

# ABRIDGED SUSTAINABLE DEVELOPMENT REPORT

## SUSTAINABILITY HIGHLIGHTS

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

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

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

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

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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*



View the full report online at [www.remgro.com](http://www.remgro.com)

## 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.
- Provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development.

## 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

- 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 well-being.
- Provide affordable medical support to all employees.
- Promote the application of these principles by those with whom they do business.

## EXTERNAL ASSURANCE

We acknowledge the increasing requirements from investors and regulatory and other guidelines, such as the King IV Report on Corporate Governance for South Africa (2016) (King IV) and the integrated reporting guidelines, for the external assurance of selected non-financial information. We further acknowledge our accountability to our stakeholders to present information that is relevant, accurate and reliable. In this regard it should be noted that Remgro follows a combined assurance model, incorporating management, internal audit and external assurance (e.g. BBBEE scorecard verification, Carbon Disclosure Project (CDP) verification), as illustrated in the table on page 106. 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](mailto: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 elsewhere in this report.

## SHAREHOLDERS AND THE INVESTMENT COMMUNITY

In pursuing its primary objective to maximise value creation and sustainable growth, Remgro takes particular care to ensure that all shareholders, or classes of shareholders, are treated equitably. Special care is taken to protect minority shareholders from actions by or in the interest of the principal shareholder that may be to their detriment. In this regard the Lead Independent Director acts as chairman during meetings in situations where the independence of the existing Chairman may be potentially conflicted.

Communication with investors is based on the principles of timely, balanced, clear and transparent information. In this regard the investment community has access to the same information as Remgro shareholders. Firm protocols are in place to control the nature, extent and frequency of communication with investors. Shareholders and the investment community are encouraged to attend Remgro's Annual General Meetings where topical matters are discussed openly. Further interactions with institutional investors take place twice a year at the dial-in interim and final results presentations, where questions can be directed to the Chief Executive Officer and Chief Financial Officer. 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](http://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 in the detailed Sustainable Development Report published on the Company’s website at [www.remgro.com](http://www.remgro.com).



## SUPPLIERS AND SERVICE PROVIDERS

Remgro believes in building long-term partnerships with service providers through establishing a relationship of mutual trust and respect. Various criteria play a role in selecting suitable service providers, such as compliance to quality standards, the stability and proven track record of the organisation, BBBEE status and available support network.

As part of ensuring alignment of its service providers with Remgro company values, Remgro has implemented a process to 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 corporate actions in accordance with all applicable laws and

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
<b>Total score</b>		<b>109</b>	<b>72.70</b>

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	<b>3.08</b>	2.85
Voting rights black women	2.00	<b>1.88</b>	1.65
Economic interest black people	4.00	<b>3.14</b>	2.82
Economic interest black women	2.00	<b>1.98</b>	1.74
Economic interest of black designated groups	3.00	<b>3.00</b>	3.00
Black new entrants	2.00	–	–
Net value	8.00	<b>5.22</b>	4.70
	25.00	<b>18.30</b>	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 111.

### MANAGEMENT CONTROL

The Board transformed over time, with five of the eleven non-executive directors (45%) 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 111.

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
<b>GRAND TOTAL</b>	<b>24</b>	<b>35</b>	<b>2</b>	<b>49</b>	<b>9</b>	<b>20</b>	<b>2</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>179</b>

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 113.

## 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" in the detailed Sustainable Development Report published on the Company's website at [www.remgro.com](http://www.remgro.com).

## OUR PEOPLE

### EMPLOYEE COMPOSITION

Remgro believes that the quality of its staff represents an important sustainable advantage. Being an investment holding company, it has a relatively small staff complement, with only 179 people being employed as at 30 June 2020 (2019: 184 employees). Refer to Figure 3 on page 112 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.

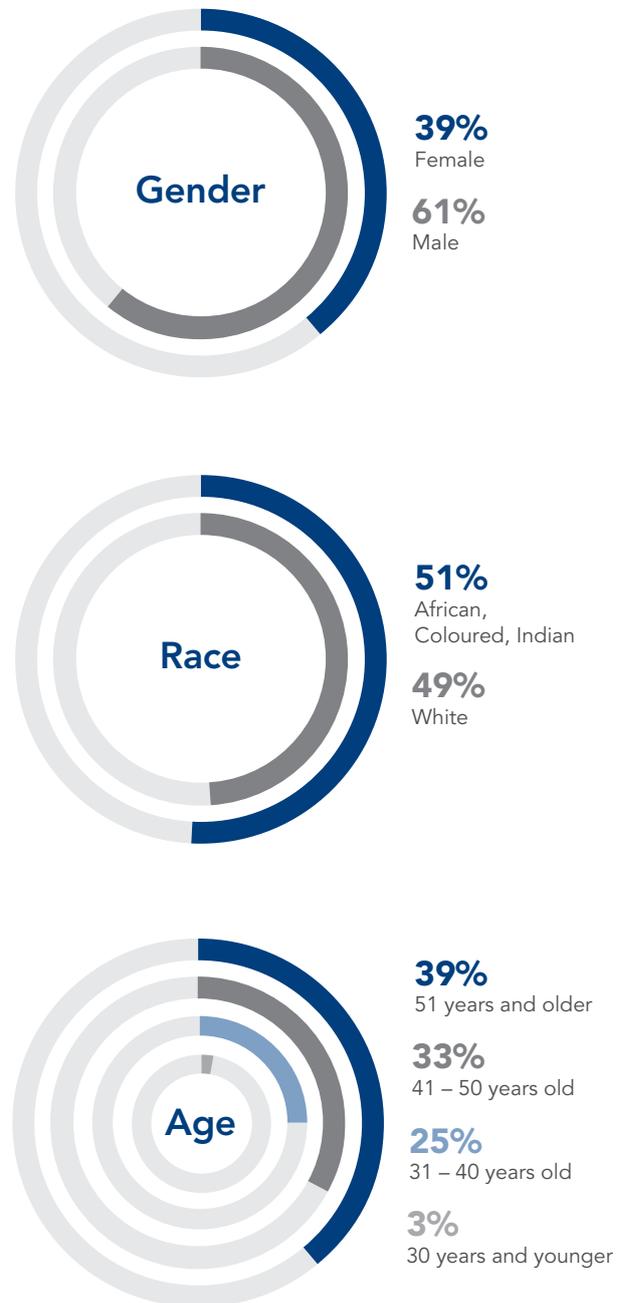
### TRAINING AND SKILLS DEVELOPMENT

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.

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



## 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

## 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.

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

Further details regarding Remgro's CSI initiatives can be found in the detailed Sustainable Development Report published on the Company's website at [www.remgro.com](http://www.remgro.com).



## 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.

Please refer to the detailed Sustainable Development Report published on the Company's website at [www.remgro.com](http://www.remgro.com) for further details regarding the social and environmental performance of these subsidiaries.



## 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.

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, Siqalo 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.

Further details regarding Remgro’s initiatives to minimise its impact on the environment are presented in the detailed Sustainable Development Report published on the Company’s website at [www.remgro.com](http://www.remgro.com).



## FEEDBACK

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

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