures compliance and risk mitigation. No material investigations were concluded 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 were reported. Where calls may be received which relate to alleged irregularities at investee companies, the system provides for those to be directed to the appropriate governance structures at the respective investee companies via the Remgro representatives serving on the boards of these companies.

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

COMPETITION

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

COMPLIANCE

During the year under review there were no incidents of material 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 alleged infringement of any human rights or environmental malpractices reported or identified.

STAKEHOLDER RELATIONS

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

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



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

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

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

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

SHAREHOLDERS AND THE INVESTMENT COMMUNITY

In pursuing its primary objective to maximise value creation and sustainable growth, Remgro takes particular care to ensure that all shareholders, or classes of shareholders, are treated equitably.

Special care is taken to protect minority shareholders from actions by or in the interest of the principal shareholder that may be to their detriment. In this regard the Lead Independent Director acts as chairman during meetings in situations where the independence of the existing Chairman may be potentially conflicted.

Communication with investors is based on the principles of timely, balanced, clear and transparent information. In this regard the investment community has access to the same information as Remgro shareholders. Firm protocols are in place to control the nature, extent and frequency of communication with investors. Shareholders and the investment community are encouraged to attend Remgro's Annual General Meetings where topical matters are discussed openly. Further interactions with institutional investors take place twice a year at the dial-in interim and final results presentations, where questions can be directed to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). The investment community is encouraged to contact the Remgro investor relations manager directly for any investor related queries. The investor relations contact details are available on the investor segment of the Company's website.

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

EMPLOYEES

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

As 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 recently started with 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 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 will be finalised and rolled-out to the organisation in the new financial year.

INVESTEE COMPANIES AND OTHER SHAREHOLDERS OF SUCH INVESTEE COMPANIES

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

terms of the underlying shareholders’ agreements and Remgro strives to add value to these investments.

COMMUNITY

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

In its relationship with the community Remgro strives to be a value partner and in this regard its involvement in the community focuses on eradicating the effects of poverty and investing in young people from disadvantaged communities in the belief that such an investment will provide sound dividends far into the future. Remgro’s corporate social investment initiatives and donations are discussed in more detail on pages 9 to 12.

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 update Service Level Agreements with key suppliers to reflect its expectations regarding environmental responsibility, compliance with human rights and anti-corruption policies.

As 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 communication is on an *ad hoc* basis as and when the need arises, and is usually in the form of formal meetings. Regulatory bodies such as National Treasury, the South African Reserve Bank (SARB) and the JSE Limited (JSE) are kept up to date regarding

FIGURE 1

BBBEE SCORECARD

Element	Indicator	Weighting	Score
Equity ownership	Percentage share of economic benefits	25	18.30
Management control	Percentage black persons in executive management and/or executive board committees	19	6.92
Skills development	Skills development expenditure as a proportion of total payroll	20	12.83
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	29.65
Socio-economic development	Corporate social investment for the benefit of black persons	5	5.00
Total score		109	72.70

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 and Industry. In terms of the latest assessment of Remgro's BBBEE status performed during September 2020, Remgro obtained a score of 72.70 (2019: 72.95), thereby obtaining a level 6 contributor status. The details of the assessment are fully set out in Figure 1 on the previous page and includes the BBBEE initiatives of Remgro's main independent operating subsidiaries, RCL Foods Limited (RCL Foods), Distell Group Holdings Limited (Distell), Siqalo Foods Proprietary Limited (Siqalo Foods) and Wispeco Holdings Proprietary Limited (Wispeco).

EQUITY OWNERSHIP

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

It should be noted that black ownership would be included in the shareholdings in Remgro held by institutional investors (refer to page 144 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 2020	30 June 2019
Voting rights black people	4.00	3.08	2.85
Voting rights black women	2.00	1.88	1.65
Economic interest black people	4.00	3.14	2.82
Economic interest black women	2.00	1.98	1.74
Economic interest of black designated groups	3.00	3.00	3.00
Black new entrants	2.00	–	–
Net value	8.00	5.22	4.70
	25.00	18.30	16.76

Although Remgro's BBBEE score includes the initiatives of RCL Foods, Distell, Siqalo Foods and Wispeco, the discussion below regarding the other elements of the generic scorecard

criteria only relates to the activities at Remgro's head office in Stellenbosch. For more detail regarding the BBBEE initiatives at investee company level, refer to the section "BBBEE at investee companies" on page 7.

MANAGEMENT CONTROL

The Board transformed over time, with six of the 12 non-executive directors (50%) being black persons. On Management Board level, one of the five members is a black person.

EMPLOYMENT EQUITY

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

Remgro's summarised employment equity as at 30 June 2020 is presented in Figure 2 on the next page 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. Remgro purchases more than half of its goods and services from BBBEE-accredited vendors. The improvement of the preferential procurement score remains a focus area for Remgro.

"IT IS THEREFORE IMPERATIVE TO ATTRACT, SELECT AND RETAIN EMPLOYEES OF THE HIGHEST CALIBRE."

FIGURE 2

SUMMARISED EMPLOYMENT EQUITY REPORT (AS AT 30 JUNE 2020)

OCCUPATIONAL LEVELS	MALE				FEMALE				FN		TOTAL
	A	C	I	W	A	C	I	W	M	F	
TOP MANAGEMENT	-	1	-	3	-	-	-	1	-	-	5
SENIOR MANAGEMENT	-	2	-	13	-	-	1	3	-	-	19
PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID-MANAGEMENT	-	1	2	20	2	3	-	9	-	-	37
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMEN AND SUPERINTENDENTS	4	12	-	12	2	10	1	25	-	-	66
SEMI-SKILLED AND DISCRETIONARY DECISION-MAKING	20	19	-	1	5	7	-	-	-	-	52
GRAND TOTAL	24	35	2	49	9	20	2	38	-	-	179

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

ENTERPRISE AND SOCIO-ECONOMIC DEVELOPMENT

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

BBBEE AT INVESTEE COMPANIES

Remgro monitors and contributes to its investees' BBBEE performance through its board representation and participation, and facilitation of corporate actions in these investee companies. The BBBEE status of Remgro's investee companies is presented in the "Investment reviews" section on page 38 of the Integrated Annual Report.

Further details regarding the BBBEE status of Remgro's operating subsidiaries are provided in the section dealing with "Sustainability at operating subsidiaries" on page 12.

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 179 people being employed as at 30 June 2020 (2019: 184 employees). Refer to Figure 3 on page 8 where more detail regarding the composition of our employees by race, gender and age is illustrated.

For the year under review Remgro's employee turnover rate was 10.6%, compared to 5.4% for the comparative year to 30 June 2019. The turnover rates were calculated by using the total number of employees at year-end. By only taking into

account resignations (thus avoidable employee turnover), the above numbers reduce to 6.1% for 2020 and 2.2% for 2019.

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 loyalty. Special attention is given to those groups which, for historic reasons, may fit the criteria of "previously disadvantaged persons".

During the 2018 financial year a process was concluded to revitalise and enhance the consultative EE structures in preparation of the consultation process to develop a new EE plan as required by the Act. The consultation process, through these established structures, ensured a much more inclusive engagement process. Through this inclusive engagement process a new EE plan was developed, approved by the Social and Ethics Committee and submitted to the Department of Employment and Labour. Annually progress against the plan is reported to the Department of Labour and the Social and Ethics Committee.

EMPLOYEE REMUNERATION

Our objective is to reward our employees fairly and competitively, according to their capabilities, skills, responsibilities 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 84 of the Integrated Annual Report where Remgro’s remuneration principles are set out in detail.

Remgro offers retirement benefits to its employees in the form of a defined-benefit (closed fund) and a defined-contribution fund that are administered independently of the finances of the Company. In addition, employees are also offered medical insurance and study assistance.

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, no prescribed training programmes are promoted. Individuals are, however, encouraged to attend training programmes which will better equip them to do their jobs. During the past few years workshops and training sessions on King IV, Anti-corruption practices, the pending Protection of Personal Information legislation and the Competition Act (No. 89 of 1998) were held to ensure that Remgro’s directors, management and employees are equipped to implement and practise sound corporate governance at all levels where they are involved.

HEALTH AND SAFETY

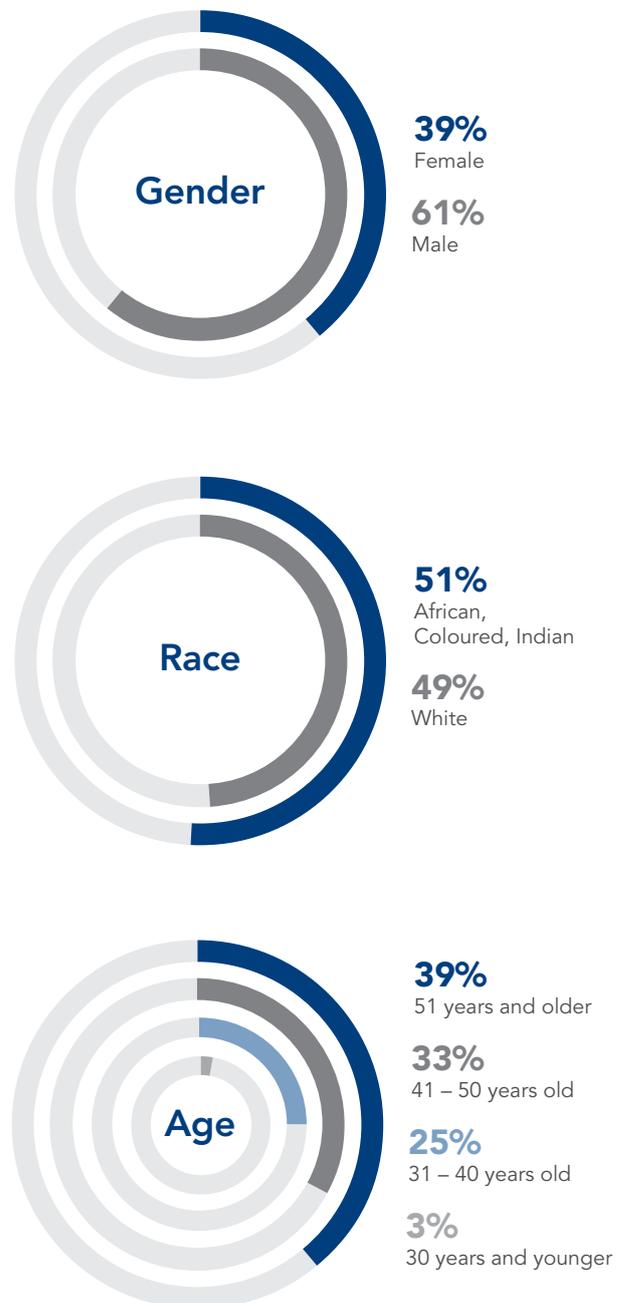
The Company has a duly constituted Health and Safety Committee, as required by the Occupational Health and Safety Act (No. 85 of 1993). The committee is a subcommittee of the Risk, Opportunities, Technology and Information Governance Operational Subcommittee and ensures that the Company provides and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

COVID-19

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

- Compliance with all legal requirements as far as Covid-19 is concerned
- Enabling all employees to work from home as far as possible
- Precautionary measures put in place at Company premises to contain the spread of the virus
- General Covid-19 awareness campaigns

FIGURE 3
COMPOSITION OF EMPLOYEES
(AS AT 30 JUNE 2020)



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

During the year under review Remgro made two notable donations, which are not included under Remgro's annual corporate social investment (CSI) below.

A once-off donation of R500 million was made to The South African SME Relief Trust in support of the Sukuma Relief Fund. This Fund was created to provide financial assistance and relief to Small and Medium Enterprises adversely affected by measures taken to contain the spread of the Covid-19 pandemic. By the middle of August 2020, financial assistance of more than R750 million had been committed to more than 3 400 small businesses, positively affecting more than 31 000 employees.

An amount of R25 million was committed to the Khaya Lam project, of which R9 million was allocated during the year under review. This project aims to facilitate the granting of title deeds to qualifying township residents through helping them to break through the bureaucratic lock-jam which has deprived them of this entitlement. The underlying belief of this initiative is that the acquisition of title deeds will provide the owners with unambiguous rights of access to tradeable property assets and thus facilitate their entry into the formal markets. The initiative is currently focused to the Western Cape where it was kicked off.

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 R25 million (2019: R24 million), as set out in the table below.

	Year ended 30 June 2020 R million	Year ended 30 June 2019 R million
Summary of CSI spend		
Community development	6	7
Cultural development	3	3
Entrepreneurship, training and education	11	10
Environment	2	2
Healthcare	–	1
Sport development	3	1
	25	24

During the year under review the most notable initiatives Remgro has been involved in, were the following:

COMMUNITY DEVELOPMENT

Strengthen our Society (SOS) – was founded by Remgro, together with the Greater Stellenbosch Development Trust, to broaden the scope of a selected group of charitable organisations in the region. Most community institutions are not lacking leadership or enthusiasm, but they are often hamstrung by a lack of structural capacity which prevents them from breaking through and realising their full potential.

The SOS initiative aims to bridge the gap between interested business enterprises and charitable organisations and endeavours to assist beneficiaries with funding, governance, expert advice, human relations, systems, management and legal matters. A very positive outcome of the SOS programme is the sense of belonging, and of being valued, experienced by participants.

Over the past year SOS capacity building and training activities included:

- People management and team building
- Basic conditions of Employment Act
- In "Harmony" – a journey of self-discovery
- Funding applications
- Rendering support and interventions where necessary to SOS partners

Ikamva Labantu – is a leading community-led non-governmental organisation supporting the socio-economic development of Cape Town's township communities. The organisation works closely with community members to identify and address the critical needs of children, youth and senior citizens. The past year's community programmes focused on early childhood development, safety and care of children after school and the wellbeing of older persons. In addition to this, Ikamva Labantu continually supports current and emerging community initiatives with the focus on protection and promotion of human rights and dignity. (www.ikamva.org.za)

Stellenbosch Community Development Programme (SCDP) trading as Love to Give – has operated in Kayamandi, Stellenbosch for the last 15 years, with Remgro being one of the key founding funders who have been the backbone to the success of the organisation. They take a holistic approach to breaking the poverty cycle. The aim has been to ensure that the basic needs of the family are met, and then to assist individuals to either find a job or start a small business. There are vegetable gardens, a toy and book sharing library, as well as daily early childhood development training at the centre.

During the unprecedented Covid-19 time, priorities have had to change, and the focus is now solely on providing food relief to families.

They are currently supporting approximately 600 families with monthly food parcels and are actively fundraising to be able to increase the number of families that are supported and to ensure that sufficient funds are available to continue supporting the current beneficiaries for the entire duration of the Covid-19 crisis. (www.lovetogive.org.za)

CULTURAL DEVELOPMENT

Field Band Foundation (FBF) – Remgro’s Cape Whalers is currently the Field Band’s number one performing band. On 15 February 2020, 14 of Field Band’s top bands travelled to the Wanderers stadium in Johannesburg to compete in the FBF National Championships. It was a day of great excitement and showmanship, and the Cape Whalers from Macassar was awarded the Bertie and Ronnie National Champions Trophy and Gold Medal. The 120-band members with their amazing and ever-supportive chaperones also received the following awards:

- Best overall visual performance
- Black like me best overall music performance trophy
- Best marching percussion
- Best brass performance
- Best pit performance
- Second place for creative excellence
- Second place for winter guard best show design trophy

The band is led by Thulani Dupa who has participated in a year’s exchange with Norway and also won “Man of the Year Award” in 2018.

The FBF uses the joyful and transformative power of marching bands to prepare self-confident and healthy young people to participate in a vibrant society. The Cape Whalers is one of 20 such projects around the country. (www.fieldband.org.za)

ENTREPRENEURSHIP, TRAINING AND EDUCATION

TSiBA – is an accredited non-profit higher education institution offering undergraduate and postgraduate business qualifications. TSiBA aims to provide ambitious, purpose driven students who want to take South Africa forward with a world-class and rewarding business education. This is supported by generous tuition scholarships which enable students to contribute towards their tuition at relative levels of affordability. TSiBA Business School’s undergraduate students pay only what they can afford, thereby removing financial barriers to tertiary education. No fees are payable for undergraduate students whose household income is less than R350 000 per annum.

Return on investment since inception in 2004 includes over 5 000 annual tuition fee scholarships awarded, a postgraduate employment rate of over 90%, eight Mandela Rhodes Scholars and three Kofi Annan Fellows. (www.tsiba.ac.za)

SciMathUS – The SciMathUS programme is a university preparation programme that operates from the Stellenbosch University Centre of Pedagogy. It is part of the Education Faculty at Stellenbosch University (SU).

SciMathUS was able to achieve its objective of improving the 2019 student cohort’s National Senior Certificate marks in Mathematics, Physical Science and Accounting and contributed to widening access to higher education for educationally disadvantaged students into highly selective fields of study. With some opting to go to other universities, most of these students register for undergraduate studies at SU.

Over the last 19 years, 1 592 students have completed the SciMathUS programme. In 2019, 52 SciMathUS alumni graduated at SU with a first qualification, 11 with a second qualification and one student, a third qualification. (www.sun.ac.za)

SUNCEP (Stellenbosch University’s Centre for Pedagogy)

– supporting senior school learners in the Stellenbosch region to prepare for, and access, higher education. SUNCEP runs programmes in mathematics and physical sciences for academically deserving grade 10 to 12 learners throughout South Africa. These programmes are presented by qualified tutors over five-day contact sessions during the March, June and September school holidays. It aims to strengthen skills in mathematics and sciences, enabling learners to attain adequate marks to access tertiary studies.

The participating schools from Stellenbosch, from which 20 learners per grade were selected, were Cloetesville, Kylemore, Kayamandi, Lückhoff and Makupula Secondary Schools. The venue of choice for 2019 was the Old Lückhoff Building which is part of Stellenbosch University (SU), thus bringing the learners to the campus. Level test comparisons from March to September indicated an average improvement of 20% or more in all three grades. Physical sciences pre- and post-test comparisons also displayed an overall increase from pre- to post-test in all grades. The Grade 12 NCS-2019 results were good with 60% of this group currently studying at SU. (www.sun.ac.za)

Columba Leadership – offers a values-based leadership programme to high schools. The programme helps to transform the culture of schools and ensures a more conducive learning and development environment. It also helps young people to become resilient young leaders who are more likely to successfully make the transition into employment or further study after they leave school. Columba maintains the partnership with schools over a number of years to ensure that capacity is built amongst school stakeholders to sustain the impact of the leadership programme and to ensure that many young people benefit from this powerful model of values and effective engagement of youth as partners in change. (www.columba.org.za)

Community Keepers – provides free, professional individual and group counselling to children, their educators and parents at dedicated school-based offices in marginalised communities. The aim of the programme is to promote mental health and build a culture of wellbeing where each child can realise their potential, cope with the normal stresses of life, and function as productive members of the community. Community Keepers’

offices are a safe space where children are free to share their story. High self-referral rates bear testimony to the trust placed in them and reported changes in behaviour are evidence that, with help, children migrate from a cycle of trauma and hopelessness to a place of self-efficacy and strengthened resilience. During the Covid-19 pandemic and lockdown with social distancing, Community Keepers has extended their offering to include tele-therapy and various digital content formats. (www.communitykeepers.org)

Helpmekaar Bursary Fund (HSF) – for 104 years this fund has been involved in providing students of all races with the means to further their studies at institutions of higher education. The organisation consists of two entities:

- The HSF NPC which makes loans available to prospective students for the duration of their studies at very favourable interest rates.
- The HSF Trust which enables the fund to give bursaries to, amongst others, needy students whose parents cannot afford the interest on their loans whilst they are studying. In 2020, the HSF awarded interest bursaries to 240 students. An additional eight full bursaries were also awarded to previously disadvantaged students. A further 40 students were helped through a partnership with Lux Mundi Training (Skills Development in Grassy Park and Mitchells Plain). (www.helpmekaarfonds.org)

The Click Foundation – the primary focus is the implementation of online English literacy programmes in underprivileged primary schools across South Africa. The programmes offer young learners, through fun and enjoyable activities, the opportunity to work at their own pace and to navigate their learning journey by means of technology. The literacy project supports the Department of Basic Education's policy goal of all children learning to read fluently, and with comprehension, by the end of Grade 3. (www.clickfoundation.co.za)

The Mandela Rhodes Foundation – a Mandela Rhodes Scholarship is much more than a bursary. It constitutes a unique leadership development opportunity on the African continent. After a rigorous nomination and selection process, young Africans who show academic prowess, as well as demonstrated leadership potential, are elected to the Mandela Rhodes Scholarship programme. They are given the opportunity to complete a postgraduate degree at Honours or Masters Level at a South African university, while simultaneously participating in a customised leadership development programme devised for each participant under the leadership of the scholarship manager. This includes attending three special leadership development workshops per year on the themes of leadership, reconciliation, and entrepreneurship. The Mandela Rhodes Foundation has thus far granted 529 scholarships to recipients from 28 African countries. (www.mandelarhodes.org)

SA College for Tourism (SACT) – academic year commenced on 14 January 2020 when SACT: Tracker Academy accepted 16 young men and women in their Class of 2020, joining eight young individuals, who had completed their first semester training at the Academy in the latter part of 2019.

A week later 85 young women and seven young men reported to the SACT: Hospitality Training Division while at SACT: Herding Academy, 12 students started their training. At the time a record number of the Colleges 2018 graduates had been deployed in gainful positions within tourism and conservation industries of Southern Africa. (www.peaceparks.org/sact/)

Schools Project – as part of this CSI initiative, Remgro's Stellenbosch Schools Project aims to create an environment where learners are given the opportunity to develop holistically to reach their full potential. At present, 21 schools in the Stellenbosch area, which forms part of the Cape Winelands district, are involved in the project.

This initiative includes learner support programmes to address literacy, numeracy, life skills, leadership, sport development as well as assistance to teachers in some schools.

Support to school leadership and management includes principal support, capacity building and training for senior management teams and school governing body training.

The impact of Covid-19, a global pandemic has changed the way we think about life, health and survival. For the communities we worked in it has become another struggle that was added to the list of existing difficulties. Thousands of learners were affected by the closure of schools. More severe for disadvantaged children and their families causing interrupted learning, compromised nutrition, childcare problems and economic cost to families who could not work.

The Stellenbosch Schools Broadband Initiative (SSBI) has been started by Remgro to roll out broadband access to all the schools in the Stellenbosch municipal area. The aim of the initiative is to act as a catalyst in closing the digital divide that exists in the Stellenbosch area. Each school learner in the area should have an equal opportunity to be exposed to the new digital era. In total, 37 of the approximately 40 schools in the area, including two training centres, have been connected to the network. This includes rural schools in the farming district. The service is superior to the existing commercial offerings and creates an environment conducive to learning and experimenting with technology and digital offerings.

ENVIRONMENT

Peace Parks Foundation (PPF) – PPF was founded in February 1997 by the late Dr Anton Rupert, the late Prince Bernhard of the Netherlands, and the late former president of South Africa, Dr Nelson Mandela. The Peace Parks dream is to reconnect Africa's wild spaces to create a future for man in harmony with nature. In order to achieve this, the Foundation works to renew and preserve large, functional ecosystems that stretch across international boundaries.

Peace Parks engages with governments to secure protected land, and channels investment into development of transboundary conservation areas. The organisation implements innovative strategies to restore ecological functionality and protect biodiversity. This includes the translocation and resettlement of thousands of animals in previously decimated wilderness areas, as well as investing significant resources in the reduction of wildlife crime.

At the same time, Peace Parks develops nature-based tourism opportunities to ensure the long-term sustainability of protected areas, and capacitates communities – unlocking opportunities for them to derive equitable benefits from conservation, whilst sustainably utilising the natural resources. (www.peaceparks.org)

WWF South Africa (WWF-SA) – for over 50 years, WWF-SA has played a key role in conserving our precious natural resources and in finding solutions for environmental issues of national and international importance. However, the challenges have increased rather than diminished and at present South Africa's natural resources are under threat as never before. Climate change, irresponsible mining and fisheries practices,

as well as rhino poaching, are just some of the issues WWF-SA is grappling with. Ultimately, conservation is about people and about changing people's behaviour. WWF-SA exists to ensure a future in which people live in harmony with nature. (www.wwf.org.za)

HEALTHCARE

Organ Donor Foundation of SA – for the past 32 years the Foundation has played a critical role in obtaining life-sustaining organs for those in need of a transplant. For recipients the availability of organs is often a matter of life or death. During the past year, Remgro again made a contribution to this admirable cause by sponsoring four flights for the transportation of organs. A special word of thanks must go to the staff of the aviation company Falconair for their wonderful support in this regard. They have indirectly contributed to the saving of 15 lives during 2019 and into 2020 through their active participation in flying surgical teams and organs for transplant. (www.odf.org.za)

SPORT DEVELOPMENT

SA Golf Development Board (SAGDB) – since 1999 the SAGDB has grown a network of coaches and officials who work across the country to develop the game in cities as well as in remote areas. The SAGDB is the development service provider to all 14 golf unions in South Africa. SAGDB has 2 601 active players in the programme, with 46 trainers coaching the players across the country. Coaching sessions are conducted on a weekly basis. (www.sagolfboard.org)

Endurocad SA Endurance Academy (Endurocad) – provides a complete solution for elite athletes specialising in the field of endurance running. The programme aims to identify and to holistically develop world class female athletes in South Africa. The athlete development programme provides high quality boarding and lodging, professional coaching, race management as well as other services. The career development programme aims to ensure the long-term sustainability of athletes and focuses on educating and empowering young female athletes through skills, life and enterprise development, with a special focus on athletes in the regional group.

During 2020 Endurocad also introduced "The Daily Mile" to Primary Schools to improve the health and wellbeing of children. (www.endurocad.co.za)

Stellenbosch Academy of Sport (SAS) – since establishment in 2012, SAS has been a preferred high-performance training base for many local and international athletes and teams. In addition, SAS has focused on impacting the community through its "Wellness – making Stellenbosch Healthier" CSI programme. The programme uses football, netball and other sport codes to bring youth (and families) together across the ten "dorpies" of Stellenbosch to educate them on healthy living and cultural diversity. SAS Wellness Champions are being developed and work with over 20 different schools in maintaining this programme. The Stellenbosch Football Club (SFC) (now the first-ever PSL team from the Winelands) also contributes to this programme and has already proven to be a catalyst in building a sustainable football pathway and brand for the Winelands region, through social upliftment and inspiring a healthy community. (www.stellenboschfc.co.za)

Due to the Covid-19 pandemic and lockdown, SAS and SFC redirected their CSI programmes during the last quarter of the financial year to focus on providing food on a weekly basis to the most vulnerable communities within our area. (www.sastraining.co.za)

SUSTAINABILITY AT OPERATING SUBSIDIARIES

Remgro's four main operating subsidiaries, namely RCL Foods, Distell, Siqalo Foods and Wispeco, are operated and managed on a decentralised basis as independent entities with autonomous boards of directors. Only summarised "non-financial" disclosure relating to their governance structures, as well as social and environmental performance is provided in this report, while their financial performance is discussed in more detail in the "Investment reviews" section on page 38 of the Integrated Annual Report.



RCL FOODS

INTRODUCTION

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

With over 21 000 employees at 230 operations across South and Southern Africa, RCL Foods is one of the top 100 companies listed on the JSE. Through its diverse portfolio of brands and private label products, its dedicated foodservice arm and its route-to-market specialist, Vector Logistics, the company strives to provide "More food to more people, more often".

GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

RCL Foods' board consists of 12 non-executive directors (seven of them independent) and two executive directors. The Chairman of the RCL Foods board, Mr Jannie Durand, is not independent given his role as CEO of Remgro Limited, RCL Foods' major shareholder. For this reason RCL Foods appointed Mr R V Smither as Lead Independent Director on 30 August 2011, to act as chairman during meetings in situations where the Chairman's independence could be conflicted.

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

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

KEY SUSTAINABILITY AREAS

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

- demanding economic conditions, with rising unemployment placing further pressure on cash-strapped consumers;
- increasing pressure on food systems in a context of escalating environmental degradation, population growth, malnutrition (both under-nutrition and obesity) and diet-related chronic non-communicable diseases;

- food insecurity driven by poverty and unemployment, rising food costs, and oversupplied markets which threaten the viability of the local industries (which the newly finalised Master Plans for poultry and sugar aim to address); and
- changing consumer behaviour characterised by a growing value emphasis across all Living Standards Measure (LSM) groups, coupled with a rising demand for convenience, as well as a preference for products that are good for people and the planet (mainly among higher LSM groups).

RCL Foods’ response to the key challenges and opportunities it faces is captured in its Sustainable Business Framework, which aims to ensure the company’s long-term sustainability across the value chain through a focus on **Nourishing People, Enriching Communities and Sustaining Resources** (see framework below). These are implemented via its Sustainable Business Drive, which is documented in the RCL Foods 2020 Sustainable Business Report, available at www.rclfoods.com.

THE RCL FOODS SUSTAINABLE BUSINESS FRAMEWORK

1. NOURISHING PEOPLE	2. ENRICHING COMMUNITIES	3. SUSTAINING RESOURCES
<i>More nutritionally creative solutions</i>	<i>More socially creative solutions</i>	<i>More environmentally creative solutions</i>
<p>1.1 More nutritious products We will provide more nourishing food, better value and greater choice to all people – educating our consumers on the benefits of a balanced diet.</p> <p><i>Ambition</i> To lead the promotion of nutrition with innovative product solutions in the context of a balanced diet.</p>	<p>2.1 More inspired employees We will build a unique organisation where work is safe, fun, meaningful and enriching in a way that unlocks the potential and creativity of our 21 000+ people.</p> <p><i>Ambition</i> To become THE place to work by building a compelling RCL Foods culture.</p>	<p>3.1 More energy self-sufficient operations We will invest in energy sufficient operations and support the generation of renewable resources at a rate greater than we consume them.</p> <p><i>Ambition</i> To become an energy self-sufficient business.</p>
<p>1.2 More nutritional thought leadership We will strive to become a trusted source of influence in food policies, regulation and food labelling development.</p> <p><i>Ambition</i> To lead the promotion of nutrition through influencing policy development.</p>	<p>2.2 More economically developed communities We will drive an inclusive business agenda through land reform and new interconnected business models.</p> <p><i>Ambition</i> To become THE trusted business partner for economic development in the communities in which we operate.</p>	<p>3.2 More water-smart operations We will invest in water-smart operations and influence local government and other key stakeholders for collective solutions in the higher risk areas.</p> <p><i>Ambition</i> To become a water-smart business that continually seeks new ways to reduce, reuse and "create" water.</p>
<p>1.3 More basic nutrition for children We will drive awareness of the basic nutrition challenges for children through collaborative multi-stakeholder partnerships aimed at addressing nutritional stunting.</p> <p><i>Ambition</i> To lead the promotion of nutrition for children through collective action against stunting.</p>	<p>2.3 More socially developed communities We will drive social upliftment of our communities through a dialogue approach – understanding their needs and partnering with like-minded organisations to find solutions.</p> <p><i>Ambition</i> To become THE respected business partner for social development in the communities in which we operate.</p>	<p>3.3 More waste-free operations We will invest in new business opportunities that turn our waste into value (through circular economy principles), and minimise our waste landfill.</p> <p><i>Ambition</i> To become a waste-free business that continually seeks new ways to turn waste into value.</p>
<p>UNDERPINNED BY NEW DISRUPTIVE MODELS ACHIEVED AND SUSTAINED BY STRONG WIN-WIN MULTI-STAKEHOLDER PARTNERSHIPS</p>		

COVID-19 IMPACTS AND RESPONSE

While RCL Foods was fortunate to be able to continue operating as an essential goods and service provider throughout the Covid-19 lockdown, the virus and measures to mitigate it have had a profound impact on the business. In navigating this unprecedented challenge, the business focused on four key imperatives:

- **the safety of its 21 000 employees** – enabled through the implementation of enhanced safety protocols which have been commended by the departments of Labour and Health; the facilitation of work-from-home arrangements for 3 000 staff members; active communication with 12 500 employees via the Let's Talk mobile app; and daily communication with all employees in quarantine to check on progress and offer assistance. R41 million was spent on Covid-19 safety measures, excluding dedicated transport provision, by the end of June 2020, while a R2 000 incentive bonus was also paid to all employees who worked at production sites during the level 5 lockdown, amounting to a further R28 million;
- **maintaining food production and distribution** – successfully delivered through the above safety focus and an emphasis on careful supply chain contingency planning, resulting in operations continuing at (or near) normal levels;

- **safeguarding cash flow and liquidity** – achieved through cash preservation measures and engagement with stakeholders to ensure all financial obligations continue to be met;
- **assisting vulnerable communities** – through a special-purpose Covid-19 food relief initiative run by RCL Foods' non-profit organisation, the Do More Foundation, and through personal donations by RCL Foods' senior management team towards the Solidarity Fund.

The pandemic and related lockdown have had a significant commercial impact on RCL Foods. The closure of restaurants and fast food outlets, together with the ban on hot food sales, significantly impacted trade volumes in Chicken, Vector Logistics, Pies and Beverages. This has resulted in significantly higher stock holding of Chicken and an increase in associated costs.

RCL FOODS' STAKEHOLDERS AND ITS RESPONSE TO KEY ISSUES

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

STAKEHOLDER	KEY ISSUES	RCL FOODS' RESPONSE
Communities	<ul style="list-style-type: none"> • Unemployment, especially among youth • Need for skills transfer • Need for enterprise development • Food insecurity • Nutritional stunting in early childhood 	<ul style="list-style-type: none"> • Leading the nutrition agenda in Early Childhood Development (ECD) and zero stunting initiatives • Implementing multi-stakeholder social and economic development initiatives in impoverished communities near major company operations: Worcester, Nkomazi and Hammarsdale • Empowering sugar grower communities through sustainable farming programmes and interconnected business models
Consumers	<ul style="list-style-type: none"> • Product quality and food safety • Product affordability • Product convenience • Commitment to and compliance with issues regulated by government (e.g. labelling, salt and sugar) • Contributing to social development 	<ul style="list-style-type: none"> • Consistent investment in its brands, resulting in market share growth in many categories • Continuously strengthening its food safety and quality assurance standards in line with international best practice • Innovating to offer more convenience in product ranges • Providing a broad range of affordably-priced, staple food products and competitively priced household brands • Embedding International Standards Organisation (ISO) principles into its integrated management systems across the supply chain • Engaging and complying with relevant regulatory requirements • Leveraging the growing reputation of the Do More Foundation to inspire consumers (and companies they represent) to support large-scale social initiatives

STAKEHOLDER	KEY ISSUES	RCL FOODS' RESPONSE
Customers	<ul style="list-style-type: none"> • Product quality and food safety • Growth and profitability • Responsiveness • Tailored sales solutions • Mutually beneficial partnerships 	<ul style="list-style-type: none"> • A single sales force interface that drives common ways of working across all customer teams with "best in class" service methodologies • Leveraging its enhanced capabilities to provide food service customers with a growing and profitable portfolio of solutions • Providing technical expertise and support in the animal feed and industrial flour sectors • Expanding its basket to offer a broader range of product solutions
Employees	<ul style="list-style-type: none"> • Career development and growth • Education and training • Diversity and equal opportunities in the workplace • Constructive employee relations and engagement • Employee wellness • Remuneration and benefits • Making a difference in the community 	<ul style="list-style-type: none"> • To facilitate RCL Foods' growth ambition and make RCL Foods "The place to work", the business focuses on: <ul style="list-style-type: none"> – Developing leaders and growing talent – Culture and diversity (creating a more diverse and inclusive RCL Foods) – Collaborative employee relations and engagement – Employee health, safety and wellness – Implementing a "Total Rewards" strategy to ensure competitive remuneration. • Connecting with over 12 500 employees via the mobile communications platform, "Let's Talk" • Employee involvement events and initiatives through the Do More Foundation
Government	<ul style="list-style-type: none"> • Future sustainability of the poultry and sugar industries • Alignment on industry growth and development plans • Sustainable land reform • Industry transformation • Ongoing compliance with regulatory framework • Partnerships for joint solutions • Employment creation and transformation 	<ul style="list-style-type: none"> • Active monitoring of all compliance requirements and engagement with Government to understand any proposed changes • Extensive engagements and inputs to the Poultry Sector and Sugar Industry Master Plans, finalised in November 2019 and June 2020 respectively • Increase in Most Favoured Nation (MFN) tariffs for poultry, gazetted in March 2020 • Ensuring transformation in sugar milling areas through sustainable land reform and community economic development • 590 000 tons of sugar cane produced during the 2019/20 season by small-scale growers in Nkomazi (Mpumalanga) • Collaborating with Government to implement the National Integrated ECD Policy in Nkomazi's two key poverty nodes
Investors	<ul style="list-style-type: none"> • Oversupply in the poultry and sugar markets and related regulatory environments • Impact of Health Promotion Levy (sugar tax) • Consumer demand • Impact of Covid-19 on the business 	<ul style="list-style-type: none"> • Ongoing engagement with the Government and industry to manage dumping and improve sustainability of the local poultry and sugar industries • Moving towards a more balanced and diversified portfolio with higher-margin added-value components • Hedging instruments purchased to manage exposure to raw material and currency fluctuations • Strong focus on cash and liquidity management during the Covid-19 pandemic to ensure sustainability

STAKEHOLDER	KEY ISSUES	RCL FOODS' RESPONSE
Media	<ul style="list-style-type: none"> • RCL Foods' operational and financial performance • Current industry issues • Current consumer issues • Corporate social investment initiatives • Environmental sustainability initiatives 	<ul style="list-style-type: none"> • Enhanced media engagement through RCL Foods' dedicated communications department • All queries responded to within a specified period • Access to the CEO and CFO for editors and journalists • Increased participation in industry-related issues • Sponsorship of radio programmes, conferences and exhibitions in support of key CSI initiatives
Suppliers	<ul style="list-style-type: none"> • Lack of accredited suppliers of certain key purchased ingredients and materials in the South African market and hence reliance on non-accredited international suppliers • Ability to supply RCL Foods in terms of meeting minimum food safety requirements 	<ul style="list-style-type: none"> • Continued support to develop domestic farmers through interconnected business models • R7.2 billion spent with BBBEE-compliant suppliers

PEOPLE

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

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

- RCL Foods achieved its 2020 diversity targets, with particularly good progress at management level where 60% of employees are now African, Coloured or Indian (ACI) or female, versus a target of 55%.
- Progress was made in creating a more diverse and inclusive culture at work through the launch of a series of Diversity and Inclusivity "Conversation Circles".
- As a participant in the Youth Employment Service (Y.E.S.) programme in 2019, RCL Foods placed over 330 young people in newly created 12-month fixed-term contract work experience opportunities across the business. Of these, 55 have since been placed in permanent positions (a 16.6% absorption rate).
- The company was certified a Top Employer for the first time and received three recruitment awards.
- R29 million was invested in training nearly 10 000 employees, of which 90% were ACI.
- The company was commended by the Agriculture Sector Education Training Authority (AgriSETA) for the high standard of its various Sugar Academy skills development initiatives.

- Various online platforms including LinkedIn Learning were made available to employees to provide "on demand" learning solutions. Virtual platforms played a key role in maintaining learning and development and wellness during the Covid-19 lockdown.
- Currently, 75% of the RCL Foods workforce is represented by the various bargaining units in the business, through which the recognised trade unions negotiate salaries and conditions of employment. Multi-year wage agreements have been signed with unions across most business units, helping to keep employee industrial action to a minimum.
- The newly introduced Let's Talk mobile app played a critical role in managing the current Covid-19 crisis and has helped drive connection and engagement between employees and the business.
- RCL Foods continued to promote employees' health, safety and wellness through a range of programmes and support initiatives. Employee safety was a key focus during the Covid-19 pandemic (see Covid-19 section on page 14), with on-site and mobile clinics playing an essential role in providing support and advice to the operational, Safety, Health, Environment and Quality (SHEQ) and Human Resources (HR) teams, as well as assisting with screening protocols and monitoring vulnerable individuals.

BBBEE

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

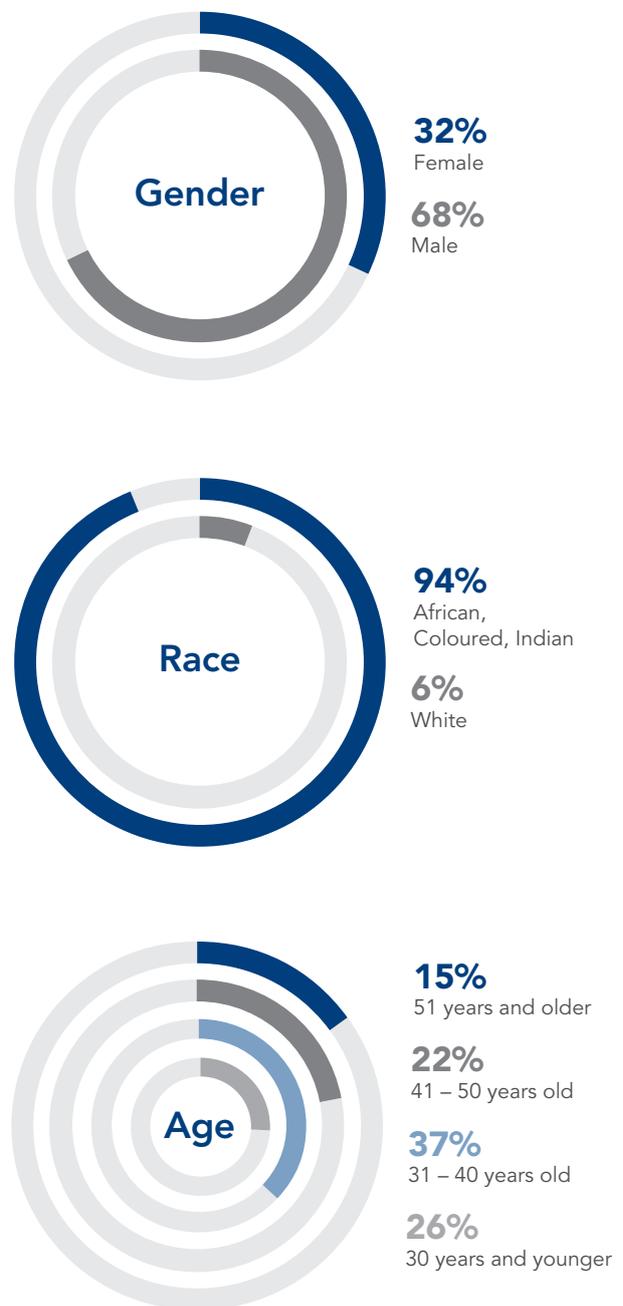
RCL Foods' latest BBBEE verification, in terms of the BBBEE Act, was completed in September 2020 for the financial year from 1 July 2019 to 30 June 2020. This was done in accordance with the JSE regulations pertaining to the BBBEE Act on the Agriculture Sector Codes. As a group, RCL Foods obtained a Level 4 score for the 2020 financial year.

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

Through joint ventures with land claimant communities on private land, long-term land reform partnerships on government-owned land, and partnerships with 1 200 small-scale sugar cane farmers on communally-owned land, cane-growing communities are empowered to improve their agricultural practices, enhance their competitiveness and better their livelihoods. During the 2020 financial year:

- Over 1.7 million tons of cane were delivered through these partnerships, providing 32% of RCL Foods' total cane supply.
- 167 beneficiaries from land claim communities benefited through direct employment.
- R24 million in lease payments was received by partnering land claimant communities.
- 26 companies owned by land claim beneficiaries were awarded contracts totaling R78 million in procurement spend, as part of RCL Foods' enterprise development efforts.
- The 1 200 small-scale growers (SSGs) generated approximately R350 million in turnover through the supply of approximately 590 000 tons of sugar cane to RCL Foods' mills.
- SSGs reinvested more than R165 million into their own operations through retention savings and new loans facilitated by Akwanzhe Agricultural Finance (AAF), the financial services joint venture between RCL Foods and the growers.
- In partnership with The Jobs Fund, AAF funded the development of nearly 500 additional hectares of communally-owned land under sugar cane, creating an additional 158 full-time permanent jobs and 102 short-term jobs for SSGs.
- Through TSGRO, RCL Foods' farming services joint venture with the growers, 630 SSGs and seven co-operatives accessed a Bulk Water Supply service (BWS) to maintain their irrigation infrastructure on 6 637 hectares of land – an increase of 236 hectares from the prior year. The BWS has played a critical role in stabilising SSG irrigation and driving the increase in productivity from 74 tons per hectare in 2018 to 81 tons per hectare in 2020.
- In addition, 315 SSGs utilised TSGRO's basic accounting and bookkeeping services to ensure good governance, while 37 utilised TSGRO's complete farm management service. All 1 200 SSGs benefited from TSGRO's ongoing free extension service that includes sugar cane agronomy, better management practices, and planning tools for management and budgeting.
- 12 land reform beneficiaries have continued to benefit from a long-standing mentorship arrangement with RCL Foods, originally initiated as part of the Reconstruction and Development Programme with the Department of Rural Development and Land Reform. Over 98 000 tons of sugar cane from over 1 300 hectares of irrigated land were supplied to RCL Foods' Nkomazi and Pongola mills by these farmers during the year.

FIGURE 4
RCL FOODS' COMPOSITION OF WORKFORCE
(AS AT 30 JUNE 2020)



To help Nkomazi's smallholder vegetable farmers to compete in the marketplace, RCL Foods' Do More Foundation and the Lima Rural Development Foundation run a support programme called Abalimi Phambili ("farmers forward") which is co-funded by The Jobs Fund. Farmers receive training and gain better access to markets, services and key agricultural inputs such as seed and fertiliser. Since 2015, a total of 1 144 individual growers have been recruited into the programme and R763 000 has been loaned to the farmers. R66 000 was generated during the year from vegetable sales, which were impacted by Covid-19 which reduced market access.

CORPORATE SOCIAL INVESTMENT (CSI)

As the main employer in some of South Africa's most impoverished communities, RCL Foods facilitates social development initiatives via its non-profit organisation, the Do More Foundation. This was formed three years ago to enable it to increase the impact of its corporate social investment by partnering with other organisations to "do more" in three key areas: ECD, youth and easing hunger. The Do More Foundation acts as a catalyst for collaborative, multi-stakeholder initiatives in three impoverished communities around RCL Foods' operations: the Nkomazi district in Mpumalanga, Hammarsdale in KwaZulu-Natal and Worcester in the Western Cape. It also leads several large-scale national initiatives focusing on ECD and nutrition.

The three community-based initiatives continued to yield meaningful results in 2020, with well-co-ordinated public-private partnerships being key to their success.

- In Nkomazi, young children continued to benefit from improved ECD services, including better nutrition, early learning and stimulation and health inputs facilitated by the collaborative "Leave No Young Child Behind" initiative. This focuses on implementing the National Integrated ECD Policy in the district's two poorest wards. An independent research report in 2019 found that the initiative was catalysing meaningful progress in strategic service areas by, among other things, sponsoring training; securing the two wards as a pilot site for the Grow Great Campaign's Zero Stunting Initiative; facilitating distribution of SASSA's Zero Hunger food packs to malnourished children; facilitating applications for Child Support Grants; and driving a marked improvement in access to early learning programmes and facilities. The report concluded that "while Leave No Young Child Behind is still a young partnership, it demonstrates the significant benefits for children when different stakeholders co-ordinate their efforts and gives life to the goals of the National Integrated ECD Policy".
- #DoMore4Hammarsdale is a collaborative partnership between the Do More Foundation, government departments, the private sector, community members and the Lima Rural Development Foundation, which focuses on alleviating food and economic insecurity in the community around RCL Foods' KwaZulu-Natal chicken operations. In 2020, the Hammarsdale community continued to benefit from food and income provided by the food gardens project which generated R393 000 from communal gardeners' vegetable sales, benefiting 161 plot holders and 933 indirect beneficiaries. Over 1 300 young children also benefited from vegetables grown at their ECD centres. Meanwhile, the collaborative

Enterprise Development initiative for youth has taken off well, providing successful entrepreneurship training and establishing six enterprises during the year to the benefit of 37 young entrepreneurs. All of them have managed to attract further support in terms of technical skills training, start-up capital grant funding and off-take agreements.

- In Worcester, the Do More Foundation continues to progress towards a common vision of Worcester as "a place where young children flourish". Supported by a corporate partner that donated R120 000 to help improve local ECD provision, the Foundation is collaborating with Government departments and the private sector to assist ECD centres to restore their Department of Social Development (DSD) subsidies. The Foundation continues to sponsor a weekly #LovePlayTalk radio programme and monthly ECD workshops for ECD teachers and principals from the community, and to lead the monthly Worcester Young Child Forum – as a result of which a multi-stakeholder task team is now working on developing an integrated ECD policy for the Breede Valley municipality.

The Foundation's Large-scale National initiatives are expanding in scale due to its growing partnership network. For World Food Day in 2019, over 2 500 employees from RCL Foods and other corporate partners succeeded in breaking the existing world record by making 107 418 sandwiches for young children in one hour. For Mandela Day in 2019, 14 400 meals were prepared and 183 mini-projects were carried out by RCL Foods' employees and 10 external partners. On a monthly basis, 130 000 nutritional snacks of Monati Porridge and Yum Yum Peanut Butter are provided to young children at ECD centres and playgroups countrywide, while free learning material (printed on excess white board by a partner) is provided to ECD centres across South Africa to help children learn.

The Covid-19 lockdown raised the prospect of a nationwide hunger crisis in 2020, both due to families losing incomes and children no longer receiving a daily meal at school. The Do More Foundation responded by launching a collaborative Covid-19 #DoMoreFeeding relief initiative which, through funds raised externally and RCL Foods' own contributions, resulted in 513 tons of food – the equivalent of 3.5 million meals – being donated to vulnerable communities in nine provinces by the end of June 2020. A key highlight of the initiative was the launch of a special Do More Foundation-branded fortified sorghum porridge for donation purposes only. Through the production of this porridge, a meal can be provided for one rand, impacting not just hunger but also nutritional deficiencies in young children.

Social responsibility expenditure for the year to 30 June 2020 amounted to R7 million.

ENVIRONMENT

RCL Foods' environmental sustainability ambitions are captured in the "Sustaining Resources" pillar of its Sustainable Business Framework. Its progress in 2020 is detailed in its Sustainable Business Report. Please also refer to the "Environment" section on page 32 where RCL Foods' environmental practices are incorporated.

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



DISTELL

INTRODUCTION

Distell is listed on the JSE in the “Beverages Sector”.

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

GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

Governance

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

Mr Jannie Durand is the controlling shareholder’s (Remgro’s) representative on the board and chairman of Distell’s board. Mr Durand is therefore not an independent non-executive director due to his role as CEO of Remgro. In compliance with King IV and the JSE Listings Requirements, and to guard against any perceived conflict of interest, the board annually

elects a lead independent director (LID). The current LID is Mr André Parker. The main function of the LID is, *inter alia*, to lead and advise the board when the chairman has a conflict of interest (without detracting from the authority of the chairman). All 16 principles of King IV are adopted and applied by Distell to ensure Leadership, Ethics and Corporate Citizenship.

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

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

Risk management and ethics

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

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

Distell strives to create a culture which facilitates the disclosure of information by employees relating to criminal and other irregular conduct in the workplace in a responsible manner, by

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

DISTELL'S VALUES		
<p>Customer and consumer focus Distell is passionate about its customers and consumers.</p>	<p>Excellence Distell is committed to excellence in everything it does.</p>	<p>One Distell Distell wins by collaborating with integrity, honesty and respect.</p>

THE BEHAVIOURS THAT UNDERPIN DISTELL’S VALUES	
<ul style="list-style-type: none"> • Distell delights its consumers by putting them first. • As Distell’s customers grow, they grow. • Distell thinks and acts like business owners. • Distell challenges, then commits. • Distell is digitally fluent. 	<ul style="list-style-type: none"> • Distell fails fast, and learns faster. • Distell dares to care. • Distell builds trust together. • Together, Distell plays to win.

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

The Distell board exercises ongoing oversight of the management of ethics and in particular, the monitoring of adherence to its Code of Ethics and Conduct. In 2020, actions to ensure effective ethics management included:

- Performing a high-level ethics risk and opportunity review, to enable Distell to implement a complete ethics management framework.
- Including ethics-related and values-based interview questions in all recruitment interview guides.
- Improved reporting of ethics statistics to governance structures.
- Including ethics line and anti-bribery and corruption materials in its new employee induction pack.
- Including the Code of Ethics and Conduct in Distell's ethics and fraud awareness curriculum.

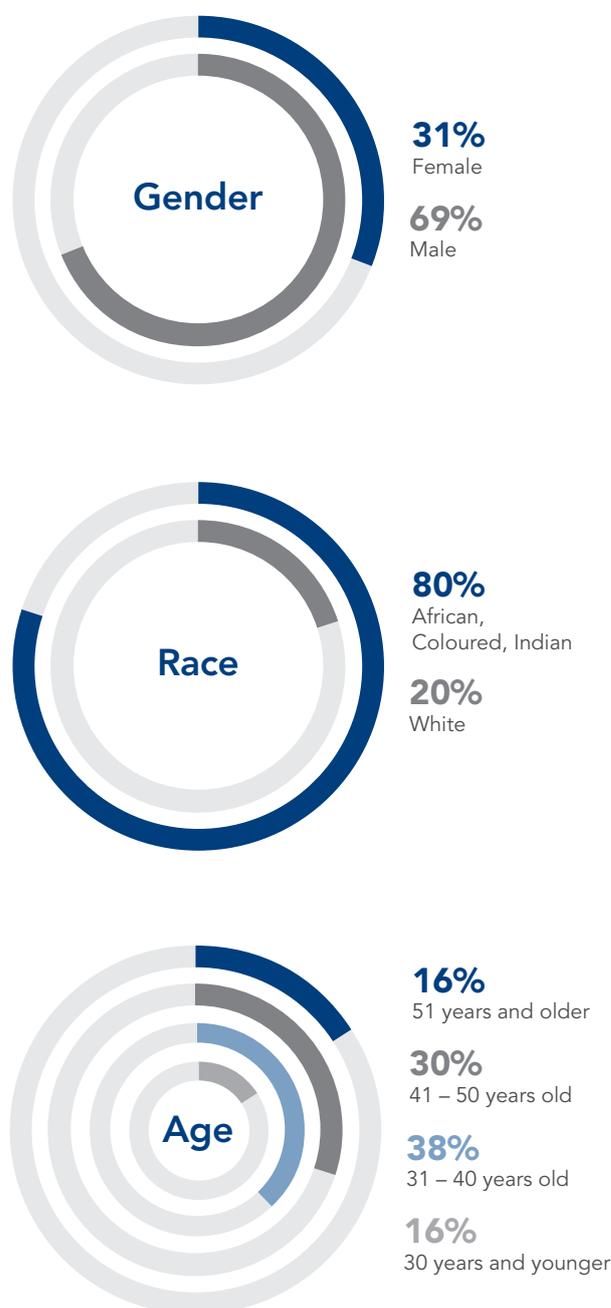
Compliance

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

Distell is creating a best-in-class, company-wide social standards framework to align its standards with all major national and global social compliance frameworks. Distell is also collaborating with producers, suppliers, manufacturers and distributors to ensure that all its products are harvested and manufactured to these same environmental, ethical and human rights standards.

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

FIGURE 5
DISTELL'S COMPOSITION OF SOUTH AFRICAN-BASED WORKFORCE (AS AT 30 JUNE 2020)



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

COVID-19 IMPACTS AND DISTELL'S RESPONSE THERETO

Performance during 2020 was negatively impacted by the Covid-19 pandemic and the subsequent lockdown and ban on alcohol production and sales imposed by the South African Government on 26 March 2020. The alcohol sales ban was lifted on 1 June 2020. However, this was too late in the financial year to recover production volumes. As a result, production volumes for the financial year were only 73.6% of the budget. This negatively impacted performance against Distell's efficiency-based sustainability targets.

Liquidity, cash flow protection and the resilience of its strong balance sheet have been key in mitigating the impact on Distell. There was also an immediate need to be stringent in managing its portfolio, costs, expenses and behaviours. These are sound business practices, which Distell will maintain going forward. The easing of export regulations related to agricultural products in level 4 of the lockdown meant that open orders to the value of approximately R440 million could be processed. Distell managed to fulfil only 54% of the value of these orders because local ports were operating at reduced capacity and because some customers cancelled orders due to the delay caused by the restrictions.

The board is closely monitoring the impact of the pandemic on Distell through weekly communications with the newly established Covid-19 management team and reports from the CEO. Executive management presented a detailed Covid-19 risk assessment to the board at its June 2020 meeting. This included a review of the emerging risks posed to Distell by the pandemic and Government response, as well as the impact on existing strategic risks. Mitigating actions and concomitant opportunities were detailed.

For the year under review, 100% of employees received their full salaries throughout the various lockdown levels. The Distell board, CEO and executive committee donated up to 30% of their salaries, for three months, to the Solidarity Fund. Employees were enabled to work from home, measures were put in place ahead of the gradual return of employees, and the human resource policies and employee support programmes were improved to include the necessary protocols required to manage Covid-19.

Distell solicited the help of the World Health Organisation to develop Covid-19 risk management protocols for all its facilities. These ensure minimum contact through break lines, shift systems and the use of face masks and sanitisers. Distell repurposed production facilities to produce hand sanitisers and ethanol for the use of other hygienic products. In South Africa, 105 000 litres of sanitiser were allocated to government and NGOs. In Scotland, 1 200 litres of hand sanitiser were distributed to care centres, vulnerable homes and community groups. In Kenya, 131 000 litres of sanitiser were produced for distribution to Government. This initiative generated R25 million of revenue. Distell is investigating this as a sustainable business opportunity going forward.

Distell's global supply chain is dependent on imports, mostly of apple juice concentrates and flavourings from China. Distell acted quickly to prevent a disruption in supply by sourcing local substitutes. This had a cost implication, but a positive outcome is that Distell is supporting local suppliers who are also impacted by the economic effects of the pandemic. In support of Distell's commitment to Government and the SA Liquor Traders Association, it extended safety protocols to retailers and taverners and supported 34 500 taverns with care packs that include personal protective equipment, sanitiser, masks and edu-packs. Throughout the lockdown, Distell supported small and more vulnerable customers with extended payment terms. As the largest procurer of grapes for wine, Distell also honoured a payment plan with its long-term suppliers in the wine-farming industry.

It is one of Distell's strategic ambitions to build purpose-led brands. Accordingly, its brands are partnered on initiatives to help lighten the load of many South Africans during the pandemic. Nederburg Wines donated R100 000 to the Eat Out Restaurant Relief Fund to help restaurants survive trading restrictions and to support community feeding schemes. Durbanville Hills partnered with SA Harvest and Mould Empower Serve and adapted their facilities to be a distribution centre for food drives in Durbanville, Dunoon, Mamre, Bothasig and Tableview, Cape Town.

To enforce positive messaging around Covid-19, Distell developed a series of social media campaigns that ran in June 2020. These campaigns addressed each stage of lockdown and promoted responsible drinking, discouraged drinking and driving and enforced safety guidelines such as physical distancing, sanitising and staying home. The campaigns reached over 1.3 million people nationwide. Through Aware.org.za, Distell launched a national awareness campaign urging consumers to "Choose Responsibly" in line with Government's nationwide lockdown.

KEY SUSTAINABILITY AREAS

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

PROMOTING RESPONSIBLE DRINKING

Distell recognises its responsibility to reduce the harmful impact that alcohol abuse can have on the health and wellbeing of people, their families and communities. Distell is a member of Aware.org.za, and has developed transformational partnerships with FASfacts and the Foundation for Alcohol Related Research (FARR).

ACHIEVING TRANSFORMATION

Transformation is integrated into every aspect of Distell. In action, this means accepting differences, recognising the value of diversity and accelerating lasting socio-economic growth in the key markets in which Distell operates. Transformation stretches across Distell's value and supply chain – from agriculture to procurement, broad-based black economic empowerment, local economic development, as well as its employees and brands.

EMPOWERING COMMUNITIES

Distell believes that communities should be better off because they are there. It focuses on sustainable economic initiatives to build enterprising communities and supports local economies, with a particular focus on empowering women. Distell believes in the potential of arts and culture to drive sustainable development and create inclusive job opportunities, while acting as a catalyst for individual and social empowerment.

MANAGING ITS SUPPLY CHAIN SUSTAINABLY

Distell understands that its long-term sustainability is intrinsically linked to the environment and the natural resources on which it depends, from farm to consumer and back again. Distell therefore ensures that its supply chain practices are efficient, agile and geared to protect the planet – while meeting customers' requirements in full.

BUILDING ITS PEOPLE

Distell's employees are at the heart of its business and its growth is driven by the nearly 5 000 men and women employed by Distell. Distell has a wide range of programmes to create and encourage a diverse and safe work environment free of harassment and discrimination. Distell strives to leverage its employees' capabilities to ensure a sustainable talent pool.

PEOPLE

Distell's South African-based number of full-time employees was 4 046 on 30 June 2020. Overall, Distell's headcount has evolved as a result of improvements to its operating model and the exiting of non-core activities, which is in line with its growth aspirations. Key activities in 2020 were:

- Distell launched a project to align its value proposition with a specific focus on crafting a differentiated future-fit value proposition. This includes flexible working arrangements as well as rewards and benefits relevant to changing business needs and attracting younger generations entering the workplace.
- Distell continued with its culture strategy to successfully embed its values and drive a high performance culture. This included, for example, rolling out functional onboarding workshops across the organisation to embed Distell's new purpose and values supported by the desired behaviours.
- Distell's focused and well-maintained employee safety, health and wellness programme and comprehensive occupational health and safety strategy remain in place.

Distell's culture change journey – to encourage innovation and creativity and to improve the agility, effectiveness and efficiency of Distell – was embedded during the first half of the year. It followed a transparent and inclusive process which resulted in buy-in from all parties. Distell continues with this journey to successfully embed its values and drive a high-performance culture:

- Distell rolled out functional onboarding workshops to embed Distell's purpose, values and desired behaviours.
- The executive team understands the crucial role they play in shaping Distell's culture and leading by example. To this end, the Executive Leadership Accelerated 360 Questionnaire was launched and completed by the executive team. The second phase will include cascading this questionnaire to the next level leadership.

Looking ahead, Distell's focus will shift to the new world of work – what the challenges and opportunities will be, how it can continue to support its employees and what skills they need to develop further. To this end, Distell created a capability map of its current skillset and highlighted some critical skills that are lacking.

STAKEHOLDER	OUR APPROACH
Employees	<ul style="list-style-type: none"> • Distell's employees are critical in enabling it to create memorable moments and craft a better future. • One of Distell's goals is to create a diverse and safe work environment for its employees, which is free of harassment or discrimination and with opportunities for career development. • A culture of respect, trust and mutual understanding is fostered through open, two-way communication. • Work-life balance is highly encouraged as part of the employee wellness programme. To grow Distell's future leaders, it invests in training programmes. • Through Distell's employee volunteer programme, employees can make a significant contribution to their communities. Distell ForGood is an online platform that enables employees to sign up and contribute to more than 380 non-profit organisations on the platform.
Suppliers	<ul style="list-style-type: none"> • Distell's continued success is highly dependent on its suppliers who provide the raw materials and services used in the production and marketing of its top quality alcoholic products. • Distell's suppliers can be assured of ethical behaviour and practices at all times; commitments fully met and on time including long-term and mutually beneficial relationships with Distell. • Suppliers benefit from a development programme which assists them with accessing developmental loans from financial institutions. • Distell collaborates with its suppliers to ensure all products are harvested and manufactured to the same environmental, ethical and human rights standards. This includes collaboration with leading industry players such as the Wine and Agricultural Ethical Trade Association (WIETA).
Strategic partners	<ul style="list-style-type: none"> • Distell supports various strategic partnerships along its value chain, particularly in Africa, where the business partners to establish local manufacturing and route-to-market platforms. • Distell's growth strategy relies on opportunities for mutually beneficial relationships that are long term in nature and respectful in character. • Distell is signatory to the DTIC's Guidelines for Good Business Practice in Africa, which encourage South African companies to align their involvement and practices with the South African Government's integration and development objectives in Africa, and to build mutual confidence, trust and benefit for the companies and societies in which they operate.
Communities	<ul style="list-style-type: none"> • Distell actively participates and invests in the many communities in which the company operates. • Distell recognises the importance of earning acceptance in the host communities and believes that communities should be better off because of Distell's presence. • Distell's CSI strategy is focused on sustainable economic initiatives that create positive and long lasting socio-economic impact for host communities. These include job creation, skills training, and empowering women. • Distell has also identified the arts as a catalyst for individual and social empowerment that supports community upliftment.
Government	<ul style="list-style-type: none"> • Distell engages with all levels and spheres of Government, including national and regional Governments as well as Government agencies such as regulators. • Distell believes that strong relations between Government and the private sector are good for the development and growth of South Africa and society as a whole. • Distell supports Government's broader developmental goals as contained in the National Development Plan and the country's transformation goals and efforts, which are aimed at creating opportunities to reduce poverty and inequality, and in particular, gender inequality. • This is guided by Distell's integrated BBBEE strategy and innovative approach to enterprise and supplier development. • Distell also creates value and maintains its licence to operate by complying with legislation.

STAKEHOLDER	OUR APPROACH
Investors	<ul style="list-style-type: none"> As providers of financial capital, investors have a vested interest in Distell and Distell wants to keep them informed about its financial performance and sustainability. Distell builds investor confidence by demonstrating that the company adheres to the highest standards of corporate governance and that Distell is a company that creates value and return on investment for all its stakeholders.
Trade customers	<ul style="list-style-type: none"> Distell's trade customers (including wholesalers, retailers, tavern owners, etc.) are the interface between the business and its consumers. Distell's engagement with trade customers focuses on demand trends to ensure supply consistency and facilitates a thorough understanding of its brand portfolio. Distell's customer loyalty programmes, Bansela and Upsella, build relationships with tavern and counter service outlets in South Africa. Customers are incentivised to trade responsibly and to stock, price and display a specially selected portfolio of Distell products to earn "Bansela bucks".
Consumers	<ul style="list-style-type: none"> Distell remains consumer focused by offering value, quality and innovative products. It engages across traditional and digital channels and values consumer feedback on its product offerings so that they can improve their experience of Distell's brands. In response to consumer needs, Distell expands its portfolio to offer consumers greater choice, for example recyclable packaging, premium non-alcoholic and low-alcohol brands and beverages with less sugar. As a key player in the alcoholic beverages industry, Distell understands its responsibility to be part of the solution to reduce the harmful impact that alcohol abuse can have on health and wellbeing. It promotes responsible enjoyment of its products and invests in harm reduction initiatives, including responsible advertising. Distell is a proud member of Aware.org.za. In addition, it has developed transformational partnerships with FASfacts and FARR.
Environment	<ul style="list-style-type: none"> Distell knows that to continue to grow over the long term it must strive to be sustainable, take care of the environment and tackle the causes and impacts of climate change. Distell's environmental policy, supported by a dedicated organisation, focuses on both environmental stewardship and acting on climate change.
Industry bodies	<ul style="list-style-type: none"> Distell is represented on several industry bodies, including Business Unity South Africa, Business Leadership South Africa and the South African Liquor Brand owners Association. Through these bodies, Distell engages on matters relating to, among others, promoting responsible drinking, supplier and enterprise development, industry regulation, social compliance and matters of environmental concern. As a member of these bodies, Distell is also able to respond as an industry to global and local social, political and regulatory changes.

BBBEE

The BBBEE codes were revised during the year, with changes particularly impacting the skills development element. Compounded by the impact of Covid-19, which prevented planned training from taking place, these changes substantially decreased Distell's previous skills development score. As a result of this, Distell's BBBEE score has dropped from a level 3 in 2019 to a level 4.

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

Distell increased its preferential procurement score from 15.99 to 19.04 points out of a maximum of 27 (as per the amended codes). This is a 19.1% increase on the previous year. Distell also increased the spend in black-owned and black women-owned enterprises in its supply chain.

High-potential employees are supported to fast-track and accelerate their career development through various training and development interventions. Highlights for 2020 are:

- Of the 11 employees enrolled in Distell's Accelerated Development Programme, 10 are African, Coloured and Indian employees and three are female employees.
- 97% of all learnerships, 100% of all internships and 84% of leaderships were awarded to African, Coloured and Indian employees.

- R24.6 million invested in training initiatives.
- Other notable initiatives in this space include setting up of internal academies, known as distilleries, across certain areas of the business. The main focus of these distilleries is to develop core functional and behavioural skills to improve capability. Currently, there are three distilleries: human resources, marketing and sales. A supply chain distillery is being developed.

Distell's revised National Employment Equity Plan 2020 – 2024 has been rolled out across all business functions and sets key workforce transformation milestones. Transformation and diversity targets include a 75% directive on African, Coloured and Indian (ACI) appointments and promotions, and a 50% female directive on appointments and promotions. Over the past 12 months, Distell made great strides to bridge the gap between male and female employees, with 39% of appointments and 49% of promotions going to women. Future plans to accelerate women within Distell include:

- Continued partnership with Business Engage
- Ongoing engagement with 30% Club Southern Africa
- Collaborating with the United Nations Women Flagship Programme
- Establishment of the Distell Women Network Forum
- Increasing African female learners

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

Distell remained a sponsor of the University of Stellenbosch Small Business Academy's Development Programme. Distell further partnered with Ranyaka Community Transformation to launch the Chicago Development Initiative: a community-led intervention that aims to increase the resilience and prosperity of Chicago, a community situated in Paarl East in the Western Cape that struggles with high levels of poverty. Empowerment of communities through arts and culture remains a focus. Sponsorships during the year included Zabalaza Theatre Festival, Distell's National Playwright Competition, Artscape's Technical Training Academy, the Fleur du Cap Theatre Awards and On The Cusp (an exhibition fostering young African talent from South Africa, Ghana, Zambia, Kenya, Uganda, Angola, Mozambique, Tanzania and Nigeria that formed part of the Stellenbosch Triennale).

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

Other partnership highlights for 2020 include:

- Partnership with Baphumelele, a community organisation based in Khayelitsha
- Partnership with Nedbank to support financial inclusion of environmental assistants
- Partnership with Kudoti (an app developer helping Distell to build a digital platform that will support its local waste-management industry).

Distell's Taverner Training Programme is designed to empower female taverners with basic business and in-trade execution skills to grow their businesses sustainably. The programme was launched in 2019 and advances collaboration from the boardroom to the taverns along Distell's value chain. The programme focuses on women-owned taverns and counter service outlet owners, offering them various courses on common retail issues and operational challenges as well as opportunities. It also provides insight into how they can utilise marketing tools to grow their business and execute in ways that excite consumers. The module touching on responsible retailing empowers and encourages tavern owners to operate in a socially responsible manner within communities. The programme was a first for Distell and, following its success in 2019, a national roll-out was commissioned for 2020. Initial progress was positive; five training sessions were held between February and March 2020, reaching 106 taverners. The programme also delivered on its primary objective to empower female taverners, with 91% of attendees being women.

ENVIRONMENT

Distell understands its long-term sustainability is intrinsically linked to the natural resources Distell depends on, from farm to consumer and back again. Distell must therefore ensure its supply chain practices are efficient, agile and protect the environment – while meeting its customers' requirements in full. Distell carefully manages its supply chain to ensure Distell delivers reliably, responsibly and sustainably and at the right quality. Distell's 2020 efficiency targets have been revised with 2025 aspirational goals. The revised 2025 aspirational goals will be broken down into annual subtargets to help it drive yearly improvements and ensure Distell reaches its long-term goals.

QUALITY

Quality is a critical component to ensure Distell delivers superior products and packaging. This includes: working with procurement to establish quality requirements for external suppliers; ensuring that Distell's manufacturing and production processes meet international and national quality standards for each product type; and establishing and maintaining quality controls.

Distell conducts on-site audits and, where necessary, assists suppliers to improve their production processes to ensure consistent quality. This ultimately ensures Distell functions as effectively as possible to stay ahead of its competitors. Distell's quality scorecard is carefully monitored and its performance against targets is reported to the Sustainability Council and to the SEC.

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



SIQALO FOODS

INTRODUCTION

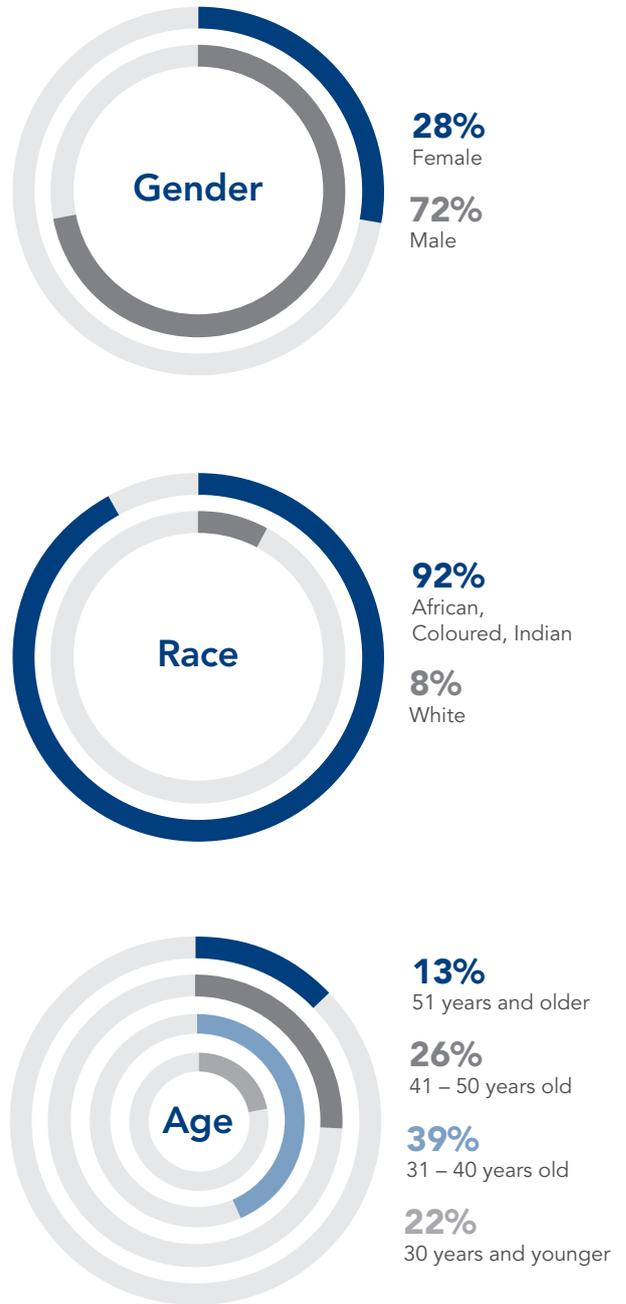
Siqalo Foods is a business that has been part of South Africa’s rich history for almost 70 years. Growing from this heritage, it embraces tomorrow and the opportunities it holds – “Siqalo” means “new beginnings”. Siqalo Foods was launched in 2018 when Remgro completed the purchase of the Spreads business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

GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

Siqalo Foods’ board of directors currently consists of two Remgro representatives who are also responsible to ensure that the business adopts and implements Remgro’s policies, processes and procedures to warrant that good corporate governance and sustainability practices are executed. Siqalo Foods is not legally required to have separate Social and Ethics and Audit and Risk Committees and therefore these functions are performed by the Siqalo Foods board. In terms of the Companies Act (No. 71 of 2008) Siqalo Foods will establish a Social and Ethics Committee during the 2021 financial year. The minutes of Siqalo Foods’ board meetings serve at both the Remgro Audit and Risk and Remgro Social and Ethics Committees. Remgro’s internal audit division is ultimately responsible for all internal audit matters at Siqalo Foods with the assistance of RCL Foods’ internal audit and reports directly into Siqalo Foods’ board.

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

FIGURE 6
SIQALO’S COMPOSITION OF WORKFORCE
(AS AT 30 JUNE 2020)



STAKEHOLDER CONCERNS	RISK MANAGEMENT APPROACH
Product quality	<ul style="list-style-type: none"> • Dedicated quality controllers are appointed and allocated to each production shift to ensure the highest quality standards are adhered to • Monthly quality meetings are held to discuss any concerns or problem areas and to implement corrective measures • On-site batch testing facility with dedicated staff to guarantee that quality standards are upheld on all finished goods
Safety	<ul style="list-style-type: none"> • Dedicated safety officers are identified and employed throughout the plant • Regular safety inspections are performed and analysed by senior plant management on a monthly basis
Customers	<ul style="list-style-type: none"> • Continue to grow mutually beneficial partnerships to drive growth and profitability for all stakeholders and the category at large • Leverage of RCL Foods "best in class" service methodologies to drive common ways of working across all customer teams
Consumers	<ul style="list-style-type: none"> • Ongoing focus to guarantee the highest product quality and food safety at affordable prices • Commitment to and compliance with regulations instituted by government and regulatory boards to ensure production of safe and nutritional products
Employees	<ul style="list-style-type: none"> • The retention and development of key talent was successfully navigated through the transition from Unilever to Siqalo Foods with no key individuals resigning. • Renewed focus on the talent agenda and talent management tools has ensured that new talent has been acquired to further strengthen the talent bench. • Work continues to build upon the now established industrial relations environment at the shopfloor level. • Shopfloor structures including engagement forums through various worker representative committees are well established. • Siqalo Beliefs have been defined and communicated to all employees across the business. • Focus on all employees' health, safety and wellness remains a key priority and a continuous agenda item, especially during Covid-19 lockdown. • The business has implemented numerous processes and protocols to ensure that the business adheres to all the Department of Labour and Department of Health regulations to decrease the risk of Covid-19 infection at the workplace.
Environmental impact	<ul style="list-style-type: none"> • The continuous monitoring of the production plant's impact on the environment with regards to pollution, waste management and energy efficiencies and commitment to sustainable sourcing practices

KEY SUSTAINABILITY AREAS, RISKS AND OPPORTUNITIES

Stakeholder concerns at Siqualo Foods mainly involve areas such as product quality, safety, customers, consumers, employees and environmental issues. Page 27 contains a summary of how Siqualo Foods addresses these issues.

PEOPLE

2020 Achievements

The key priority and focus continuing from the 2019 financial year was to maintain business continuity post the exit from Unilever, which focused on the retention of key employees with critical skills and business knowledge. The 2020 financial year has been a year to not only consolidate the existing skills and knowledge of employees, but also to further enhance it.

16 employees from designated groups are currently registered on a SETA-accredited apprenticeship focusing on practical (workplace) and theoretical (institutional) skills training in a Millwright trade to acquire much-needed experience to progress in their careers. The business has also embarked on a Packaging Learnership (NQF level 3) which aims at equipping learners with the necessary skills and knowledge to produce a packaged food and beverage product by operating, controlling and maintaining a packaging process whilst applying food safety, personal safety, quality assurance and monitoring critical control points. Furthermore, a Disabled Learnership Programme has been implemented whereby Siqualo Foods has taken on 12 disabled learners from designated groups and is providing them with practical experience in assisting them towards obtaining a National Certificate in Business Administration (NQF level 3).

To leverage technology, and to reduce the costs associated with classroom training, Siqualo Foods has also procured 31 LinkedIn licences which has enable employees to access bespoke learning material which they can engage with at times most convenient to themselves.

Employee engagement/employee relations stability

Building sound, trust-based relationships with unionised employees post the transition from Unilever was a key focus during the 2019 financial year. This work has continued throughout the 2020 financial year through leveraging various formal monthly co-operative meetings. Siqualo Foods has also elected to appoint a Manufacturing Executive and a Human Resources Business Partner at Boksburg during the year under review which has also ensured more regular and fluid discussions between management and union members, addressing matters as and when they arise as opposed to waiting for formal engagements. This has assisted significantly in building upon the existing working relationship.

The launch of the mobile communication platform "Let's Talk" in the previous financial year has proved to be a valuable platform through which to communicate and engage with employees. This has been particularly evident during the Covid-19 lockdown period where the ability to hold Townhall sessions and alike has been prohibited. The "Let's Talk" app has therefore ensured that the employees at Siqualo Foods have been able to remain connected to management and to each other as a broader community through various initiatives which have been rolled out through the app during the year under review.

Culture, diversity and inclusion

Building a new culture has been another key focus area – as reflected in the Siqualo Belief statements and Vision. A five-year Employment Equity Plan was put in place during the

previous financial year to promote equal opportunities and fair treatment for all employees. Progress, in line with Siqualo Foods' targets, has been made during the year under review with management representation of African, Coloured and Indian, moving from 50% to 56% as a result of targeted recruitment and succession plans.

Employee health, safety and wellness

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

In keeping with employee health, safety and wellness, and as a result of the Covid-19 lockdown, it was imperative for the Siqualo Foods Executive team to obtain feedback from employees as to how they were managing under the conditions. A "Wellness" survey was therefore conducted to obtain feedback on seven dimensions namely, Organisational wellness; Employee Wellbeing and Health; Work Environment and Tools; Adapting to New Ways of Work; Role Clarity and Alignment; Collaboration and Teamwork and lastly, Management Support and Leadership.

Collectively, across all the dimensions, Siqualo Foods' employees rated the overall Organisational wellness as being 77%. Only one dimension of all those assessed fell lower than this overall average of 77% and that was "Employee Wellbeing and Health" which obtained a score of 64%. All the other dimensions assessed scored on par or above the overall average with "Role Clarity and Alignment" scoring the highest with a score of 86%.

The Siqualo Foods Executive team continue to review the results in greater detail to better understand where and how it can respond to the feedback to ensure it can fully support all employees during lockdown.

BBBEE

Siqualo Foods is a new company that is currently in the process of improving on its BBBEE processes and procedures. The business procures and imports a material amount of its raw materials from international businesses and therefore the business needs to focus on improving its designation sourcing. Siqualo Foods remains committed to progress in this regard in the 2021 financial year.

CORPORATE SOCIAL INVESTMENT (CSI)

Siqualo Foods' CSI programme mainly involves the support to the Rama Good Breakfast Schools Programme. Established in 2017 based on a white paper that revealed that school-aged children that regularly skipped breakfast struggle to concentrate in class, thus affecting school performance. Currently one in five children in South Africa do not consume breakfast and of those that do, a large majority are not eating what is deemed to be a nutritious breakfast. The programme was established with the objective of making a nutritious breakfast a daily reality for all South African children. The project has to date reached over 500 000 school-going children. The year under review marked the highest figures as the project found its way to Gauteng. Learners also showed a 13% improvement in awareness of the definition of breakfast and the importance thereof. There was a 4% improvement in understanding that the best time to consume breakfast is in the morning and a 10% increase in understanding the food groups and the importance of these in the body. Most encouragingly is the decline in children who arrive at school without having eaten breakfast. Next year the project will continue this great work in Gauteng as Siqualo Foods aims to expand its reach, educating the future leaders of South Africa.

COVID-19

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

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

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

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

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

ENVIRONMENT

Refer to the "Environment" section on page 32 where the environmental practices of Siqualo Foods are also incorporated.

For more detail regarding Siqualo Foods, refer to its website at www.siqualofoods.com.

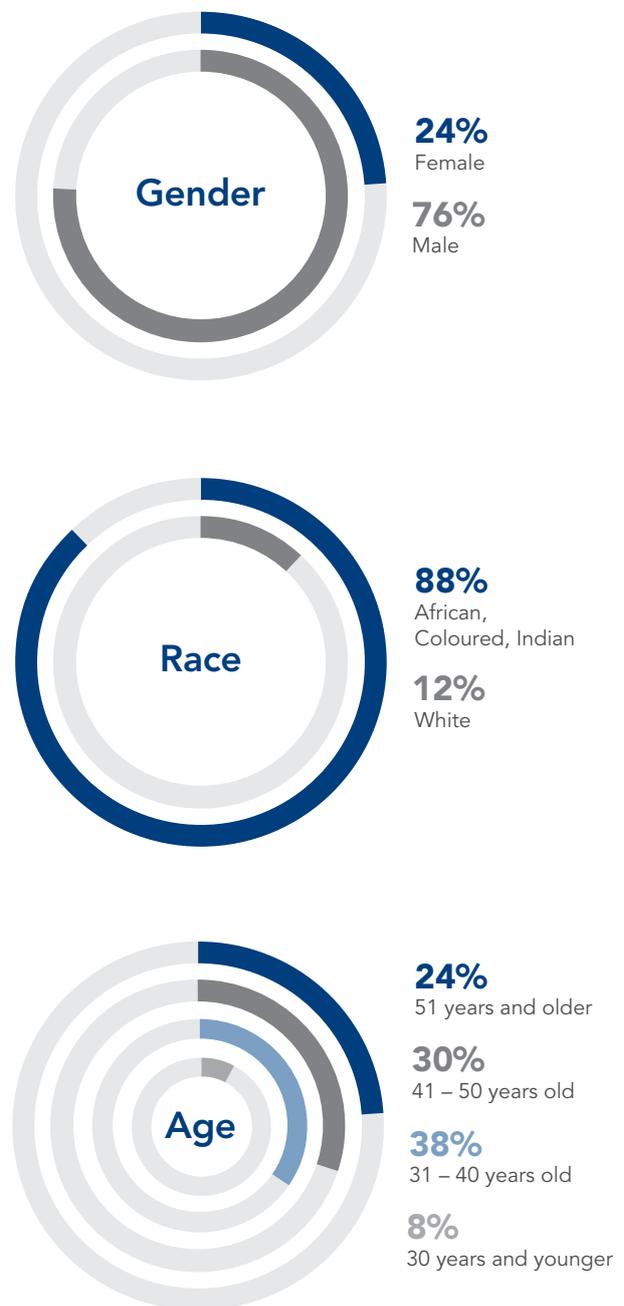


WISPECO

INTRODUCTION

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

FIGURE 7
WISPECO'S COMPOSITION OF WORKFORCE
(AS AT 30 JUNE 2020)



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

GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

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

Wispeco's Audit Committee consists of three non-executive members and, in terms of the Companies Act (No. 71 of 2008), it is considered a duly constituted Audit Committee, which reports directly to the Wispeco board. The Remgro Audit and Risk Committee satisfied itself that this committee functions independently. Remgro's internal audit division is responsible for all internal audit work at Wispeco and in this regard assists the Wispeco board to maintain a comprehensive risk management system.

KEY SUSTAINABILITY AREAS, RISKS AND OPPORTUNITIES

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

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

PEOPLE

The remuneration rates of unionised employees (representing approximately 80% of the permanent workforce of Wispeco) is determined by the Main Agreement periodically negotiated through central bargaining. A three-year agreement ended in

June 2020 and new negotiations could not take place because of the Covid-19 pandemic and the national lockdown. In the absence of an agreed increment for July 2020, Wispeco implemented a 4.5% increase to all its employees.

Employment equity within Wispeco is managed through an Employment Equity Committee (EE Committee) that meets on a monthly basis and provides input on the finalisation of the annual labour plan submitted to the Department of Labour. The goals set for the 2019 reporting period were all successfully completed. The focus is on promotion of the Employment Equity policy, which is to accelerate the appointment and retention of black, female employees. Refer to Figure 7 on page 29 where details regarding the composition of Wispeco's workforce by race, gender and age are illustrated. A new three-year Employment Equity Plan was compiled by the EE Committee and approved by management. A position on Senior Management Level, which is earmarked for an EE candidate, was recently advertised. A collaboration between the EE and Training Committees have been established to ensure that skills development initiatives are aligned with race and gender underrepresentation.

Wispeco management recognises its responsibility towards health and safety, as well as improving the working environment of its staff. In this regard, Wispeco has a dedicated Safety Officer that is responsible for the management of Wispeco's health and safety programme. Each department also has a dedicated safety representative, which conducts monthly safety inspections. During the year ended 30 June 2020, Wispeco had 47 minor injuries, which were treatable at the in-house clinic (2019: 20 injuries). Reportable cases in terms of the Compensation for Occupational Injuries and Diseases Act (No. 130 of 1993) amounted to 26 during the year under review (2019: 14 cases). The safety management department has been restructured and the administrative task of ensuring legal compliance is underway. Furthermore, a total of 40 First Aiders, 40 Fire Fighters and 40 Health and Safety representatives are undergoing training during August and September 2020.

Awareness in respect of HIV/Aids within Wispeco is promoted mainly through training programmes, supported by 19 Peer Group Educators at Wispeco's head office. The Peer Group Educators provide informal support and guidance to the affected employees and their families. The company also supports the Government's Antiretroviral (ARV) programme and ensures the confidentiality of all employees' HIV status. A qualified medical practitioner also visits the in-house clinic once a week to assist with issues that are more complex.

A well-established Training Committee within Wispeco is responsible for identifying the training needs of staff and for the development of training programmes, which enable staff to maintain and develop the required skills in order for the company to remain competitive in the market. These initiatives include formal training programmes in the form of learnerships for leadership development, as well as technical training in the form of apprenticeships. Although leadership development initiatives are continuing, the focus of the skills development plan has shifted to the shop floor. The main objective is a workforce

with a shared language in terms of continuous improvement, quality, productivity and safety. Wispeco aims to enable all employees to participate in improvement initiatives and working towards a sustainable future. Wispeco hosted various learnership programmes in Alrode and in Cape Town. There were 28 learners on various NQF Level learnerships in Cape Town, due for completion in July 2020, but after a remarkable effort by the learners, the service provider, and the management of Wispeco, **all the learners completed their qualifications** before the plant closure in November 2019. 17 learners in Alrode completed a Certificate in Management (NQF level 3) in January 2020. In Alrode there are currently 18 learners completing a Production Technology (NQF level 2) qualification and 15 learners completing a Certificate in Management: Process Manufacturing (NQF level 4). Both learnerships have an extension approval from MERSETA since training was interrupted due to the Covid-19 pandemic. Learnerships will resume in October 2020 with the necessary safety precautions. Wispeco also provides experiential learning opportunities for young engineers to assist them in obtaining their engineering qualifications. Wispeco currently hosts eight experiential learners in various production departments.

The company also has a proud record of training people with disabilities, with formal technical training for the deaf having been provided for the past 14 years. In this regard, the Alrode 2019 group of 12 deaf students from previously disadvantaged communities completed the aluminium fabrication learnership while the Alrode 2020 group started in January. This training was suspended in March 2020 due to the Covid-19 pandemic and classes will resume toward the end of the year. Training for the eight Wispeco learners at V.N. Naik School for the deaf in KwaZulu-Natal was also suspended and will resume according to the governmental return rules for Grade 10. As in previous years, the MERSETA has ring-fenced discretionary grant funding for Wispeco for this group of deaf learners. Wispeco claimed and paid TERS (Covid-19 unemployment fund) to all unemployed learners for the lockdown period. Wispeco aims to train but also to assist in finding employment opportunities for these students and ensure successful integration into the workplace. The latest permanent appointment was at the end of February 2020. Wispeco has assisted a total of 36 people with disabilities, who completed their learnerships, to find employment opportunities.

Training expenditure for 2020 amounted to over R7 million (2019: R13 million).

BBBEE

Wispeco's latest BBBEE verification was concluded during September 2020 and a Level 5 status was achieved. This equates to an 80% procurement recognition and a total of 75.21 points on the generic scorecard (2019: Level 5, 77.33 points). Wispeco decided to consolidate owned stockist businesses (Sheerline, RF Metals and Almex) into the BBBEE verification for the 2020 year. Wispeco's plans to commence with the YES initiative have been postponed due to the Covid-19 pandemic. The elements of skills development, enterprise development and socio-economic development continue to be a priority to Wispeco.

CORPORATE SOCIAL INVESTMENT (CSI)

Wispeco's CSI programme mainly involves training in the fabrication and installation of architectural products. The training initiative enables trainees to perform an income-generating activity. This practical training is facilitated by experienced trainers in technical training centres situated in Cape Town, Durban and at the company's head office in Johannesburg. During the past year approximately 780 people (2019: 921) were trained at a cost of R4 million. Training includes both introductory programmes as well as advanced product-specific curricula. Another aspect of Wispeco's CSI programme is the SpazAL franchises. The SpazAL initiative aims to empower young black entrepreneurs to start and successfully run aluminium fabrication businesses in rural areas around the country. There are currently ten active SpazALs operating in the Gauteng and Limpopo and Durban areas. Since the programme started in 2006, these SpazALs have collectively purchased more than R19 million worth of aluminium and hardware products from Wispeco Crealco Distribution Partners (CDPs). In 2020, the support for the SpazAL initiative continued with donations of equipment and sliding doors and mentoring services to the value of R452 543. Ongoing support and education from Wispeco will continue to ensure survival and prosperity of the SpazALs.

COVID-19

Wispeco commenced post lockdown operations on 4 May 2020 with a 50% workforce utilisation as prescribed by the published level 4 guidelines. A company Covid-19 compliance officer was appointed, and a detailed workplace readiness plan was compiled after conducting a comprehensive risk assessment of all areas. The Wispeco site was equipped with designated daily screening and testing stations, a dedicated isolation station, more than 150 Covid-19 awareness and prevention posters, 120 sanitiser dispensers and social distancing signage was introduced at all high traffic areas. Initial induction and Covid-19 awareness training was provided to every employee entering the site post lockdown, followed by regular awareness and prevention presentations. Wispeco has recorded 19 positive Covid-19 cases, of which 16 have fully recovered, one is scheduled to return to work 24 August and regrettably two fatalities were recorded.

ENVIRONMENT

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

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

ENVIRONMENT

All Remgro businesses are dependent, in one way or another, on environmental resources for the manufacture, packaging and distribution of products which then drive economic growth through their respective value chains. To this end, the subsidiary companies over which Remgro has oversight view environmental sustainability as being both the responsible management of their environmental impact and, also, managing the risks and opportunities that the natural environment presents to their businesses. These issues include climate change, energy supply, quantity and quality of water supply, and waste management services.

FIGURE 8

REMGRO'S GHG EMISSIONS (EQUITY PORTION) (tCO₂e)

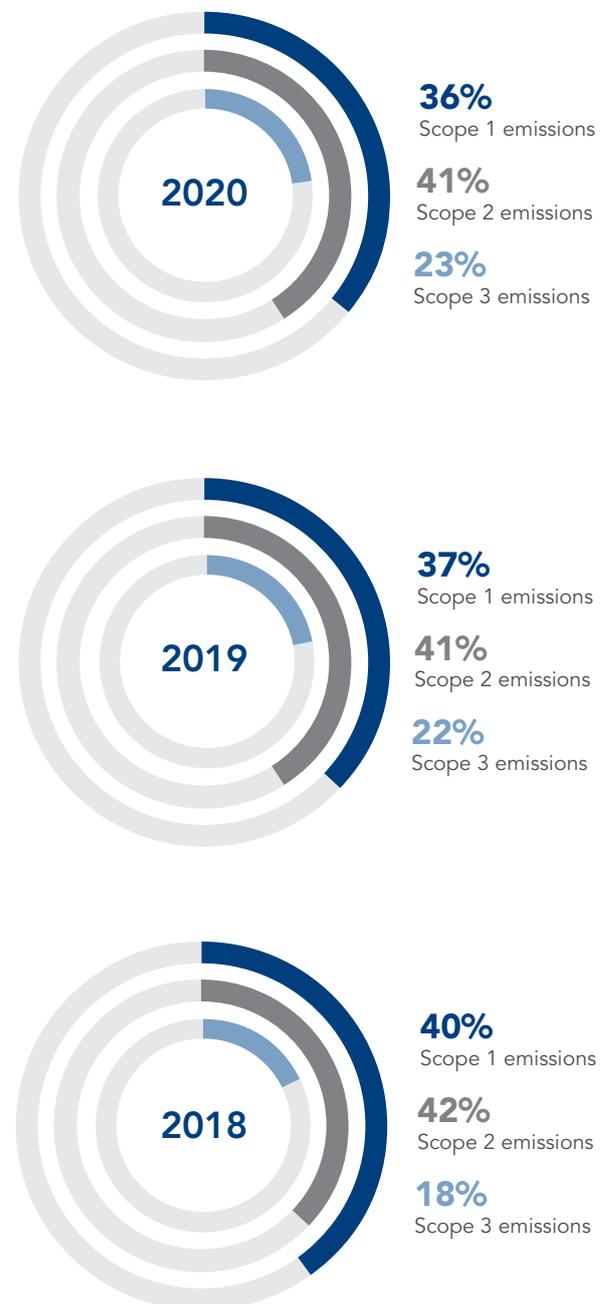
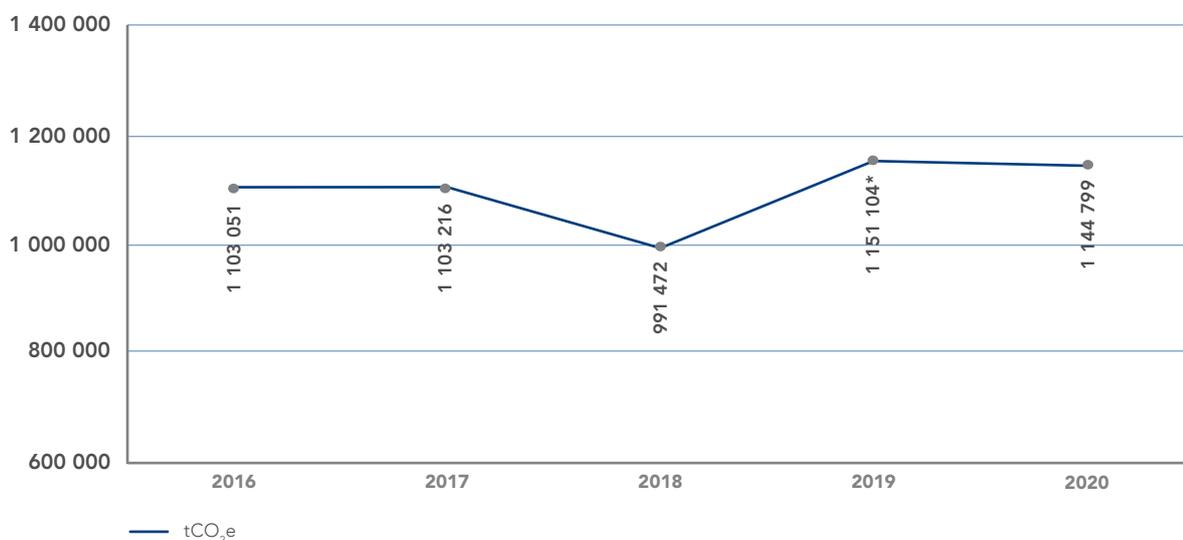


FIGURE 9

REMGR0 GHG EMISSIONS (EQUITY PORTION) (SCOPE 1, 2, 3 AND NON-KYOTO GASES)



* Siqualo Foods included for the first time.

In line with the Remgro Safety, Health and Environment (SHE) Policy, the Remgro Board has overall responsibility for environmental practices implemented and maintained by Remgro Management Services Limited (RMS – the Service Company), and these are overseen by both the Social and Ethics Committee and the Risk, Opportunities, Technology and Information Governance Operational Subcommittee (a sub-committee of the Audit and Risk Committee). The SHE Policy commits Remgro and its subsidiaries, managed and administered by the Service Company, to full regulatory compliance; minimisation of environmental impact; participation in relevant reporting outputs; responsible environmental investment; and, transparency in environmental reporting procedures.

At a separate operating subsidiary level (i.e. RCL Foods, Siqualo Foods, Distell and Wispeco), responsibility is devolved to the executives who are expected to manage their environmental impact in accordance with the expectations of the Remgro SHE Policy. They are also expected to set their own targets for improved environmental performance and to report on their environmental impact to their boards, on which Remgro has direct representation. As separately listed companies on the JSE, RCL Foods and Distell also report publicly through their annual integrated and sustainability reports and into third-party reporting initiatives such as the CDP (formerly “Carbon Disclosure Project”) on its climate change and water impacts.

From an environmental performance perspective, Remgro reports the environmental figures of those investee companies in which it has an equity interest of greater than 50%. This is guided by current environmental reporting practices and includes RMS, RCL Foods, Siqualo Foods and Wispeco. In terms of the Remgro carbon footprint and in accordance with the Greenhouse Gas (GHG) Protocol, the “equity share” approach is adopted, where carbon emissions are apportioned to Remgro in alignment with its equity ownership of the subsidiary, hence: RMS – 100%; Wispeco – 100%; Siqualo Foods – 100%; and RCL Foods – 71%.

Close monitoring of developing trends in environmental reporting for investment houses by international initiatives such as the GHG Protocol, Science-based Targets and the Taskforce for Climate Related Financial Disclosures (TCFD) is ongoing, and Remgro will respond appropriately.

2020 HIGHLIGHTS

- Ongoing evaluation of investment house reporting frameworks.
- Decrease in Scope 1 and 2 greenhouse gas emissions.
- South African carbon tax evaluation and registration.
- RCL Foods target to generate 50% of its own electricity by 2025. Currently produces 26% of own electricity use.
- Waste to value project at RCL Foods/Rustenburg chicken site will generate 22% of own electricity use.
- Siqualo Foods reduced electricity consumption by 16%.
- Wispeco reduced electricity consumption by 36%.
- Remgro Power Initiative generated 5 890 MWh of renewable electricity, displacing 5 418 tonnes carbon dioxide.
- Total water consumption across the Group decreased by 8%.
- RCL Foods converted 72% of waste streams to fertiliser or energy.
- RCL Foods signed on to the South African Plastics Pact.

CLIMATE CHANGE

Climate change continues to be a critical area of focus for Remgro companies. Many of its businesses are directly reliant on ecosystem services such as renewable energy, land, water and waste receptacles, that are impacted by climate change and a continuous tightening of the regulatory environment needs to be managed.

In response, Remgro analyses risks and opportunities and report into the CDP climate change process, while also conducting an annual verified carbon footprint of its majority-owned businesses that directs focus towards reducing its own emissions profile and adopting renewable or cleaner energy opportunities.

The 2020 financial year has seen a decline in absolute direct emissions of Remgro's companies (categorised by the Greenhouse Gas Protocol as Scope 1 emissions), but a slight increase in indirect emissions generated by electricity consumption (categorised as Scope 2). Most of the Scope 1 reductions resulted from various energy efficiency measures implemented in Siquo Foods, Wispeco and RMS. Emissions lying upstream and downstream in the supply chains of Remgro's companies (categorised as Scope 3) also declined marginally.

The introduction of the South African carbon tax in June 2019 has been closely monitored. Remgro's subsidiaries are responsible for their own carbon tax submissions and liabilities. However, at RMS a detailed tax analysis was conducted and the only entity incurring a tax liability is Falconair, which has registered with the Department of Environment Forestry and Fisheries (DEFF) under the National GHG Emission Reporting Regulations and has also licensed with the South African Revenue Services for carbon tax purposes. The tax is incurred only on South African flights (i.e. those that depart and land in South Africa on a single flight). It can be expected that a new tax regime with different tax-free thresholds will be introduced in the second phase of the carbon tax that is to be implemented from January 2023.

ENERGY

During 2020 South Africa continued to experience intermittent electricity loadshedding (the predetermined shutdown of electricity in localised regions to ease demand pressure on the national electricity grid). This reality, combined with inflationary pressure on the price of electricity and South Africa's electricity energy mix being one of the most carbon-intensive in the world, drives Remgro to instil a culture of energy efficiency and adoption of renewable energy practices where it can in its subsidiary companies.

There has been a decrease in most energy use types in 2020. However, electricity consumption increased year-on-year, mostly as a result of RCL Foods' logistics arm, Vector Logistics, adding three new sites to its operations. The amount of renewable energy generated and consumed on-site decreased due to lower production at RCL Foods' Sugar division, resulting in lower volumes of available bagasse.

RCL Foods is by far the largest consumer of electricity among the Remgro subsidiary companies, but is also the largest generator of on-site renewable electricity – some of which is "wheeled" back into the South African national electricity grid if it cannot be used in the business operations at the time of generation. By 2025, RCL Foods aims to generate 50% of its own electricity and to have reduced its total coal consumption by the same amount (50%). During the 2020 financial year, RCL Foods produced 26% of its own electricity through the burning of bagasse, a fibre by-product from sugar cane processing. The burning of poultry waste at RCL Foods' Worcester chicken facility and the adoption of solar power at select sites, including its head office, have been other notable initiatives. At the end of the 2020 financial year, a second waste to value project came online that will result in 22% self-sufficiency in electricity consumption at RCL's Rustenburg chicken site. During the 2020 financial year, RCL Foods exported some 21 743 gigawatts to the national electricity grid from its bagasse burning activities.

Siquo Foods reduced its electricity consumption by 16%, as a result of power factor corrections implemented in April 2020 and overhaul and leak repair on its air compressor. A 14% reduction in steam usage was recorded through maintenance and efficiency repair work throughout the production process.

Wispeco, which achieved a 36% reduction in electricity consumption, installed an energy efficient melting oven at its Alrode manufacturing facility that will save the company some 49 240 gigajoules natural gas per year, with an estimated annual financial saving of R6 million. This project is preventing 2 516 tonnes of CO₂e emissions every year. In addition, power factor correction actions throughout all Wispeco sites is saving some R624 000 per year.

The Remgro Group Power Initiative remains in place to explore and leverage renewable energy, energy efficiency and carbon abatement opportunities throughout the Remgro Group. Through Kigeni Ventures, in which Remgro holds a significant and strategic stake, solar photovoltaic projects have been installed in a number of Remgro investee companies, most notably the Mediclinic hospitals, Distell, MMI (Eris Properties) and RCL Foods. Outside of the Group, installations have been commissioned for Old Mutual. Collectively these have generated 5.89 GWh (gigawatt hours) of electricity in the 2020 financial year, displacing some 5 418 tonnes of carbon dioxide. Mobius, a joint venture between Kigeni Ventures and Remgro, is currently working on replacing diesel fuelled refrigerant transport units in the Vector Logistics truck fleet (part of RCL Foods) with mobile solar PV and battery cooling units.

Remgro also has a strategic stake in Energy Exchange of Southern Africa looking for utility scale renewable energy opportunities and trading of energy. A proof-of-concept project is being explored with RCL Foods' chicken houses to replace coal used in the burners with biomass (mostly from alien vegetation), which holds the potential to reduce carbon emissions from the burners by 40%.

WATER

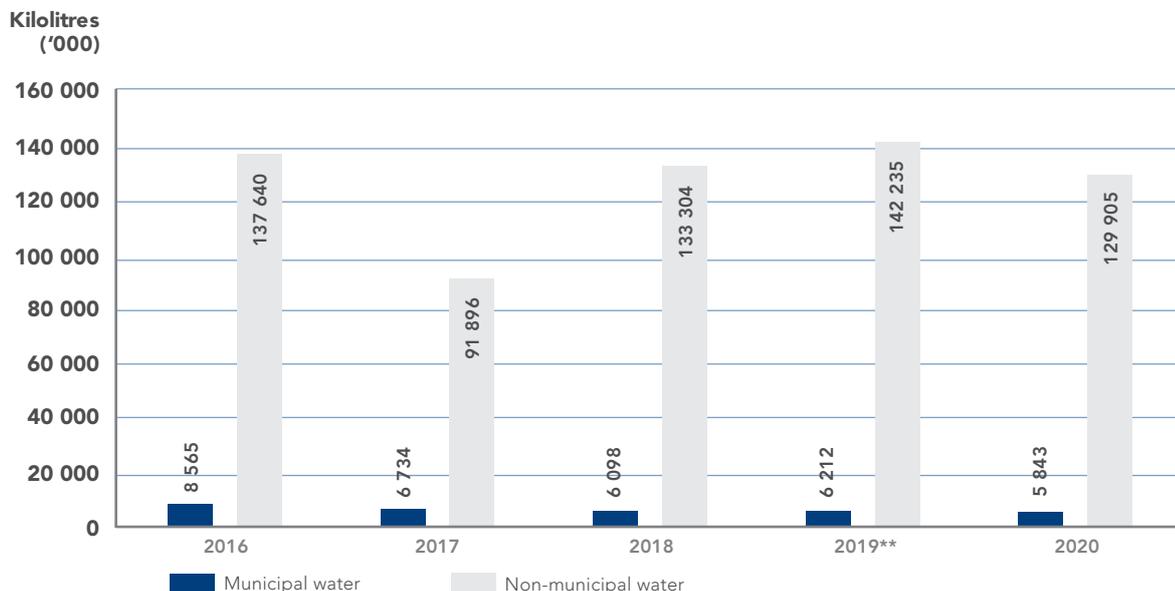
The availability of good quality and quantity of water is critical to all Remgro's businesses, especially those in the food and beverage sectors which are the largest consumers of water in the Group. South Africa's propensity to erratic rainfall and drought, exacerbated by climate change and combined with deteriorating infrastructure in certain areas means that many of Remgro's operations are located in what can be described as "water stressed" areas. All Remgro's businesses are required to measure all water consumption (municipal and non-municipal) and, for the 2020 financial year, total water consumption decreased by 8%.

Despite a 15% increase in water usage at Vector Logistics – due to network expansion and an increase in logistics sites – RCL Foods' total municipal water consumption fell by 1% as a result of improved efficiencies in the poultry operations. Since 2017, there has been a total of 17% decrease in water consumption in the foods division of RCL Foods and the company maintains its targets of reducing water consumption by: 50% in its chicken processing operations by 2025; by 30% in its sugar production activities by 2023; and by 60% in the logistics warehousing by 2025.

Raw water consumption (river and borehole water) decreased by 9% in 2020 at RCL Foods due to a decrease in sugar production during the year and implementing various irrigation efficiencies, including drag line irrigation to drip irrigation.

FIGURE 10

TOTAL WATER CONSUMPTION 2016 – 2020*



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

** Siqalo Foods included for the first time.

WASTE MANAGEMENT

Increased public awareness on the impacts of waste and, in particular, plastic waste and pollution is motivation for our companies to focus on reduction and recycling of waste and to explore circular economy opportunities to reuse waste. This will reduce pressure on landfill sites and mitigate against increasing landfill costs.

Most waste from our food production businesses is organic in nature and various avenues are being explored to reduce this or to convert to alternative products and, also, the generation of energy.

During the 2020 financial year, Siqalo Foods diverted 74 tonnes of waste to a biodiesel producer, while RCL Foods converted 72% of its waste streams to either fertiliser or energy. Over a thousand tonnes of poultry waste was diverted from landfill to a composting site.

In 2020, RCL Foods became a signatory to the South African Plastics Pact, committing companies across the plastics value

chain to redesign or reuse single-use plastic. In response, RCL Foods has implemented a Sustainable Packaging Strategy, committing to eliminating unnecessary plastic and innovating to ensure plastic that is used is recycled and is reusable or 100% recyclable post-use.

	RCL Foods	Siqalo Foods	Wispeco
2020			
Waste to landfill (t)	187 986	–	224
Recycled waste (t)	7 066	949	9
2019			
Waste to landfill (t)	185 970	35	818
Recycled waste (t)	4 735	1 114	9

REGULATORY COMPLIANCE

No Remgro subsidiary company received any environmental fines or penalties during the 2020 financial year.

KEY ENVIRONMENTAL INDICATORS

Emissions, effluents and waste ⁽¹⁾	2020	2019 ⁽²⁾	2018	2017	Units
Total direct and indirect GHG emissions					
Scope 1 – Direct emissions	387 126	396 833	375 793	434 343	tCO ₂ e
Scope 2 – Indirect emissions	447 501	446 161	387 326	387 783	tCO ₂ e
Scope 3 – Indirect emissions	245 628	242 573	170 559	235 247	tCO ₂ e
Other relevant indirect GHG emissions ⁽³⁾	64 544	65 537	57 794	45 843	tCO ₂ e

⁽¹⁾ The numbers referred to above include Remgro's equity portion of RCL Foods (71%), Wispeco (100%), RMS (100%) and Siqalo Foods (100%). Siqalo Foods was included for the first time in 2019, which accounts for the significant increase in that year.

⁽²⁾ GHG emission figures for 2019 restated.

⁽³⁾ Increase in emissions from 2017 to 2018 due to increased burning of bagasse resulting from the availability of higher sugar cane stocks following the end of the drought of 2016/17.

Energy ⁽¹⁾	2020	2019	Units
Direct energy consumption by primary source			
Diesel	19 947	19 543	kilolitres
Aviation fuel	763	933	kilolitres
Natural gas	6 657	7 706 ⁽²⁾	tonnes
LPG	3 017	3 802	kilolitres
Coal	182 696	177 734 ⁽²⁾	tonnes
Paraffin	1 726	2 621	kilolitres
Heavy furnace oil	561	663	kilolitres
Carbon dioxide	1 555	1 733	tonnes
Indirect energy consumption by primary source			
Electricity (non-renewable)	583 559 363	573 729 749 ⁽²⁾	kWh
Electricity (renewable)	164 111 516	183 374 927	kWh
Water⁽¹⁾			
Total water withdrawal (municipal)	5 843 611	6 212 275	kilolitres
Raw water (borehole, river, dams)	129 904 986	142 235 058	kilolitres

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

⁽²⁾ 2019 restated.

FEEDBACK

We welcome any feedback on Remgro's sustainable development practices and this report. In this regard please contact:

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