



SUSTAINABLE BUSINESS DRIVE



OUR IMPACT

Our Sustainable Business Drive, framed in the model below, is aligned to our business strategy and addresses one of the RCL FOODS strategic thrusts – “Drive Sustainable Business”.

OUR SUSTAINABLE BUSINESS DRIVE is about CREATING THE FUTURE. Underpinned by OUR PASSION, it sets out OUR RESPONSE to the most critical social and environmental challenges we face. OUR SUSTAINABLE BUSINESS DRIVE enables us to SECURE THE FUTURE for our business, whilst establishing COMPETITIVE ADVANTAGE in a fast-changing world.



NOURISHING PEOPLE



ENRICHING COMMUNITIES



SUSTAINING RESOURCES

①

MORE FOOD

More nutritionally creative solutions

②

MORE PEOPLE

More socially creative solutions

③

MORE OFTEN

More environmentally creative solutions

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.

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.

3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS

We will invest in energy self-sufficient operations and support the generation of renewable resources at a rate greater than we consume them.

1.2 MORE NUTRITIONAL THOUGHT LEADERSHIP

We will strive to become a trusted source of influence in food policies, regulation and food labelling development.

2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES

We will drive an inclusive business agenda through land reform and new inter-connected business models.

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.

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.

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.

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 to landfill.

UNDERPINNED BY NEW DISRUPTIVE MODELS

.....
ACHIEVED AND SUSTAINED BY STRONG WIN-WIN MULTI-STAKEHOLDER PARTNERSHIPS



NOURISHING PEOPLE

1.1 MORE NUTRITIOUS PRODUCTS

OUR AMBITION:

To lead the promotion of nutrition with innovative product solutions in the context of a balanced diet.

We supply a broad basket of products, from staples to value added products, and seek to meet the changing needs of our consumers. Our growing portfolio of brands, including Yum Yum Peanut Butter, Monati pure-grain Sorghum and Rainbow Chicken, has recently been expanded with new products under the Number One brand - Moringa and Yogoboost. We have also reduced sodium in all our Sunbake and Supreme products (bread, buns rolls, premixes) and reformulated our chilled processed meats and freezer-to-fryer products with lowered sodium.



1.2 MORE NUTRITIONAL THOUGHT LEADERSHIP

OUR AMBITION:

To lead the promotion of nutrition through influencing policy development.

Our ongoing engagement with leading academics and organisations such as Southern Africa Food Lab and the Worldwide Trust For Nature, are helping us understand the South African food landscape better and to identify ways in which we can provide strong corporate leadership to address nutrition challenges in the food system. Through collaboration with government and other stakeholders we have been contributing to key policy implementation areas such as land reform, food safety enhancements and early childhood development. We are also engaging with government to influence policy around protection of the local chicken and sugar industries.

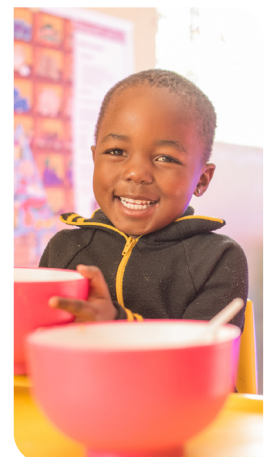


1.3 MORE BASIC NUTRITION FOR CHILDREN

OUR AMBITION:

To lead the promotion of nutrition for children through collective action against stunting.

We have been playing a catalyst role through the **DO MORE FOUNDATION** in bringing together provincial Government departments and Non-Governmental Organisations (NGO) in the implementation of the national Early Childhood Development policy (pilot in Nkomazi) through the “Leave No Young Child Behind” initiative. This is a comprehensive collaborative initiative to improve early childhood development in the community around our Malelane Sugar Mill. We are also an implementation partner in the Grow Great National Campaign.



ENRICHING COMMUNITIES

2.1 MORE INSPIRED EMPLOYEES

OUR AMBITION:

To become THE place to work by building a compelling RCL FOODS culture.

Achieving our growth ambitions and delivering on our Passion, depends on creating a unique organisation and culture where work is safe, fun, meaningful and enriching. To do this, we are working to develop our people, build authentic leaders and create an enabling environment for us to do and be MORE, facilitated by our employee Mobile App, Let's Talk.

Our four key focus areas are:

- Culture and Diversity
- Develop Leaders and Grow Talent
- Collaborative Employee Relations and Engagement
- Employee Health, Safety and Wellness



2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES

OUR AMBITION:

To become THE trusted business partner for economic development in the communities in which we operate.

We are leading the transformation agenda in our sugar operations in the Nkomazi area through the following initiatives:



Sugar Joint Ventures (JV)

Service Joint Ventures

Sugar Joint Ventures (JV)

Three community based JV companies deliver meaningful mutual impact.

Small-scale Growers (SSG)

contribute to sustainability of rural communities whilst SSG's further increasing our cane production.

Development Finance - Akwandze Agricultural Finance (AAF)

provides emerging farmers with access to unsecured credit at reduced interest rates.

Farming and Business Support Services - TSGRO

provides farming and business support services to small growers enabling them to overcome key challenges.

Land Reform: In 2012 RCL FOODS Sugar business unit was appointed as a mentor by the Department of Rural Development and Land Reform (DRDLR). Since then, RCL FOODS has helped to benefit 160 land reform beneficiaries through the DRDLR's Recapitalisation and Development Programme.

2.3 MORE SOCIALLY DEVELOPED COMMUNITIES

OUR AMBITION:

To become THE respected business partner for social development in the communities in which we operate.



We established our **DO MORE FOUNDATION**, a separate non-profit organisation, that enables us to #DoMore for impoverished communities through partnerships with government and business. The Foundation's initiatives focus on; Young Children, Easing Hunger & Supporting Youth.



SUSTAINING RESOURCES

3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS

OUR AMBITION:

To become an energy self-sufficient business by supporting the generation of renewable resources.

TARGET KEY PERFORMANCE INDICATORS

- * 50% electricity self-sufficiency by 2025.
- * 50% coal reduction by 2025.



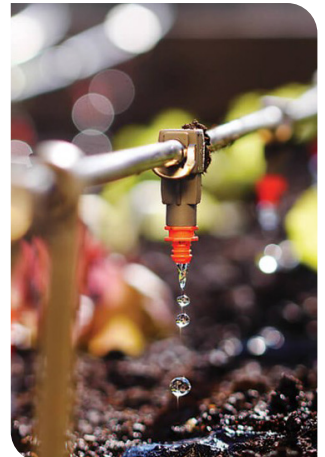
3.2 MORE WATER-SMART OPERATIONS

OUR AMBITION:

To become a water smart business by seeking new ways to reuse, reduce and “create” water in our operations.

TARGET KEY PERFORMANCE INDICATORS

- * 50% water reduction in chicken processing by 2025.
- * 30% improvement in water use efficiency for sugar production.
- * 60% water reduction in logistics warehousing by 2025.



3.3 MORE WASTE-FREE OPERATIONS

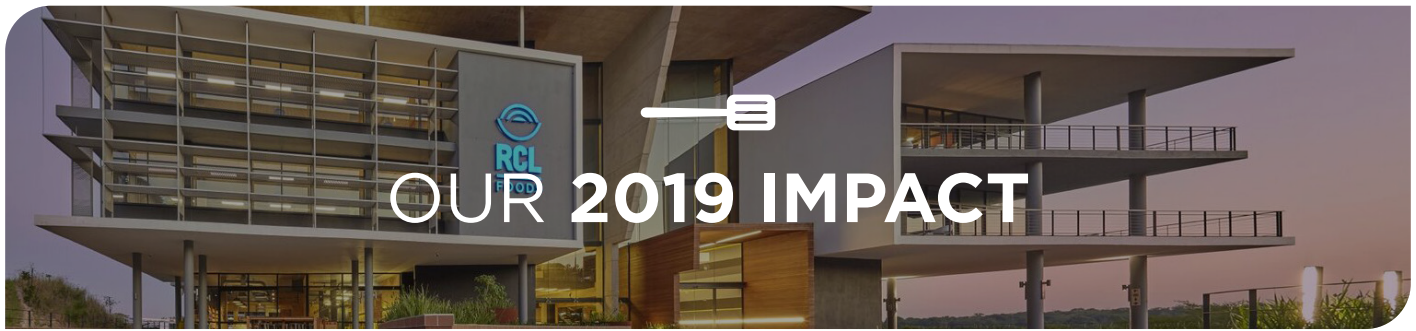
OUR AMBITION:

To become a waste-free business by minimising our waste to landfill and exploring ways to turn waste into value.

TARGET KEY PERFORMANCE INDICATORS

- * Reduce waste to landfill by 50% by 2025.





OUR 2019 IMPACT



FOR OUR COMMUNITIES

307 partners

from the public, private and NGO sector working to #DoMore for the young children, youth and resource-poor communities of South Africa.

5,4 million meals donated in 2019.

1,8 million tons of sugarcane delivered through partnerships with our communities.



Youth Employment (YES) Programme

Over 330 newly-created 12-month fixed term contract positions were filled by 30 June 2019.



FOR OUR CONSUMERS

Our brands are well entrenched with our consumers, many of them holding market leading positions over the 12 months to June 2019.

#1 YUM YUM



catmor
BOBtail

RAINBOW
Simply Chicken



NUMBER 1

CANINE
CUISINE

* Freezer-to-fryer category.



FOR OUR EMPLOYEES

We're passionate about training, developing and growing our people **R44,4 million** spent on training over **10 000 people**.

590 employees are currently registered on **SETA-accredited apprenticeships** or learnerships.

149 graduates have entered our Management Trainee Programme since its launch.

We launched a **mobile communications platform** called "Let's Talk" that allows for authentic relationship building through active two-way engagement with our employees, from shop floor to executive management.



FOR OUR ENVIRONMENT

16% increase

in the amount of renewable energy created.



4% decrease

in the amount of municipal water used.



Achieved **"A-"rating** in the Global Carbon Disclosure Project (CDP).



FOR OUR GOVERNMENT

We paid **R133,2 million** in income tax and **R558,6 million** in VAT in 2019.



FOR OUR SHAREHOLDERS/ DEBT-PROVIDERS

We paid **R348,6 million in dividends in 2019.**

We paid **R305,9 million in interest in 2019.**





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