

A woman in a blue floral shirt and a blue and white patterned skirt is watering plants in a garden. She is holding a blue watering can and pouring water from it. The background shows a blue sky with white clouds and a building in the distance.

# **SUSTAINABLE BUSINESS REPORT 2022**



# ABOUT THE REPORT

## SCOPE AND BOUNDARY

### Reporting approach

This report is part of our annual suite of reports and covers the 12 months from July 2021 to June 2022. The information reported covers all activities of RCL FOODS, its Rainbow Chicken business and Vector Logistics, for the stated periods which are considered relevant to our stakeholders.

The Sustainability Reporting Guidelines developed by the Global Reporting Initiative (GRI), the recommendations of King IV, as well as the criteria of the Sustainability Reporting Index (SRI) of the JSE Limited, have been used to compile this report. These criteria have been used for guidance only, with the reporting predominantly focusing on issues that are specifically material to RCL FOODS' business and stakeholder base.

The target audience for this report is all stakeholders with an interest in the activities of RCL FOODS, with particular emphasis on shareholders, customers, consumers, employees and suppliers.

The report should be read in conjunction with the 2022 Abridged Integrated Annual Report which provides an overview of our strategy and performance.

### Ensuring accuracy and credibility of our results

We have implemented a number of management systems, some of which are independently verified, as a platform for managing our business' economic, social and environmental practices as indicated in the pages that follow.

Although our sustainability performance and reporting have not been independently assured for the year, a significant portion of the information in this report is independently verified through compliance structures such as the International Standards Organisation (ISO), the Carbon Disclosure Project and others. The Board has relied on internal assurance providers with regard to the reliability of sustainability reporting in the Abridged Integrated Annual Report.

### Enhancing comparability and transparency of our results

To enhance the comparability and transparency of our reporting, we have included a comprehensive Environmental, Social and Governance (ESG) data table at the end of this report.

We value feedback and welcome any questions or comments regarding this report. These can be emailed to the Company Secretary, Lauren Kelso, at [lauren.kelso@rclfoods.com](mailto:lauren.kelso@rclfoods.com)

## USABILITY FEATURES



This icon signifies that related information is available online at [www.rclfoods.com](http://www.rclfoods.com)



Directs readers to the page in the Sustainable Business Report with more details



Directs readers to the page in the Abridged Integrated Annual Report with more details



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# MESSAGE FROM THE CEO



The journey to create a sustainable business is by definition open-ended, with many landmark stages along the way. We have already made significant progress in a number of areas under our current sustainability framework, and we will build on these while tackling new and equally important areas of material impact.



Paul Cruickshank  
Chief Executive Officer

In 2016 we started a journey to become a sustainable business, committing to Nourishing People, Enriching Communities and Sustaining Resources as the three pillars of our Sustainable Business Framework.

I believe this is one of the reasons why we have remained resilient and relevant through a period of unprecedented change in our world and nation's history. But being ahead of the curve doesn't count if we can't stay there – we need to be thinking and preparing ahead so that we are not left behind.

Building a resilient business for the future is not just about sustainable shareholder value creation – although this is important – but positively impacting the social, economic and environmental systems we depend on. To borrow Paul Polman and Andrew Winston's now-famous term, it's about being "net positive", giving back more than we take. This, one could argue, is the kind of "growth" we should be aspiring to, and there is a clear business case for it if one looks at successful companies that build their strategy around it.

What does this mean for RCL FOODS as we embark on our own growth journey as a value-added consumer goods-focused business? How can we ensure net growth in all the capitals we employ – not just financial, but also human, social/relational, intellectual, manufactured and natural? How do we embed sustainability within our business model and strategy?

## PURPOSE GUIDES STRATEGY

The answer to "how" depends on first knowing our "why". Realigning our organisation and strategy around our value-added focus has given us the perfect opportunity to ask why we exist and why we matter to our employees and the customers and consumers we serve. For the last few months we have been engaging with our stakeholders within and beyond the organisation to answer these questions, with the aim of identifying a compelling Purpose to act as our "north star".

We have deliberately overlapped this process with a thorough materiality assessment, which has identified our key areas of impact both within and beyond our business. Based on this, we are currently revising our existing Sustainable Business Framework to reflect an up-to-date set of environmental, social and governance (ESG) priorities that will be developed into actionable goals and targets in the coming year. Our overarching aim, linked to the timing of our purpose and sustainability strategy initiatives, is to ensure that sustainability sits at the heart of our purpose and is integrated in our culture and business strategy (as part of our third strategic pillar, Built to Last).

The summary on the next page gives a sneak preview of the key focus areas of our refreshed Sustainable Business Framework which – together with our Purpose statement – is still work in progress. This framework will form the basis of our Sustainable Business Drive and accompanying reporting in the 2023 financial year.

## MESSAGE FROM THE CEO CONTINUED

### DELIVERING WELLBEING

We take credible action and do our part to deliver consumer goods that support the wellbeing of consumers, workers, communities, and the planet.

#### PEOPLE

##### DIGNITY AND WELLBEING



- Inclusion
- Worker Wellbeing
- Community Resilience

#### PRODUCT

##### PRODUCT INTEGRITY



- Consumer Health and Safety
- Product Sustainability
- Affordable Nutrition

#### PROCESS

##### RESPONSIBLE OPERATIONS



- Net-Zero Energy
- Regenerative Land Use
- Water Stewardship
- Accountability

### NOURISHING PEOPLE, ENRICHING COMMUNITIES AND SUSTAINING RESOURCES IN 2022

Globally and locally, we have faced change of unprecedented scale and speed in 2022, driven by the COVID-19 pandemic, shifting climatic patterns, technological advancements, rising living costs and increasing social and political volatility, among others. I am proud of the way in which our business has responded to the risks and opportunities arising from these, demonstrating our values of See and Do Things Differently, Respect For People, Uncompromising Integrity and Act Responsibly.

In a context of high unemployment and rising living costs, affordability is currently the number one criterion for the majority of consumers. Under our current Nourishing People pillar, we have accelerated our value innovation pipeline to provide affordable options in key categories and we are investing in our Research and Development (R&D) and Consumer Insights capabilities to deliver nutrition that meets changing tastes and needs – including greater convenience and better-for-me options.

At the same time, we are acutely aware that an increasing number of people cannot afford even the most basic nutrition to meet their energy needs, given that the cost of this is currently benchmarked at R663 per month – the food poverty line. As more households become food insecure, young children are often impacted the most, which affects their growth, health and future economic potential.

Our DO MORE FOUNDATION's own branded DO MORE Porridge has been a vital contribution to food security for many of South Africa's most vulnerable young children during the year. Not only was the Foundation able to extend its delivery of the porridge to even more early childhood development (ECD) centres nationally through its expanded partnership network, but we have helped it strengthen the quality of its nutritional support by reformulating the porridge to include more protein and good fats to help young children grow.

Under the pillar of Enriching Communities, the DO MORE FOUNDATION carries out social development initiatives in a number of communities surrounding our operations, with a focus on ECD and youth enterprise development. Building on the success of its collaborative Leave No Young Child Behind initiative in Nkomazi, it has launched a "collective impact" model, EVERYONE GETS TO PLAY, to guide the scaling of its ECD activities. The model has been widely endorsed by its partners (including UNICEF) and the office of the South African President, and we are confident that it will open the door to greater resources and opportunities for impact going forward. The Foundation's multi-partner enterprise development efforts are also gaining momentum. In Hammarsdale its Township Economy programme has kickstarted over 33 small businesses and now has its own premises, the DO MORE Business Hub. Enterprise development in our sugar-growing communities remains a key focus area for us, and we continue to invest in local enterprise development through our community-based joint ventures and partnerships with small-scale growers.

We have also been investing in supporting our own employees, especially given the compound effects of the pandemic, social unrest and flooding on finances, mental health and relationships. In partnership with specialist external service providers, we launched an employee wellness programme called YouMatter to RCL FOODS employees and their immediate families, which is gaining traction as awareness grows. Creating a diverse and inclusive culture that provides growth for all is a key priority for us, along with enhancing performance, and we have made good progress during the year.

The importance of initiatives to reduce our energy consumption and increase renewable energy generation has been underscored by rising energy prices and frequent load shedding in the last year. Increasing water scarcity makes water reduction and reuse initiatives equally vital. We have continued to work towards reducing our dependence on purchased electricity and fresh water sources during the year. As awareness of the principle of the circular economy grows, we have also made progress with our waste recycling initiatives within our business processes, and with enabling the increased recyclability (and actual recycling) of our packaging at post-consumer stage.

Acknowledging our Extended Producer Responsibility for plastics waste, we have committed to a strategy of eliminating, innovating and circulating, and are collaborating with the plastics industry to see and do things differently for more sustainable plastic use.

An executive summary of our key sustainability initiatives can be found on page 14, and more detail is provided from page 20.

The journey to create a sustainable business is by definition open-ended, with many landmark stages along the way. We have already made significant progress in a number of areas under our current sustainability framework, and we will build on these while tackling new and equally important areas of material impact. My thanks go to every person and team within our organisation who is working to create a better future in, for, and beyond, RCL FOODS.

**Paul Cruickshank**  
Chief Executive Officer



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# OUR BUSINESS OVERVIEW

RCL FOODS is one of South Africa’s leading food manufacturers. We provide a broad basket of branded and private label food products in multiple categories, ranging from household staples to value-added and speciality offerings. Vector Logistics is our route-to-market supply chain specialist.

WE OPERATE THROUGH:


 MORE THAN  
**260**  
 operations


 OVER  
**20 000**  
 employees












 MORE THAN  
**30 brands**  
 IN OVER 20 CATEGORIES


 OUR  
**DO MORE**  
 FOUNDATION

PRODUCING:

- 93 million** jars of mayonnaise
- 24 million** jars of peanut butter
- 31 million** bags of pet food
- 120 million** pies
- 49 million litres** of beverages
- 350 000 tons** of flour
- 240 million** units of bread, buns and rolls
- 33 million** units of Speciality products
- 677 000 tons** of sugar sold externally
- 300 000 tons** of chicken products
- 1,2 million tons** of animal feed

ACROSS OUR THREE BUSINESSES:

	RCL FOODS VALUE-ADDED BUSINESS	RAINBOW*	VECTOR LOGISTICS
REVENUE CONTRIBUTION:	<b>R21,2 billion</b>	<b>R11,4 billion</b>	<b>R3,7 billion</b>
EMPLOYEES:	<b>9 544</b>	<b>6 439</b>	<b>5 728</b>
BUSINESS UNITS			
	 <b>GROCERIES</b> Grocery, Pies, Beverages	 <b>RAINBOW</b> Rainbow, Epol and Driehoek Animal Feed	 <b>SALES SOLUTIONS</b>
	 <b>BAKING</b> Milling, Bread Buns & Rolls, Speciality		 <b>SUPPLY CHAIN INTELLIGENCE</b>
	 <b>SUGAR</b> Sugar, Molatek Animal Feed		 <b>WAREHOUSING</b>
			 <b>DISTRIBUTION</b>
			 <b>IMPORTS/EXPORTS</b>
			 <b>CREDIT MANAGEMENT</b>

SUPPORTED BY OUR CENTRAL FUNCTIONS AND BUSINESS SERVICES ORGANISATION

\* Formerly Chicken Division



# WHAT DRIVES US

## OUR PASSION

**More Food to More People, More Often**

We believe in doing more... with a single-minded passion to provide More Food to More People, More Often. We believe that by nourishing people whilst sustaining our resources, everyone wins. Communities will be enriched, employees inspired and our customers and shareholders will enjoy the benefits.

## OUR VALUES

**Four powerful values drive the way we do business.**



RESPECT FOR PEOPLE



ACT RESPONSIBLY



UNCOMPROMISING INTEGRITY



SEEING AND DOING THINGS DIFFERENTLY

## OUR WAY

**Our unique RCL FOODS culture is at the heart of our strategy, brought to life in Our Way – the key behaviours that inspire the way we work and create value.**



MORE IMPACT



MORE CURIOUS



MORE BRAVE



MORE SPEED



MORE OPEN



MORE YOU

The key to our strategy is to build brands that people love – brands that make an impact on their lives and cater to their needs.



# OUR APPROACH TO SUSTAINABILITY

As the manufacturer and distributor of a diverse range of food products, we have a complex value chain that extends from primary agriculture to the consumption of our products, and includes our suppliers and communities. We recognise that sustainably managing the impacts of our business on our stakeholders, and the systems that support them, is essential to our collective growth and wellbeing. It is for this reason that driving sustainable business, as set out in our current Sustainable Business Framework, is key to our business strategy.

## OUR SUSTAINABLE BUSINESS FRAMEWORK

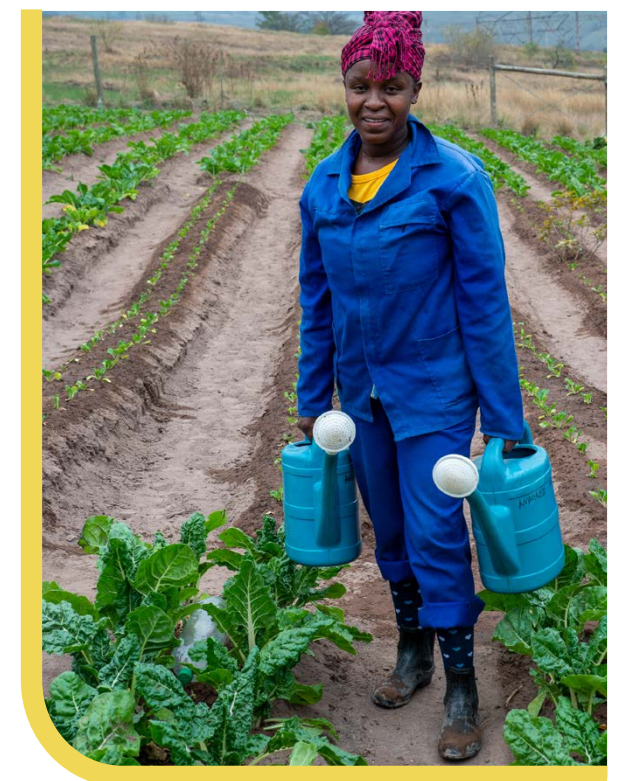
**In 2016 we crafted our first sustainable business vision for RCL FOODS: to secure the future for our business, while establishing a competitive advantage in a fast-changing world. On the basis of this we developed our Sustainable Business Framework, which has three pillars: NOURISHING PEOPLE, ENRICHING COMMUNITIES and SUSTAINING RESOURCES. The framework on page 12 sets out our ambitions in each area and is the foundation of our current Sustainable Business Drive. In this report we provide an update on our progress under each element of our Sustainable Business Drive, with numbering providing easy reference back to the framework.**

As mentioned in our CEO's message on page 2, **we are currently revising our sustainability framework to address our most material Environmental, Social and Governance (ESG) impacts.** This goes hand in hand with our parallel initiative to define our core Purpose, which will be embedded in our Sustainable Business Drive as well as our core business strategy. The revised sustainability strategy will form the basis of our 2023 ESG performance reporting.

**To capture our overall progress during the year and aid navigation of the report, we have included a summary of our sustainable business impact in 2022 on pages 14 and 15.**

## OUR GOVERNANCE OF SUSTAINABILITY

The Board of RCL FOODS has overall responsibility for the business' sustainable development, and an Executive is responsible for championing our Sustainable Business Drive within the organisation. The Risk Committee and the Social and Ethics Committee both assist in monitoring our sustainability impacts and initiatives, including employee health and safety, economic development, and the environmental and social impacts of our business. In line with the provisions of the Risk Charter, they play an oversight role that enables risks and opportunities to be identified proactively and in an integrated way.





# OUR SUSTAINABLE BUSINESS FRAMEWORK

We are currently working on a revised sustainability strategy that focuses on “delivering consumer goods that support the wellbeing of consumers, workers, communities and the planet” through Dignity and Decent Work, Product Integrity and Responsible Operations. This will be rolled out in the coming year. During the 2022 year we have continued to deliver against our current Sustainable Business Framework, as shown below, and will be building on its strong foundation to deliver wellbeing for the future.

**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

More **NUTRITIONALLY** creative solutions

1

### 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.

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

### 1.2 MORE NUTRITIONAL THOUGHT LEADERSHIP

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

**Ambition:**  
To lead the promotion of nutrition through influencing policy development.

### 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.

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

## ENRICHING COMMUNITIES

More **SOCIALLY** creative solutions

2

### 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 more than 20 000 people.

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

### 2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES

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

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

### 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.

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

## SUSTAINING RESOURCES

More **ENVIRONMENTALLY** creative solutions

3

### 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.

**Ambition:**  
To become an energy self-sufficient business.

### 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.

**Ambition:**  
To become a water-smart business that continually seeks new ways to reduce, reuse and “create” water.

### 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.

**Ambition:**  
To become a waste-free business that continually seeks new ways to turn waste into value.

**UNDERPINNED BY NEW DISRUPTIVE MODELS**

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





# OUR SUSTAINABLE IMPACT IN 2022

## 1 NOURISHING PEOPLE



### 1.1 MORE NUTRITIOUS PRODUCTS

- **Reformulated our DO MORE Porridge** to strengthen our nutritional support to vulnerable young children
- **Launched specialised diet (weight management)** options in Canine Cuisine and Feline Cuisine

### 1.2 MORE NUTRITIONAL THOUGHT LEADERSHIP

- Inspiring consumers to **make plant-based protein “the new norm”**
- **Contributing to sustainable poultry and sugar industries** through the **master plans**

### 1.3 MORE BASIC NUTRITION FOR CHILDREN

Delivered through our DO MORE FOUNDATION:

- **894 tons of nutritious DO MORE Porridge**
- **15,2 million meals to communities** affected by unrest and flooding
- An integrated caregiver training programme called **EAT LOVE PLAY TALK**

## 2 ENRICHING COMMUNITIES



### 2.1 MORE INSPIRED EMPLOYEES

- **Certified a Top Employer** for a third year running
- **R48,1 million invested** in training and developing our people
- We more than doubled our **accredited learnerships, apprenticeships and internships from 312 to 774**, of which 99% are from historically disadvantaged groups
- Over **350 Diversity & Inclusivity Conversation Circles** to date
- **Launched YouMatter employee wellness programme** to provide practical and psychological support

### 2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES

- **60% of our total cane supply in the Nkomazi area in the last season** came from **land reform initiatives**
- **R89 million in goods and services** procured from enterprises owned by land claim beneficiaries in Nkomazi
- In partnership with the AgriSETA, we **supported 35 small-scale growers and five land reform entities through a structured training and mentoring programme** to enhance their sustainability

### 2.3 MORE SOCIALLY DEVELOPED COMMUNITIES

Our DO MORE FOUNDATION continues to make #MoreImpact:

- Its **Township Economy** initiative is thriving – #DoMore4Hammarisdale
- It **scaled its Leave No Young Child Behind model** to four communities – with more to come in 2023
- It launched an integrated **EVERYONE GETS TO PLAY Collective Impact model**

## 3 SUSTAINING RESOURCES



### 3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS

- Our purchased **electricity was 6% lower**
- Co-generation supplied **86% of our sugar mills' electricity needs**
- Rooftop solar generation **increased by 3%**
- Waste-to-Value (W2V) energy generation was lower than expected due to technical challenges
- Coal consumption increased by 1.1% and diesel by 7.2%

### 3.2 MORE WATER-SMART OPERATIONS

- **On track for 30% improvement** in water efficiency in **Sugar Agriculture by 2023**
- Overall water use was 0.7% higher, mainly due to higher use in Sugar and Rainbow

### 3.3 MORE WASTE-FREE OPERATIONS

- We launched several **innovations to improve our packaging sustainability**
- **RCL FOODS is the first brand owner** to officially become a member of the **Reproplast Collective Extended Producer Responsibility (EPR) Scheme**
- **91% of our total waste** was used as energy, reused, recycled or converted into fertiliser



# OUR DO MORE FOUNDATION

## FIVE YEARS OF #MOREIMPACT

RCL FOODS established the DO MORE FOUNDATION in 2017 to increase the scale, impact and sustainability of its corporate social investment (CSI) through a partnership-based model. By “seeing and doing CSI differently” and working with stakeholders in the public, non-profit and private sector, our intention was to DO MORE for vulnerable communities than we could alone, and to do so sustainably by changing our approach. What this means is that:

- We wanted to shift from a reputation of “generosity” to a reputation of “investment”;
- Instead of focusing on “owning” the work of the Foundation, we wanted it to be open for partnerships and collaboration to grow, inspire, and have greater impact;
- We did not want to “help” our beneficiaries, we wanted to “enable” communities;
- We wanted to shift beyond localised efforts to scalable initiatives that make a significant impact;
- We wanted to shift from meeting needs in isolation to creating sustainable change by improving systems; and
- We wanted to move away from “sponsoring a project” to sponsoring a vision, with a focus on young children.

In its first five years the Foundation has made a significant impact in its focus areas – Early Childhood Development (ECD), youth enterprise development and hunger alleviation – by catalysing and co-ordinating strong multi-stakeholder partnerships. Not only has RCL FOODS’ CSI spend been optimised in the process, but the Foundation has been able to vastly expand its resource base through partnerships with other corporates and organisations, including UNICEF and the LEGO Foundation.

### How the Foundation works

With the aim of “creating better tomorrows” for young children in South Africa, the Foundation has launched various national Young Child programmes directed at improving nutrition, early learning and providing parent/caregiver support.

In addition, the Foundation drives deep-rooted, highly collaborative community development programmes in resource-deprived communities near our Nkomazi, Hammarsdale, Pongola and Worcester operations, focusing on young children, food security and enterprise development.

Complex systemic problems require integrated and collaborative solutions. Collaborations that pool resources, ideas and capabilities result in higher quality delivery, more holistic solutions, and better return on investment. By acting as a catalyst for the public, private and non-profit sectors to come together under one vision and guiding their combined activities, the DO MORE FOUNDATION is playing a key role as a backbone support organisation.

### Making #MoreImpact

The success of the DO MORE FOUNDATION’s collaborative model has been amply demonstrated over the last five years, as evidenced by the following key indicators:

- RCL FOODS’ own contribution to the Foundation has been vastly enhanced by donations from other partners and funders, enabling it to make an impact on a far greater scale.

- Having expanded its community-based initiatives from three to four in the 2020 financial year, the Foundation is currently scaling this model into Rustenburg, Molteno, Randfontein and Bushbuckridge.
- In partnership with five South African organisations, including UNICEF South Africa, the Foundation has applied for the LEGO Foundation’s Build a World of Play competition. This proposal, known as the “EVERYONE GETS A CHANCE TO PLAY” model, has been endorsed by numerous partners, as well as the South African President.
- A recent research study showed that the Leave No Young Child Behind initiative in Nkomazi is significantly improving learning outcomes for beneficiaries (refer to page 38).
- A number of successful enterprise development programmes have been established, generating income and sustainable economic opportunities for youth in Hammarsdale, Worcester and Rustenburg (refer to page 37).

The Foundation remains committed to driving long-term systemic change in order to improve learning, health and social outcomes for young children. Having established an effective and scalable working model, it continues to mature through refining its theory of change, developing risk mitigation strategies, and catalysing new partnerships that enable an environment where young children can thrive.

creating better tomorrows™

## HARNESSING THE POWER OF COLLECTIVE ACTION TO #DOMORE IN A CRISIS

During the COVID-19 lockdown the DO MORE FOUNDATION drew on its collaborative model to deliver targeted disaster relief to communities most impacted by the hard lockdown. In 2022, it once again galvanised its strong partnerships to provide nutritional support for crisis-hit communities.

During the devastating social unrest that shook KwaZulu-Natal and Gauteng in July 2021, thousands of young children and their families had no access to essential goods. In a matter of days the DO MORE FOUNDATION team put systems in place to acquire food at cost (with pro bono logistics) through RCL FOODS, reach out to funding partners to sponsor the food secured, and connect and arrange deliveries with distribution partners who could reach young children. Within four weeks, the Foundation’s disaster relief partners successfully delivered 3,7 million meals to key distribution partners in affected areas across KwaZulu-Natal, who ensured these food items reached families and ECD programmes to keep young children fed.

“Key to our successful disaster response has been the agility and flexibility of our working model, resources made available through private sector partnerships, our collaborative ethos, and our ability to pivot existing programmes to meet disaster relief needs.”

Warren Farrer, DO MORE FOUNDATION Executive and Trustee

Leveraging its credibility, networks and relationships, the Foundation ultimately facilitated the provision of 11 million meals over a ten-month period, until April 2022 when KwaZulu-Natal was hit by large-scale flooding. With thousands of people displaced and hundreds missing or deceased, the DO MORE FOUNDATION immediately rallied donors and implementing partners and facilitated the provision of a further 4,2 million meals to affected families.

Responding to these disasters, particularly their effect on young children, has provided insights into how partnerships can be set up – both to meet the nutritional needs of young children in times of crisis and to address malnutrition through nutrition-focused caregiver programmes and more sustainable food systems.



For more information on the DO MORE FOUNDATION’s social and economic development impact, please refer to the website [www.domore.org.za](http://www.domore.org.za)

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# 1 NOURISHING PEOPLE

Despite South Africa being classified as an upper middle-income country, it is the most deeply unequal in the world: the richest 10% of the population owns more than 85% of household wealth, while over half the population has more liabilities than assets<sup>1</sup>. COVID-19 has widened the gap between rich and poor while placing growing pressure on the vast majority of consumers.

In this context, the demand for foods satisfying more affluent tastes – and including more meat – coexists with the growing consumption of more affordable, filling foods that are often high in energy and low in nutrients. This, together with rapid urbanisation and the Westernisation of diets, is fuelling a “nutrition transition” which is leading to increased levels of under- and overnutrition (malnutrition) and associated health issues. As the population grows, this transition also places pressure on the environment on which the food system depends.

Addressing hunger and promoting good health and wellbeing are key priorities both for South Africa and globally, in line with Sustainable Development Goal 2 (End hunger, achieve food security and improved nutrition, and promote sustainable agriculture) and 3 (Ensure healthy lives and promote well-being for all at all ages).

As one of the country’s leading food producers, RCL FOODS is present in millions of South African households through our diverse basket of brands. Our goal is to improve South Africa’s nutritional landscape by nourishing people more sustainably according to their needs, with a focus on three key areas: More Nutritious Products, More Nutritional Thought Leadership, and More Basic Nutrition for Children.

## Sustainable Development Goals impacted by our Sustainable Business Framework:



### SDG 2: END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION, AND PROMOTE SUSTAINABLE AGRICULTURE

#### Specific SDG 2 targets:

- 2.1 End hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round.
- 2.2 End all forms of malnutrition, including achieving by 2025 the internationally agreed targets on stunting and wasting in children under five years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons.

#### How this relates to our Framework:

- 1.1 MORE NUTRITIOUS PRODUCTS
- 1.2 MORE NUTRITIONAL THOUGHT LEADERSHIP
- 1.3 MORE BASIC NUTRITION FOR YOUNG CHILDREN



### SDG 3: ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

#### Specific SDG 3 target:

- 3.4 Reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being. This would include cardiovascular disease, cancer, diabetes or chronic respiratory disease and suicide.

#### How this relates to our Framework:

- 1.1 MORE NUTRITIOUS PRODUCTS
- 1.2 MORE NUTRITIONAL THOUGHT LEADERSHIP
- 1.3 MORE BASIC NUTRITION FOR YOUNG CHILDREN



### 1.1 MORE NUTRITIOUS PRODUCTS



## Our ambition is to lead the promotion of nutrition with innovative product solutions in the context of a balanced diet.

Like many other developing countries, South Africa suffers from a triple burden of malnutrition: undernutrition (underweight, stunting and wasting), overweight and obesity, and micronutrient deficiencies. Over half our population experiences hunger or is at risk of experiencing it<sup>2</sup>, with one in four people being unable to afford enough food to meet their basic needs<sup>3</sup>. At the same time, 68% of women and 31% of men are overweight or obese<sup>4</sup>, often also as a result of poverty which impacts on access to healthy food. Both undernutrition and obesity are risk factors for non-communicable diseases such as cardiovascular disease, diabetes and some cancers, which put strain on public health systems and the economy.

As a leading food producer in South Africa, our products are consumed by millions of people on a daily basis. We have an opportunity and obligation to provide affordable, high-quality, nutritious food that meets the changing needs of our consumers. We offer a broad basket of staples and value-added products whose safety and quality are our top priorities, and we are looking to strengthen the nutritional profile of our products and portfolio where possible, while delivering relevant, affordable offerings.

With consumer affordability uppermost in our priorities in the current economic climate, we laid some solid foundations for sustainable change during the year by:

- Accelerating our **value innovation pipeline** and delivering, as a start, value options in Yum Yum Peanut Butter and Nola Mayonnaise. We also highlight their key nutritional benefits on the packaging (high protein and reduced oil respectively) as part of raising consumer awareness of healthier food choices.
- We have **created an integrated R&D function** with a **dedicated director**, and have appointed our first **Consumer Insights Executive** to ensure we drive relevant innovation. As part of this, we recently conducted an **in-depth consumer study** which showed awareness of the need for healthy nutrition (although definitions were highly personalised); however, affordability currently trumps all other considerations. There is a clear need and opportunity for affordable, convenient nutrition in lower income levels, and this is an area for further development.
- In partnership with LIVEKINDLY Collective Africa, we are **growing the plant-based foods category in South Africa** through new product launches, promotions and communications focusing on its health and environmental benefits. A key focus in the coming year will be to **increase the affordability** of key products in the plant-based portfolio.
- We **reformulated our DO MORE FOUNDATION's DO MORE Porridge** to provide a more balanced meal for the vulnerable young children it supports with food donations. Please refer to the case study on page 25.
- With pets becoming increasingly “part of the family” and affordability governing more purchasing decisions, we saw an opportunity to **innovate in our mainstream pet food category in response to the growing need for specialised diets**. Weight Management SKUs were recently launched in our premium retail ranges, Canine Cuisine and Feline Cuisine, and have been well received so far.

<sup>1</sup> A Chatterjee, L Czajka and A Gethin. 2020. *Wealth Inequality in South Africa 1993 – 2017*. World Inequality Lab.

<sup>2</sup> South African National Health and Nutrition Examination Survey (SANHANES-1), 2014.

<sup>3</sup> Stats SA. 2017. *Poverty on the rise in South Africa*. <http://www.statssa.gov.za/?p=10334>

<sup>4</sup> Stats SA. 2016. *South Africa Demographic and Health Survey*.



## NOURISHING PEOPLE CONTINUED

### 1.2 MORE NUTRITIONAL THOUGHT LEADERSHIP



### Our ambition is to lead the promotion of nutrition through influencing policy development.

Given the increasing incidence of undernutrition and obesity, rising poverty and environmental pressure, there is a critical need to provide South Africans with adequate amounts of safe, nutritious, affordable and sustainably grown food. This should be supported by appropriate and timeous policy that is fit-for-purpose, workable and based on input from a range of stakeholders.

Having engaged extensively with government and other industry players in the creation of the **Poultry Sector Master Plan** and the **Sugar Industry Master Plan**, we continue to play our part in **supporting their implementation**.

We believe that **plant-based protein** can provide an environmentally sustainable, low-cholesterol, tasty alternative to meat and we are committed to growing the market through our partnership with **LIVEKINDLY Collective Africa**. Current thought leadership focuses on **educating customers** on the sustainability and market potential of plant-based products, and educating **consumers** on how to cook them and include them as part of a more sustainable diet. By addressing affordability issues as a key issue, we intend to make plant-based protein options a widely accessible and acceptable protein source that can help address malnutrition in all its forms, while providing consumers with enhanced choice.

### 1.3 MORE BASIC NUTRITION FOR CHILDREN



### Our ambition is to lead the promotion of nutrition for children through collective action against stunting.

According to the 2020 Child Gauge, nearly one in three South African children are currently living below the food poverty line, which means there is not enough household income to meet their basic nutritional needs. This has contributed to a rising incidence of stunting, wasting and underweight which affects children's physical and cognitive development and significantly impacts on their health and economic future. Also on the rise is childhood obesity, often driven by a lack of access to affordably priced, nutritionally balanced food.

With stunting levels ranging from 21% to 29% in parts of the country<sup>5</sup> and wasting, stunting and overweight collectively affecting 38% of children under the age of five<sup>6</sup> – without factoring in the long-term effects of COVID-19 – there is a clear need for coordinated action on multiple fronts.

As the **DO MORE FOUNDATION's** lead nutrition partner, we are making a sustainable difference by enabling vulnerable young children to eat better so that they can grow and learn better, with a greater chance of breaking out of the poverty cycle.

### DO MORE PORRIDGE

Launched in June 2020, the **DO MORE FOUNDATION's** **DO MORE Porridge** has been central to the Foundation's ongoing efforts to ease hunger, help address stunting levels and improve ECD outcomes.

- **DO MORE Porridge is now being provided to young children at 1 222 ECD programmes across the country (up from 1 043 in 2021).** These include playgroups affiliated to the SmartStart network, other NGO partners as well as ECD centres in Pongola, Worcester, Nkomazi and Hammarsdale. In Hammarsdale alone, the Foundation has been able to leverage its partnerships to provide 5 910 kg of DO MORE Porridge to young children at 85 ECD centres every month. This includes ECD centres benefitting from temporary disaster relief efforts post the KwaZulu-Natal floods.
- **DO MORE Porridge has also played a key role in our crisis response** to communities affected by the July 2021 unrest and the April 2022 floods in KwaZulu-Natal (refer to page 17).
- **We reformulated our DO MORE Porridge** to provide a more balanced meal for vulnerable young children, as described in the case study (refer to page 25).
- **A total of 894 tons of DO MORE Porridge** were distributed in 2022 – the equivalent of **16,2 million meals**.

<sup>5</sup> National Department of Health (NDoH), Statistics South Africa (Stats SA), South African Medical Research Council (SAMRC), and ICFDHS. 2016. South Africa Demographic and Health Survey. Pretoria: South Africa  
<sup>6</sup> Sylla, Mariamme. 2020. Too many of SA's children are stunted, wasted or obese, Mail & Guardian, 6 November. Article written in response to Unicef report: The State of the World's Children 2019: Children, Food and Nutrition



## NOURISHING PEOPLE CONTINUED

### 1.3 MORE NUTRITIONAL THOUGHT LEADERSHIP CONTINUED



#### EAT LOVE PLAY TALK

- **THE DO MORE FOUNDATION** has established **EAT LOVE PLAY TALK**, a community-based programme that packages key public health messaging (developed by Government and UNICEF) in an interactive, accessible way to **empower caregivers/parents to make small habit changes and healthier nutrition choices** for their young children and families. The programme is currently being piloted with 572 parents/caregivers across 22 ECD centres in four communities (Nkomazi, Pongola, Worcester and Mkhuze). The Foundation has worked with locally-based Master Trainers to train 70 ECD centre principals and practitioners on key nutritional messaging and facilitation skills to bring this programme to the caregivers/parents of the young children attending their centres.
- **The Foundation provides DO MORE Porridge (and other resources) as incentives for parents and caregivers to attend the above practical engagement sessions** which include the importance of good nutrition/healthy eating habits for young children; how this links to good health, strong immunity and good physical and cognitive development; and how to provide responsive caregiving and early learning through play. We look forward to rolling out the programme on a national level and inspiring communities to make positive changes by opening their eyes to new ways and possibilities within their means and power.

## CASE STUDY

### Healthy foods, healthy minds with our reformulated DO MORE Porridge

Children need enough of the right foods at the right time to grow and develop to their full potential. Inadequate nutrition in early childhood is one of the key factors leading to stunting, which affects 27% of young children in South Africa. There is consequently a great need for coordinated efforts to improve both the amount and the quality of food young children receive.

Early Childhood Development (ECD) has always been a key focus area for our DO MORE FOUNDATION, and two years ago we helped it launch its own branded DO MORE Porridge to scale the nutritional support it provides in this space. During the lockdown, DO MORE Porridge became known and loved in resource-deprived communities countrywide, where it was distributed to vulnerable young children and their families while ECD programmes were closed. As these reopened, a daily meal of DO MORE Porridge was an important incentive for caregivers to return their children to learning programmes. During the unrest and floods during the 2022 financial year, the porridge played a key role in crisis nutrition for young children, and it is now being delivered to even more ECD programmes than before (refer to page 23).

This increase is an achievement in itself, but there is another, far more significant, reason for celebrating. **During the 2022 financial year, drawing on the expertise of a Public Health and Nutrition consultant, the Foundation and RCL FOODS worked together to reformulate the porridge with more proteins and good fats. This was to ensure it meets the nutritional needs of growing young children in the South African context.**

RCL FOODS continues to provide DO MORE Porridge at cost, with Vector Logistics delivering it *pro bono* through its network. **Although the reformulated porridge is double the cost of the previous formulation, the Foundation believes that improving the nutritional element of products donated to children is the right thing to do. This perspective is shared by its partners, which have generously increased their funding support and enabled the Foundation to not only maintain but increase the number of meals it provides.** By giving young children the nutrition they need, we are collectively investing in their future!





## 2 ENRICHING COMMUNITIES

Beyond the provision of food, we play a key role in the economic and social wellbeing of thousands of South Africans – from our people who work in our business every day to those who provide goods and services across our supply chain, and the families and communities they support.

We acknowledge that securing the future of our company depends on creating value for all our stakeholders. For this reason we take a transformative approach that focuses on growing and empowering our employees, and on creating more economically and socially developed communities. The latter is especially critical given the heightened risk of social instability in South Africa – one of the key material risks to our business in 2022 – as a result of increasing inequality, economic hardship and poor service delivery.

**Within our organisation, our transformative approach means that we invest in our people's learning and development while creating a diverse, inclusive and rewarding work environment. Beyond our business, it means that we promote Broad-based Black Economic Empowerment (B-BBEE) through our procurement policies and our Supplier and Enterprise Development partnerships; we continue to support interconnected business models that contribute to grassroots economic development; and we “do more” to drive meaningful and systemic change at a community level through our DO MORE FOUNDATION. In so doing, our work contributes to Goals 1, 2, 4, 5, 8 and 10 of the Sustainable Development Goals.**

### Sustainable Development Goals impacted by our Sustainable Business Framework:



#### SDG 1: END POVERTY IN ALL ITS FORMS EVERYWHERE

##### Specific SDG 1 targets:

- 1.1 Eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.90 a day.
- 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
- 1.5 Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

##### How this relates to our Framework:

- 2.1 MORE INSPIRED EMPLOYEES
- 2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES
- 2.3 MORE SOCIALLY DEVELOPED COMMUNITIES



#### SDG 2: END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION, AND PROMOTE SUSTAINABLE AGRICULTURE

##### Specific SDG 2 targets:

- 2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.
- 2.4 Ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality.

##### How this relates to our Framework:

- 2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES



#### SDG 4: ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

##### Specific SDG 4 targets:

- 4.2 Ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.
- 4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

##### How this relates to our Framework:

- 2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES
- 2.3 MORE SOCIALLY DEVELOPED COMMUNITIES



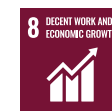
#### SDG 5: ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

##### Specific SDG 5 targets:

- 5.1 End all forms of discrimination against all females everywhere.
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

##### How this relates to our Framework:

- 2.1 MORE INSPIRED EMPLOYEES
- 2.3 MORE SOCIALLY DEVELOPED COMMUNITIES



#### SDG 8: PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

##### Specific SDG 8 targets:

- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation.
- 8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

##### How this relates to our Framework:

- 2.1 MORE INSPIRED EMPLOYEES
- 2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES
- 2.3 MORE SOCIALLY DEVELOPED COMMUNITIES



#### SDG 10: REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

##### Specific SDG 10 targets:

- 10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

##### How this relates to our Framework:

- 2.1 MORE INSPIRED EMPLOYEES
- 2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES
- 2.3 MORE SOCIALLY DEVELOPED COMMUNITIES



## ENRICHING COMMUNITIES CONTINUED

### 2.1 MORE INSPIRED EMPLOYEES



Our ambition is to become “THE place to work” by building a compelling RCL FOODS culture.

Our single greatest asset is our more than 20 000 employees whose skill, commitment and teamwork are core to our ability to deliver on Our Passion. In order to create an effective and sustainable business where work is safe, meaningful and enriching, we focus on:

- creating a diverse and inclusive organisation with a unique and compelling culture, “Our Way”
- building authentic leaders and developing a sustainable skills set
- driving collaborative employee relations and increased engagement
- protecting and promoting our employees’ health, safety and wellness.

Highlights of our progress in 2022 are described in the following section.

### CULTURE AND DIVERSITY

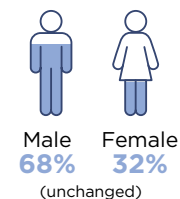
- Under our newly appointed Diversity and Inclusivity (D&I) Director, we have **refreshed our D&I strategy** with an emphasis on “growth for all”.
- We are making progress with **increasing racial and gender diversity** at management level, in line with our five-year targets. Although rates of female representation at middle management level, ACI representation at upper management level, and ACI and EE diversity at top management level are improving, they continue to warrant focused attention.
- In line with our D&I strategy, we continued to **roll out our Diversity and Inclusivity Conversation Circle methodology** which enables teams to engage in open, honest conversations about experiences and perceptions regarding diversity and inclusivity in the workplace. So far we have run over 350 Conversation Circles, with over 1 390 employees having attended one or more.
- **We were certified a Top Employer by the Top Employer Institute** for the third year running, in recognition of our excellent employer practices.

### RCL FOODS MANAGEMENT DIVERSITY TARGETS TO 2025

RCL FOODS	Grade	2025 % EE Target	2025 % ACI Target	2025 % Female Target	2025 % ACI Female Target
Top management	F	40	30	25	20
Senior management	E	50	40	30	25
Professionally qualified and experienced specialists and mid-management	DU	55	40	35	30
Professionally qualified and experienced specialists and mid-management	DL	70	55	45	40
Professionally qualified and experienced specialists and mid-management	D	65	50		

### OUR GROUP EMPLOYMENT EQUITY BREAKDOWN

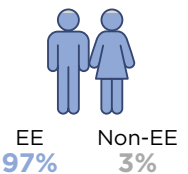
#### TOTAL RCL FOODS BY GENDER



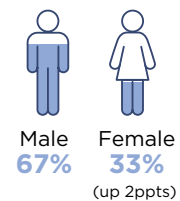
#### TOTAL RCL FOODS BY ACI\*\*



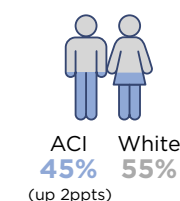
#### TOTAL RCL FOODS BY EE\*\*\*



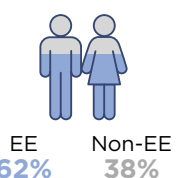
#### MANAGEMENT\* BY GENDER



#### MANAGEMENT\* BY ACI\*\*



#### TOTAL MANAGEMENT\* BY EE\*\*\*



\* Management defined as D, E and F band (Paterson grading).

\*\* ACI: African, Coloured, Indian.

\*\*\* EE: Employment Equity (ACI, women and persons living with disabilities).

- Our **B-BBEE rating** declined by one level to a Level 5 rating for 2021. This was mainly driven by a lower amount invested in training at an operational level due to restrictions on in-person training during the COVID-19 lockdown, coupled with a drop in points on the Socio-Economic Development (SED) pillar.
- Our **Basadi Bereka (Women at Work) programme** has established itself as a **key feeder scheme for developing key female talent** at the middle level of our Processing operations. This year it took on a further 48 participants, bringing to 146 the number of female employees who have embarked on a mentorship-driven growth journey.
- In line with progressive global trends, we **implemented our agile, hybrid working model, More Flex**, to enable National Office employees to work more flexibly by combining remote and office-based work. Although it was an adjustment for employees after two years working from home, it is having a positive impact on team relationships and focus.



## ENRICHING COMMUNITIES CONTINUED

### 2.1 MORE INSPIRED EMPLOYEES CONTINUED

#### DEVELOP LEADERS AND GROW TALENT

- We invested **R48 059 189 million in training 9 367 employees, of which 8 149 (87%)** were African, Coloured or Indian (ACI).
- We received the highly competitive **Lumina Global Excellence Award in People Development** in June 2022, recognising our outstanding use of the LUMINA methodology in our key Team Effectiveness and Leadership Development initiatives.
- We continue to build our RCL FOODS Corporate College, known as the LEARN MORE COLLEGE, to facilitate ongoing learning and development** through a broad range of development initiatives. Through focused, fit-for-purpose learning initiatives, the LEARN MORE COLLEGE is working to grow current and future leaders, develop professional skills and high-performing teams, create a “best-in-class” learning organisation, support career development, build core capabilities through development programmes and feeder schemes, and support our broader talent management initiatives.
- Within **our Leadership Development Academy in the LEARN MORE COLLEGE, we are developing a diverse leadership pipeline:**
  - Nearly 500 managers have completed a **GIBS Leadership programme**; 30% have been women and 38% ACI.
  - Over the three years of our **Emerging Leaders Development Programme**, 50% of participants have been female and 79% have been ACI.
  - In the 10 **Supervisory Fundamentals Programmes** completed to date, 52% have been female and 83% have been ACI.
- We launched a **Communities of Learning** solution which provides our employees with various types of collaborative “social learning” opportunities in our core programmes.
- A key focus has been on building various elements of our **integrated Learning system** to enhance our customer experience. This includes a LEARN MORE COLLEGE Portal, our front-end platform which serves as a central point of reference.
- We strive to deliver a “best in class” learning offering through our various **Online Learning platforms** that enable our employees to access learning and knowledge according to their individual needs. Each online solution is aligned to a specific strategy of either Augmentation, Supplementation or Replacement and is allocated to a specific target audience.
- Over and above our talent development initiatives, we have established a focused compliance learning culture** within RCL FOODS. This allows us to ensure that the business complies with relevant legislation as well as key internal requirements. Areas covered in training include Competition Law, Credit Card Training, Protection of Personal Information Act (POPIA) training, cyber security training and ethics training – attended by a combined total of 6 138 people to date.
- We **increased the number of accredited learnerships, apprenticeships and interns from 312 to 774**, of which 99% are ACI and most are in the youth group.

#### TALENT FEEDER SCHEMES

	F2020			F2021			F2022		
	Total	Total ACI	% ACI	Total	Total ACI	% ACI	Total	Total ACI	% ACI
Apprenticeships*	96	93	97	79	79	100	91	90	99
Learnerships*	247	245	99	189	188	99	598	589	90
Bursaries	10	9	90	9	8	89	16	16	100
Company Assisted Studies (CAS)	91	79	87	132	109	83	144	126	88
Graduate Placements	10	10	100	7	7	100	19	19	100
Management Trainees (including Engineers-in-Training)	63	51	81	68	58	85	11	9	82
Internships	39	39	100	44	44	100	85	85	100

\* Accredited by the South African Qualifications Authority (SAQA).

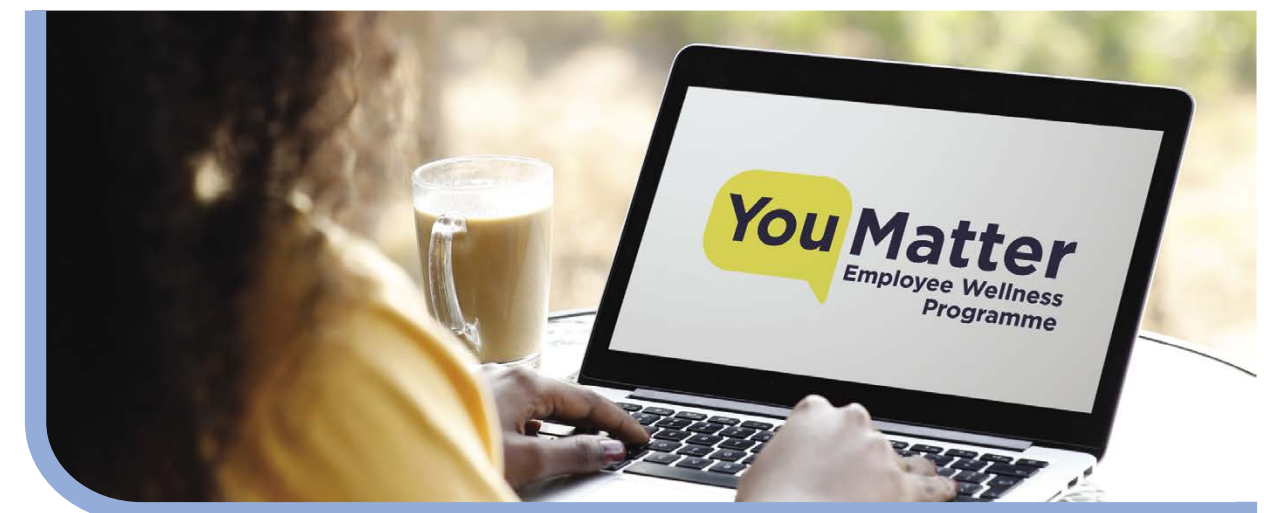
#### COLLABORATIVE EMPLOYEE RELATIONS AND ENGAGEMENT

- We continue to drive **employee engagement** through the **Let’s Talk employee mobile app, which now has approximately 12 500 users**. Our monthly online leadership engagements and bi-monthly business-wide *Let’s Talk Live* webinars led by the CEO continue to enable greater information sharing and connection.
- Our Employee Share Option Scheme (ESOP)** came to an end in May 2022 and is in the process of being wound up after failing to deliver value for employees during its eight-year lifespan. This is a disappointing outcome for our employees and business, and we are currently working on a replacement scheme, in consultation with employee stakeholders and based on learnings from ESOP, that can more reliably deliver value.
- The business had a significantly higher incidence of industrial action during the year, in a challenging labour environment:
  - Currently, **72% of our employees are represented by the various bargaining units in our business**, through which the recognised trade unions negotiate salaries and conditions of employment. Of these, 41% are not unionised.
  - 48% of the bargaining unit negotiated agreements are multi-year**, which has provided our business with certainty and stability.
- Total employee terminations** (whether due to death, disability, dismissal, resignation, retirement, retrenchment or other factors) **increased 2% from 2021** but remain lower than previous years.

#### EMPLOYEE HEALTH, SAFETY AND WELLNESS

We have continued to promote and protect the wellbeing of our employees through strict adherence to health and safety protocols and provision of a range of occupational and personal support initiatives.

- RCL FOODS has more than 50 occupational clinic arrangements in place, with clinics focusing primarily on occupational health services. **Throughout the COVID-19 lockdown our clinics have continued to provide support and advice** to the operational, SHEQ and HR teams, as well as assisting with screening protocols and monitoring vulnerable individuals.
- Supported by strong communication to raise awareness and share information, **we continued in our efforts to safeguard our employees against COVID-19** through compulsory safety protocols, as well as by encouraging vaccination.
- During and following the COVID-19 lockdowns, we have seen a rise in employee wellness issues. We have also experienced a combination of fatigue and slip in discipline, which has manifested in several unfortunate safety and misconduct incidences. To address this we have:
  - Conducted a **safety culture survey** earlier in 2022 and launched a business-wide campaign called **Safety – A Way of Life**, led by our SHERQ Director.
  - Launched the **YouMatter Employee Wellness Programme** for our employees and their immediate families to **improve employee resilience, address anxiety and stress** and provide assistance with **practical matters** such as health and finances.





## ENRICHING COMMUNITIES CONTINUED

### CASE STUDY



## YouMatter Employee Wellness Programme – an investment in #MoreYou

In the last two-and-a-half years our employees have showed enormous resilience in navigating through the COVID-19 pandemic, unrest, flooding and other challenges. To help them cope with the impacts of all this change, we introduced an employee wellness programme for RCL FOODS employees and their immediate families in July 2021.

The programme, called YouMatter, provides confidential professional counselling on stress, trauma, change, relationships, financial abuse, substance abuse, HIV/Aids and legal advice. It reflects our holistic approach to employee wellness which includes Body (physical wellbeing), Mind (mental health) and Life (family, financials and legal).

In addition to the professional counselling offered by the YouMatter programme, we have introduced:

- an online portal providing wellness assessments, an “ask the professional” function and a wellness tracker;
- various webinars, challenges and articles on health-related issues; and
- a series of initiatives focusing specifically on mental health, the most commonly reported issue in the YouMatter programme. These include keynote speaker sessions focusing on resilience and understanding your power, a self-care series on eating, sleeping and exercise, and a series of sessions on connection with self and others.

RCL FOODS’ staff members are engaging more and more with the programme, with an average usage rate of 7%. Besides serving as much-needed mental health triage for many employees who have been struggling, it is a great opportunity to build a more open and supportive culture, Our Way.





## ENRICHING COMMUNITIES CONTINUED



### 2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES

Our ambition is to become “THE trusted business partner” for economic development in the communities in which we operate.

More than 40% of our total cane supply and approximately 60% of our Nkomazi cane supply comes from black-owned entities, including small-scale growers, government land reform beneficiaries and community-based joint ventures (CBJVs). We are in partnerships with the majority of these through our three large-scale CBJVs and through joint ventures with our Nkomazi small-scale growers.

We strive to improve the sustainability of our grower communities through interconnected business models that enable them to improve their agricultural practices, increase their competitiveness and enhance their livelihoods, thereby creating shared value. On the basis of this work we once again scored full marks for the Enterprise Development and Supplier Development elements of the B-BBEE scorecard in our 2021 audit.

Our partnerships with, and impact on, these black grower communities in the 2022 financial year is described below, followed by an illustrative snapshot of the B-BBEE component of our Nkomazi cane supply over the last three seasons.

### RCL FOODS’ DIRECT LAND REFORM IMPACT: LARGE- AND SMALL-SCALE PARTNERSHIPS:

#### Large-scale Community-Based Joint Ventures (CBJVs)

Between 2007 and 2012 we sold the majority of our Nkomazi agricultural operations in settlement of land claims in the region. After establishing partnership agreements with the claimant communities, three CBJVs were established, which lease back the agricultural land assets at market rates from these communities. This has resulted in significant benefits to both parties. The communities receive income from the high-potential agricultural assets they own, along with study and enterprise development opportunities through RCL FOODS and the CBJV companies, while RCL FOODS benefits from a sustainable cane supply to our Malalane and Komati mills.

During the 2022 financial year we continued to implement our optimised farming operations strategy in the CBJVs. This entails applying agronomic cane principles such as replanting; upgrading to more water-efficient irrigation systems and aligning operational costs to the industry benchmark to drive efficiencies.

Highlights in the 2022 financial year:

- **For RCL FOODS:**
  - **735 000 tons of sugarcane delivered** from over 7 600 hectares of irrigated land.
- **For the land claim beneficiary communities:**
  - **R36,4 million in lease payments** received (a decline of R5,6 million from 2021 due to lower cane yields)
  - **193 people** directly employed
  - **Contracts worth R89 million** allocated to **26 beneficiary-owned companies** (largely related to on-the-job operational support requirements, delivery against service level agreements and general contract compliance)
  - **7 bursaries awarded** for Agriculture, Engineering and Finance studies
  - **Community development projects totaling R325 000** implemented by the CBJVs (focusing largely on education, food security and some community infrastructure upgrades).

#### Small-Scale Growers (SSGs)

Nearly 1 200 SSGs occupy the communal areas of Nkomazi, farming approximately 9 500 hectares of irrigated cane on farms averaging around eight hectares in size. Together, they provide approximately 16% of cane supplied to our Nkomazi mills. To protect the livelihoods of SSGs and their families and maintain our Nkomazi cane supply, we are committed to ensuring the long-term sustainability of their farming enterprises. We do this through two joint venture services companies – **Akwandze Agricultural Finance** and **TSGRO** – which we operate in partnership with the SSGs to provide them with affordable financial and farming support. We outline their respective operations and impact below.

Highlights in the 2022 financial year:

- **For RCL FOODS:**
  - **460 000 tons of sugarcane delivered** to our Malalane and Komati mills. Yields declined due to poor growing conditions in the 2021/early 2022 season.
  - SSGs also contributed over **100 000 tons of cane** to our **Pongola** mill.
- **For Nkomazi SSGs:**
  - Received **approximately R326 million in revenue** from cane sales.
  - **35 SSGs and 5 land reform entities trained and mentored** through a R5 million joint programme between RCL FOODS and the AgriSETA, ending in December 2022.

#### Akwandze Agricultural Finance (AAF)

Akwandze Agricultural Finance is a joint venture between RCL FOODS and the 1 200 small-scale sugarcane growers farming on communal land in the Nkomazi region. It provides these farmers with access to unsecured credit at reduced interest rates.

AAF was established in 2006 with R20 million capital. Of this, R10 million was contributed by the growers and RCL FOODS’ Sugar business unit in a 50/50 partnership, and the other R10 million was donated by the South African Sugar Association (SASA). The company managed to leverage a number of different funds to support land reform and small-scale farmers, resulting in a current AAF loan book of R410 million which underpins the production of two million tons of cane (approximately 14% of the industry’s cane volume). Since its inception, AAF has invested over R3 billion into SSGs and B-BBEE joint venture companies in the form of loans and retention savings.

Highlights in the 2022 financial year:

- **The 1 200 SSGs reinvested nearly R200 million into their own operations** through retention savings and new loans.
- **AAF has entered into a six-year funding partnership with RMB** which has resulted in the CBJVs securing loans of R350 million.
- **AAF provided R25 million in loans to over 100 SSGs.** The improved recoverable value (RV) price has resulted in a much-improved financial position for SSGs, resulting in growers requiring fewer loans to sustain their businesses in 2022.



# ENRICHING COMMUNITIES CONTINUED

## 2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES CONTINUED

### TSGRO

TSGRO is the second of the two joint ventures between RCL FOODS and the 1 200 SSGs in Nkomazi. Formed in 2014, it provides these growers with farming and business support services to help them maximise their production and returns, ensuring long-term sustainability.

One of the services provided is a bulk water supply service (BWS). This is a user-pay service that repairs, maintains, services and protects irrigation infrastructure on an ongoing basis. **BWS has played a critical role in stabilising SSG irrigation and sustaining production** by ensuring reliable bulk water delivery to field’s edge.

In addition to improving farm productivity, TSGRO also sets up enterprise development opportunities for SSGs to become contractors.

Highlights in the 2022 financial year:

- **All 1 200 SSGs benefited from ongoing free extension services** that include sugarcane agronomy, better management practices, and planning tools for management and budgeting.
- **630 SSGs and 7 cooperatives with 456 members accessed the BWS service.** In 2022, approximately **5 400 hectares of land** were maintained by this service, a lower figure than 2021 due to other providers offering a similar service.
- **12 farming entities representing over 300 members utilised TSGRO’s basic accounting and bookkeeping services** to ensure good governance.
- **35 SSGs** utilised **TSGRO’s complete farm management service.**

### RCL FOODS’ BROADER LAND REFORM CONTRIBUTION

In addition to our CBJVs and SSGs above, we also purchase cane from a number of other B-BBEE joint ventures and black commercial grower entities. Among these are a number of previously distressed land reform beneficiaries we were appointed to mentor as part of the government’s Recapitalisation and Development Programme (RADP). Under our five-year mentorship, the farmers’ business plans were approved and the Department of Rural Development and Land Reform released R65 million to fund the rehabilitation of infrastructure and plant sugarcane on farms that had not been economically active for some time. Leveraging our existing partnership with the Land Bank, we were able to facilitate the restructuring of some of these growers’ existing Land Bank debts from R17 million to just over R3 million. Although our contracted mentorship has come to an end, we still support these farmers who provided 79 000 tons of sugarcane to our Nkomazi and Pongola mills in the 2022 financial year.

In Nkomazi, nearly 60% of our cane in a given season is sourced from land reform initiatives, as illustrated below on a seasonal basis. The cane season runs from March to December each year, straddling two financial years.

#### NKOMAZI B-BBEE CANE SUPPLY

	2021 season		2020 season		2019 season	
	Total tons	%	Total tons	%	Total tons	%
Small-scale growers	567 466	17	593 418	16	586 421	15
Land Reform (including RCL FOODS’ CBJVs)	1 360 211	41	1 625 368	43	1 594 575	41
Commercial (RCL owned farms and non-B-BBEE suppliers)	1 400 859	42	1 572 367	41	1 745 634	44
<b>Total cane supplied</b>	<b>3 328 536</b>	<b>100</b>	<b>3 791 153</b>	<b>100</b>	<b>3 926 630</b>	<b>100</b>
<b>Total B-BBEE cane</b>	<b>1 927 677</b>	<b>58</b>	<b>2 218 786</b>	<b>59</b>	<b>2 180 996</b>	<b>56</b>

## 2.3 MORE SOCIALLY DEVELOPED COMMUNITIES



Our ambition is to become “THE respected business partner” for social development in the communities in which we operate.

We operate in some of the most resource-deprived regions in South Africa where unemployment, poverty and a host of related social problems are rife. As a major employer in these areas, we have the opportunity and responsibility to help restore human dignity, empower marginalised communities, reduce inequality and break the cycle of poverty. We do so primarily through our DO MORE FOUNDATION which acts as a catalyst and “backbone organisation” for collaborative initiatives focusing on early childhood development (ECD), easing hunger and enterprise development in Hammarsdale and Pongola (KwaZulu-Natal), the Nkomazi district (Mpumalanga), Worcester (Western Cape) and now also Rustenburg (North West).

### TOWNSHIP ECONOMY PROGRAMME

To stimulate enterprise growth in Hammarsdale, the DO MORE FOUNDATION has partnered with organisations that assist small businesses and budding entrepreneurs to launch, grow, manage and sustain viable businesses. Its multi-partner Township Economy Programme focuses on enhancing youth entrepreneurship and accelerating youth- and women-owned and managed enterprises in the community. So far, the programme has provided a kickstart to numerous small businesses, equipping them with essential business skills including web design, business administration, market research, branding, marketing, access to micro-financing and market linkages.

Our achievements in Hammarsdale this year included the following:

- The **Township Economy Programme has continued to grow** and make an impact through creating employment, improving beneficiaries’ standard of living and increasing productivity – all essential in creating inclusive economic growth and improving social cohesion. Over 33 enterprises have been assisted through this programme, indirectly impacting 132 beneficiaries.
- The **#DoMorePlay wooden toy-making programme**, first established in Worcester in the 2021 financial year, was replicated in Hammarsdale and Rustenburg in 2022 to give differently-abled youth an opportunity to earn an income while making high-quality wooden educational toys for ECD centres.
- The **Owethu Umqhele Sewing Enterprise**, one of the enterprises selected for investment after completing the Township Economy Programme, has been successfully scaled and is now supplying products as far afield as the United Kingdom.
- A **DO MORE Business Hub** has been set up at eThekweni Municipality’s new Use-it building in Hammarsdale. Thanks to the support of local government, this facility houses the Township Economy training centre, the DO MORE agri hub, the wooden toy-making group, and two investee enterprises – Owethu Umqhele Sewing Enterprise and Ikhwezi Bakery Co-operative.



OUR SUSTAINABLE IMPACT UNPACKED

# ENRICHING COMMUNITIES CONTINUED

## 2.3 MORE SOCIALLY DEVELOPED COMMUNITIES CONTINUED

### EVERYONE GETS TO PLAY – SCALING THE LEAVE NO YOUNG CHILD BEHIND MODEL

The collaborative Leave No Young Child Behind (LNYCB) initiative was launched in 2015 with the aim of implementing the National Integrated Early Childhood Development (NIECD) Policy in two impoverished wards of Nkomazi. Over the past five years, the DO MORE FOUNDATION and its partners have been working together to promote universal access to a comprehensive package of quality services to meet young children’s developmental rights and needs in the area. **Due to the success of the collaborative model and the impact it has had on young children in Nkomazi, the Foundation has now extended it to Worcester, Pongola and most recently Rustenburg, with more sites targeted in the new year.** The initiative was recently presented at the South African Research Association for Early-Childhood Education (SARAECE) Conference.

**Taking its learnings from the successful LNYCB model, combined with its “backbone organisation” approach and input from its ECD and business partners, the Foundation has created a transformational model called EVERYONE GETS TO PLAY.**

Key features of the model are that:

- It is guided by the NIECD Policy;
- It provides for a contextualised response based on each community’s unique makeup;
- The community is mobilised to help identify young children’s needs in line with their rights;
- It facilitates the provision of a responsive, comprehensive basket of services to nurture young children;
- Advocacy and leadership provided by the DO MORE FOUNDATION catalyse a vision and a “movement” for young children in the community; and
- The model is supported by the DO MORE FOUNDATION fundamentals – sound governance, solid public-private partnerships and a multiplier investment effect – which have proven critical in overcoming barriers.

This model will form the basis of its major work going forward and has been **submitted to the LEGO Foundation for their 90th birthday celebration prize. Regardless of the outcome, the Foundation is aiming to expand its collective impact model to more communities across the country.**

**The results of a recent Early Learning Outcome Measure (ELOM) study in Nkomazi, showed that young children benefiting from the LNYCB initiative performed at a level associated with learners in quintile 5 level (the best resourced schools), despite living in a resource-poor community. The study confirmed the positive impact of key ECD resources provided through the LNYCB initiative – including nutrition, trained teachers, toys, books, parental involvement through parenting programmes and government involvement.**





# 3 SUSTAINING RESOURCES

Being a large food business with operations extending from primary agriculture to the distribution of our products, we have an extensive environmental footprint. We have to carefully manage our environmental impacts and utilisation of scarce natural resources to meet the needs of all our stakeholders while creating a more sustainable food system. To do this we strive to “see and do things differently” in order to reduce our use of non-renewable energy and fresh water; increase our renewable energy generation and water reuse; and minimise the waste we send to landfills by diverting as much as possible into “new” value streams in line with circular economy principles. Our efforts in this space align with Goals 6, 7, 9, 11, 12 and 13 of the Sustainable Development Goals.

## Sustainable Development Goals impacted by our Sustainable Business Framework:



### SDG 6: ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

#### Specific SDG 6 targets:

- 6.3 Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
- 6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

#### How this relates to our Framework:

- 3.2 MORE WATER-WISE OPERATIONS
- 3.3 MORE WASTE-FREE OPERATIONS



### SDG 7: ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

#### Specific SDG 7 targets:

- 7.2 Increase substantially the share of renewable energy in the global energy mix.
- 7.3 By 2030, double the global rate of improvement in energy efficiency.

#### How this relates to our Framework:

- 3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS
- 3.2 MORE WASTE-FREE OPERATIONS



### SDG 9: BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

#### Specific SDG 9 targets:

- 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

#### How this relates to our Framework:

- 3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS
- 3.2 MORE WATER-WISE OPERATIONS
- 3.3 MORE WASTE-FREE OPERATIONS



### SDG 11: MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT, AND SUSTAINABLE

#### Specific SDG 11 targets:

- 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

#### How this relates to our Framework:

- 3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS
- 3.2 MORE WATER-WISE OPERATIONS
- 3.3 MORE WASTE-FREE OPERATIONS



### SDG 12: ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

#### Specific SDG 12 targets:

- 12.2 Achieve the sustainable management and efficient use of natural resources.
- 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.
- 12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.
- 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse.

#### How this relates to our Framework:

- 3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS
- 3.2 MORE WATER-WISE OPERATIONS
- 3.3 MORE WASTE-FREE OPERATIONS



### SDG 13: TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY

#### Specific SDG 13 targets:

- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- 13.2 Integrate climate change measures into national policies, strategies and planning.
- 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

#### How this relates to our Framework:

- 3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS
- 3.2 MORE WATER-WISE OPERATIONS
- 3.3 MORE WASTE-FREE OPERATIONS

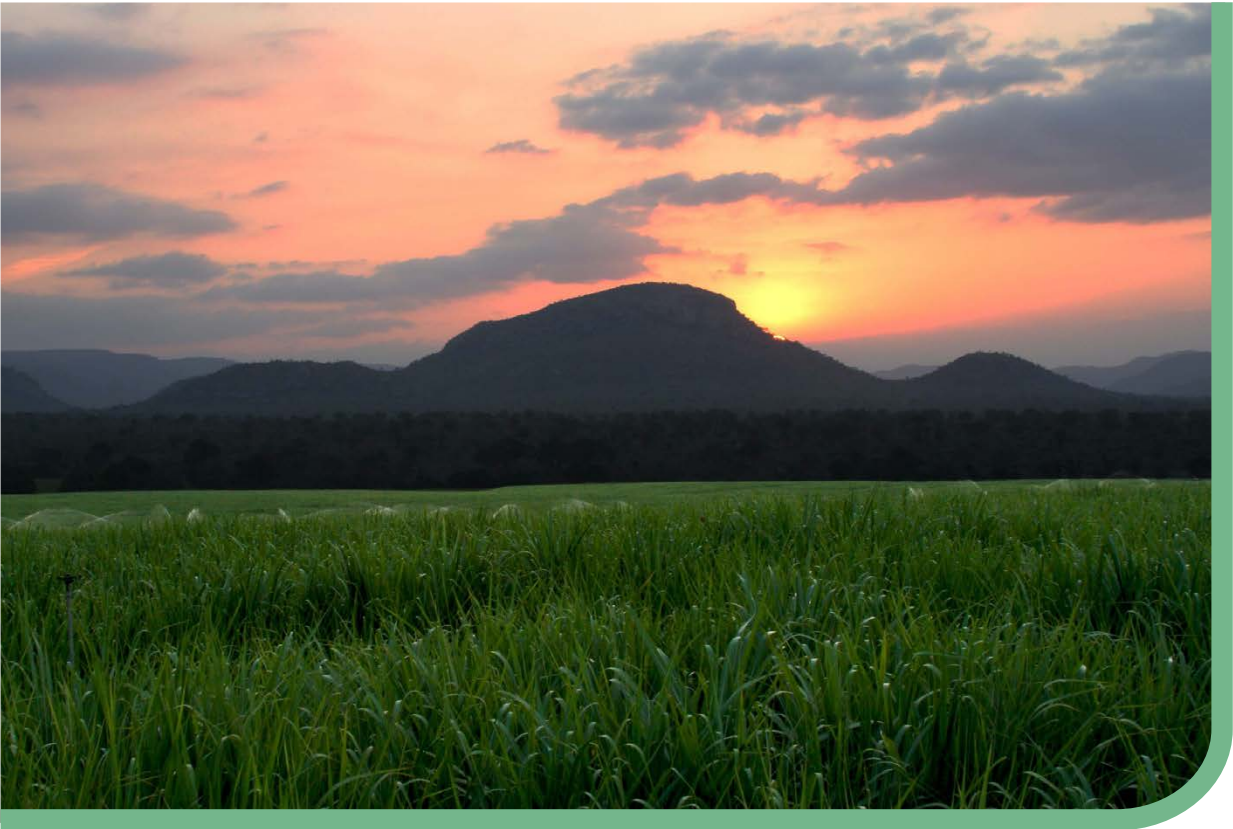


## SUSTAINING RESOURCES CONTINUED

How we plan to step change our environmental impact

	ENERGY	WATER	WASTE
OUR AMBITION	To become an energy self-sufficient* business by supporting the generation of renewable resources	To become a water-smart business by seeking new ways to reuse, reduce and “create” water in our operations	To become a waste-free business by minimising our waste to landfill and exploring ways to turn waste into value
OUR TARGETS	<ul style="list-style-type: none"> <li>50% electricity self-sufficiency by 2025</li> <li>50% coal reduction by 2025</li> </ul>	<ul style="list-style-type: none"> <li>50% water reduction in Chicken Processing by 2025</li> <li>30% improvement in water use efficiency for Sugar Agriculture by 2023</li> <li>60% water reduction in logistics warehousing by 2025</li> </ul>	<ul style="list-style-type: none"> <li>Zero waste to landfill by 2025 at our operations</li> <li>100% of plastic packaging to be reusable, recyclable or compostable</li> <li>70% of recyclable plastic to be recycled</li> <li>30% average post-consumer recycled (PCR) content across all plastics packaging</li> </ul>

\* Energy self-sufficiency refers to the difference between total energy consumed in a year and the amount we produce through our own generation. Since most of our own generation comes from post-processing by products, the amount can fluctuate year on year depending on processing volumes.



3.1

MORE ENERGY SELF-SUFFICIENT OPERATIONS

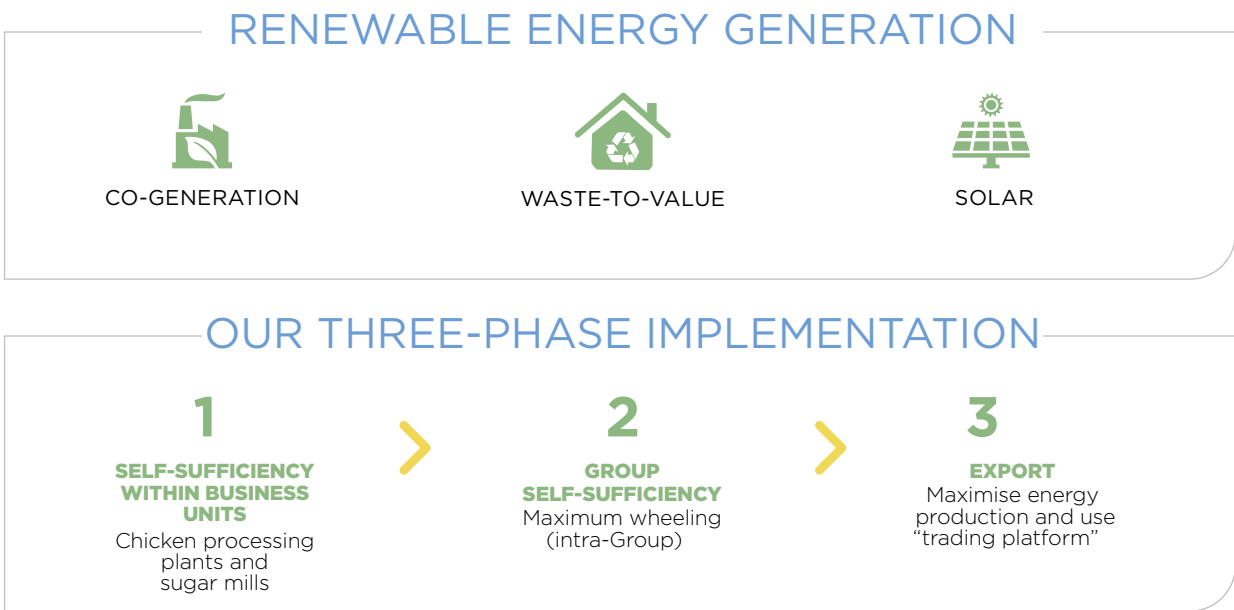
Our ambition is to become an energy self-sufficient business.

Electricity is a critical input in our value chain. Power interruptions caused by load shedding and infrastructural failures pose a risk to our employees, equipment and productivity, which can have a negative impact on the supply and affordability of food. To reduce our dependence on the national electricity grid, and on coal-based power, we are working to reduce our electricity usage and increase our renewable energy generation. Our ambition is to become energy self-sufficient and ultimately export power to the national grid. Our Energy Roadmap identifies practical, quantifiable opportunities to achieve energy self-sufficiency, ensure price certainty and secure long-term energy supply to our business.

We have identified three focus areas for renewable energy generation:

- Co-generation at our Sugar mills;
- Waste-to-Value (W2V) at Rainbow’s Worcester and Rustenburg processing operations; and
- Rooftop Solar Photovoltaic (PV) at our National Office in Durban, our Nelspruit Bakery and Vector Logistics’ Peninsula hub.

Our approach is to first work towards self-sufficiency in a business unit, then in the wider business, and finally to export excess energy through a trading platform.





## SUSTAINING RESOURCES CONTINUED

### 3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS CONTINUED



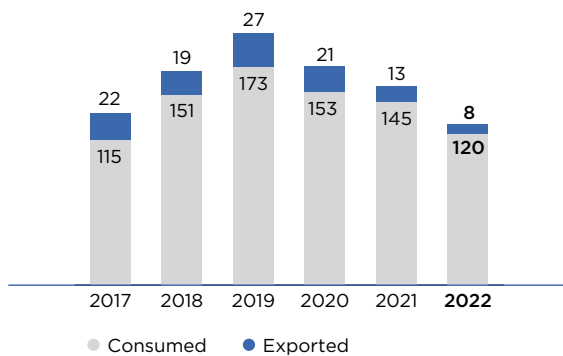
#### OUR RENEWABLE ENERGY GENERATION IN 2022

##### Co-generation

Bagasse, an energy-dense by-product of sugar production, is used to create renewable energy at our sugar mills through a process known as co-generation. The electricity generated powers our sugar manufacturing process and a portion is also sold externally.

- **132 GWh of electricity was co-generated** in 2022, a decrease of 19% from the previous year due to lower bagasse availability.
- Of this, **120 GWh was used to supply 86% of our sugar mills' electricity requirements while 8 GWh was exported** to the Coega Industrial Development Zone via the Eskom grid.

CO-GENERATED ELECTRICITY CONSUMED AND EXPORTED (GWh)



##### Waste-to-Value (W2V)

Using a biological digestion process that turns poultry waste into biogas and heat energy, Rainbow's two W2V plants produced 15.4 GWh of renewable energy, of which **10 GWh** were available for our own consumption. The total output was 18.6% lower than the previous year, mainly due to technical challenges with the ramp-up at our Rustenburg plant which are currently being addressed.

##### Solar

**Rooftop solar power generation increased by 3%** from 1 329 084 kWh to 1 370 208 kWh in 2022, even though the Nelspruit solar system was not at optimum running efficiency. This was due to excess flour dust on the panels which resulted in the need for more frequent cleaning.

TOTAL ELECTRICITY CONSUMPTION INCLUDING RENEWABLES

	GWh
Purchased (Eskom)	494
Co-generation	120
W2V	10
Solar	1.4
Total	625.4

**Our Sugar co-generation, W2V and Solar projects provided us with a total of 131.5 GWh of renewable energy in 2022.**

### OUR 2022 ENERGY PERFORMANCE

Since our energy usage is directly linked to our agricultural, manufacturing and distribution output and may therefore vary, our main focus is on increasing the efficiency of our energy consumption across our operations. This involves measuring and managing our energy usage and implementing reduction and optimisation initiatives where feasible.

#### Electricity

In 2022 **our total purchased (Eskom) electricity use was 6% lower**, driven mainly by lower overall production volumes, increased load shedding and an increasing efficiency mindset.

- **RCL FOODS used 6.4% less electricity** mainly due to an electricity savings campaign in Sugar.
- **Rainbow's electricity remained unchanged** amid a slight increase in production volumes.
- **Vector Logistics used 24% less electricity** due to energy savings initiatives and network consolidations.

#### Coal

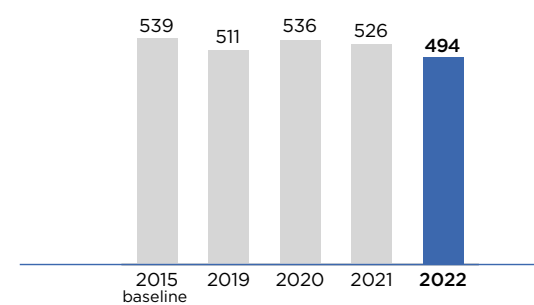
We use coal for steam production and heating purposes at our grocery and beverage manufacturing facilities; our flour, sugar and animal feed mills; and our poultry farms.

Through the implementation of industry standard boiler management practices and annual boiler inspections, we ensure that our equipment operates safely and efficiently.

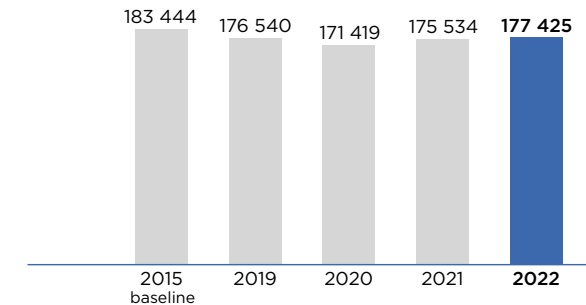
In 2022 our coal consumption increased by 1.1%.

- RCL FOODS' coal consumption increased by 0.74% due to our sugar mills having less bagasse available which subsequently increased their coal usage.
- Rainbow's consumption increased by 1.7% mainly due to a marginal increase in the volume of chickens farmed and processed.

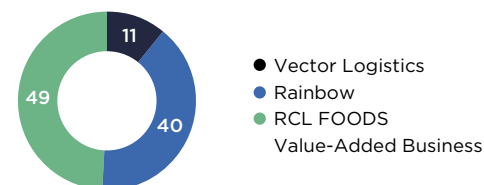
PURCHASED ELECTRICITY CONSUMPTION - GROUP (GWh)



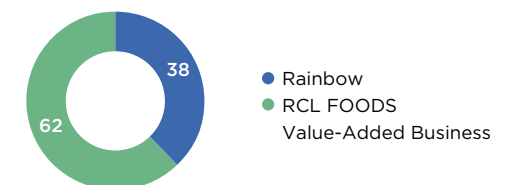
COAL CONSUMPTION - GROUP (tons)



PURCHASED ELECTRICITY CONSUMPTION - BUSINESS (%)



COAL CONSUMPTION - BUSINESS (%)



**In May 2022 we conducted a comprehensive energy study at our Randfontein Groceries plant, which highlighted energy-saving opportunities which we are in the process of evaluating.**



## OUR SUSTAINABLE IMPACT UNPACKED

# SUSTAINING RESOURCES CONTINUED

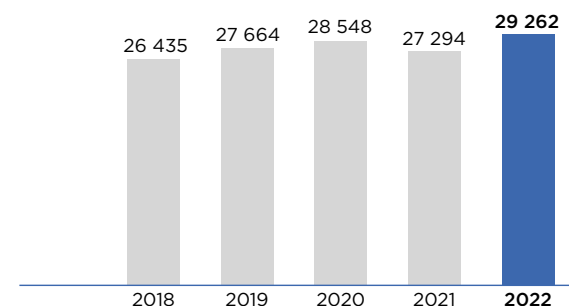
## 3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS CONTINUED

### Diesel

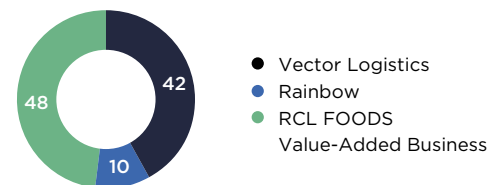
In 2022 our total diesel consumption increased by 7.2%. Load shedding resulted in increased stationary diesel usage across the business.

- **RCL FOODS reduced its diesel consumption by 2%** mainly owing to lower volumes of sugarcane transported to the mills.
- Rainbow increased its diesel usage by 18%, of which half was driven by increased usage in Agriculture due to load shedding, alongside an increase in bird numbers.
- Vector Logistics increased its diesel usage by 15% due to an increase in the number of drops, as well as the introduction of larger trucks to optimise the transport network.

DIESEL CONSUMPTION - GROUP (Kℓ)



DIESEL CONSUMPTION - BUSINESS (%)



**Vector Logistics has successfully completed a 25-month trial of a solar and battery combination unit that provides electric power to a truck's refrigeration unit when it is being loaded and unloaded. This means that the truck can be switched off during this time, eliminating both noise and exhaust emissions. The trial unit delivered a monthly saving of 550 litres of diesel (approximately R14 000), on the strength of which the business has approved installation of four additional units in the coming financial year.**



## 3.2 MORE WATER-SMART OPERATIONS

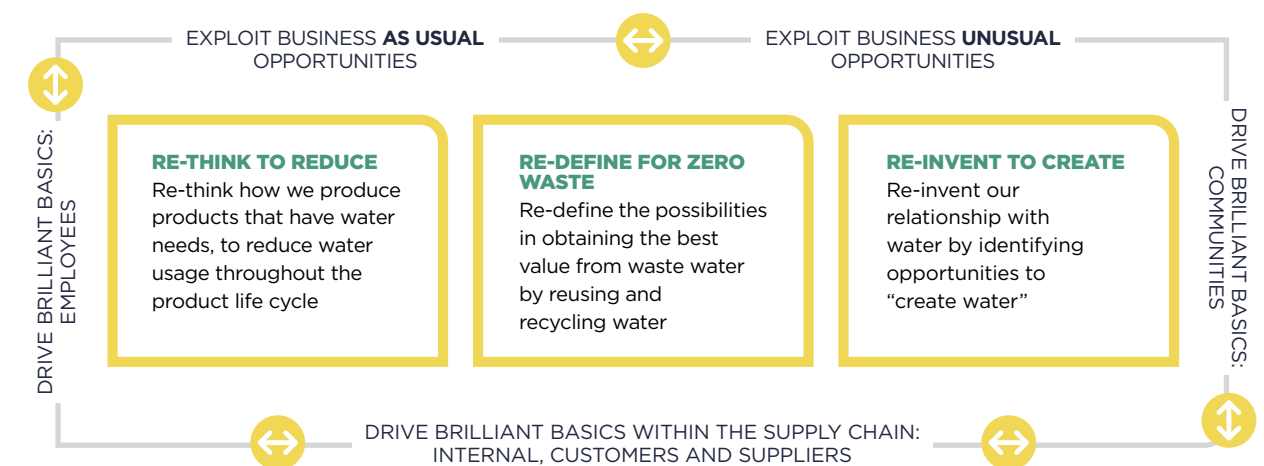


**Our ambition is to become a more water-smart business that continually seeks new ways to reduce, reuse and “create water”.**

Water plays a critical role in producing the quality foods we sell, in maintaining the cleanliness of our facilities, and is a key input in our agricultural operations. Yet water scarcity is on the rise in South Africa, which is currently overexploiting its renewable<sup>7</sup> water resources due to a combination of drought, growing demand and water loss due to poor infrastructure. In South Africa, renewable internal water resources have declined from 1 042 kilolitres (kℓ) per capita in 1997 to 775 kℓ per capita in 2018.

Meanwhile, South Africa's fresh water withdrawals in 2018 were 63.56% of its fresh water reserves – a steep increase from 41.11% in 1997<sup>8</sup>. Without a mindset change and significant investment, water demand in South African could exceed supply by 17% in 2030. In view of increasing water scarcity, we recognise the need to conserve water, reuse it where possible, and avoid the pollution of water sources.

To reduce our water consumption, we have initiated a number of water-saving, reuse and education initiatives in various parts of our business. These include the work done by water committees; team member education and quality inspections; and the introduction and maintenance of reuse systems, reservoir systems and wastewater treatment systems.



<sup>7</sup> Internal renewable water resources are made up of the average annual flow of rivers and groundwater generated from precipitation.  
<sup>8</sup> UN Food and Agriculture Organisation/World Bank Data. Accessed on 7 August 2022 from <https://data.worldbank.org/indicator/ER.H2O.FWST.ZS?locations=ZA>



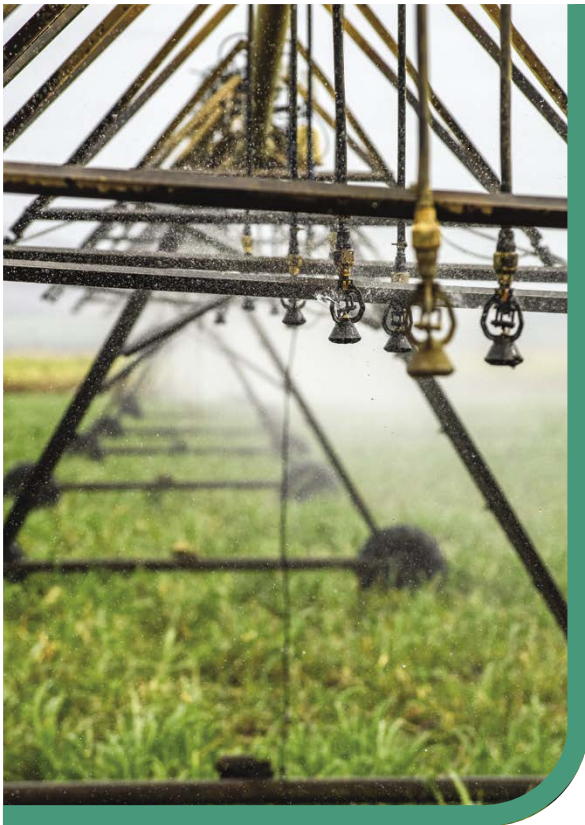
## SUSTAINING RESOURCES CONTINUED

### 3.1 MORE WATER-SMART OPERATIONS CONTINUED

#### DROUGHT-PROOFING OUR SUGARCANE OPERATIONS

**Drought-proofing our sugarcane operations** has been a key priority since the major drought that crippled much of the country from 2015 to 2018. A combination of water-saving practices were introduced to achieve a 30% improvement in water use efficiency by 2023. These included green (no burn) harvesting, where leaves are left on the fields as mulch to preserve soil moisture; a focus on precision farming which includes the use of drones, satellite imagery and soil moisture probes to allow for better irrigation planning; and the **conversion of inefficient overhead irrigation systems to sub-surface drip irrigation**.

Sub-surface drip irrigation delivers water close to the cane roots, minimising water loss due to evaporation. We have embarked on a programme to replace our most inefficient overhead systems (notably drag-lines) with sub-surface drip irrigation where field topography allows it, with the aim of 80% of our fields being converted to sub-surface drip irrigation by 2031. By then we anticipate saving over 3 000 megalitres (Mℓ) per year.



#### PROGRESS AGAINST OUR IRRIGATION CONVERSION PROGRAMME IN SUGAR AGRICULTURE

Irrigation system	Water efficiency rating	2015 Financial year hectares	2022 Financial year hectares	2031 Financial year (target) hectares
Floppies	6	403	193	0
Draglines	5	2 002	788	93
Sprinklers	4	750	610	0
Pivots	3	5 914	5 746	2 250
Surface drip	2	2 150	1 228	235
Sub-surface drip	1	1 996	3 886	10 002
<b>Total</b>		<b>13 215</b>	<b>12 451</b>	<b>12 580</b>

So far 31% of our fields have been converted to sub-surface drip, with our three cane-growing joint ventures being the focus this year. This means that we are currently 39% of the way to reaching our 2031 target.

### OUR 2022 WATER CONSUMPTION

#### Municipal Water

Our municipal water consumption in 2022 increased by 0.7%.

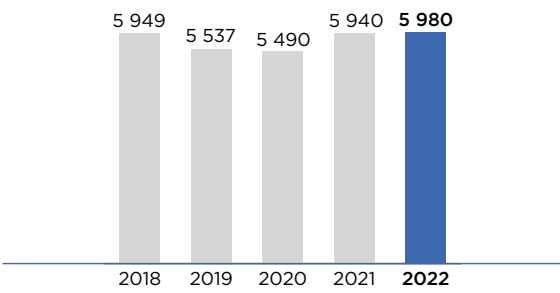
- RCL FOODS’ municipal water consumption increased by 2.7% owing to the implementation of further cleaning protocols in Groceries.
- Rainbow’s municipal water consumption increased by 1.3% driven by additional volume and additional weekend shifts to catch up lost time due to load shedding.
- **Vector Logistics’ municipal water consumption decreased by 7.8%** due to the closure of the Midrand D and Cornubia depots.

To better understand and manage the water risk in our manufacturing operations, we conducted a **Water Risk Profiling and Strategy study at our Grocery facility in Randfontein and our Flour Mill in Pretoria in 2019. These studies have allowed the plant to manage the “low hanging fruit” or quick-win opportunities, while budgeting towards more capital-intensive projects.**

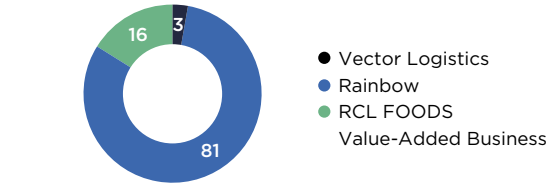
**During 2022 the installation of a reverse osmosis (RO) plant was approved for the Randfontein Grocery facility, which will treat groundwater for use in non-potable applications.**



#### MUNICIPAL WATER CONSUMPTION – GROUP (Kℓ)



#### MUNICIPAL WATER CONSUMPTION – BUSINESS (%)



#### Raw Water

Raw water refers to water from rivers which is used to irrigate our sugarcane crops.

- Our raw water usage for 2022 was slightly higher (4.7%) than the prior period. This was as a result of the 20% rationing applied in 2021 due to water shortages, whereas in 2022 we had full allocations. Due to good rainfall in 2022, allocations were not fully utilised and water abstractions were therefore in line with 2021. The good rainfall and full allocation of water in 2022 will benefit the cane yields in the coming financial year.
- We **continued to pursue raw water savings and efficiency initiatives in Sugar Agriculture** and converted nearly 400 hectares to water-efficient irrigation during the year.
- **Our raw water use efficiency has been improving by an average of 4.7% per year since 2018**, which means we are on track to reach our 30% target by 2023.

**Our overall water use increased by 4.6% in 2022, driven by the increased raw water use in Sugar Agriculture.**



## SUSTAINING RESOURCES CONTINUED



**Our ambition is to become a waste-free business that continually seeks new ways to turn waste into value.**

South Africa is generating increasing amounts of waste due to population growth, urbanisation and changing consumption patterns. Through reuse, recycling and recovery, waste can be kept within the economy, protecting the environment while enhancing economic and social development. Yet in 2018 approximately 75% of solid waste in South Africa was disposed of on landfill sites<sup>9</sup>, while much of the rest was either not collected or was disposed of illegally. This represents loss of economic value in terms of recycling and job creation opportunities, and adds to the increasing burden on the environment.

As a business our goal is to achieve zero waste to landfill in our own operations, and to ensure that our packaging is fully recyclable and is actually recycled after use. The latter is part of our commitment to the principle of Extended Producer Responsibility (EPR), according to which the financial and physical responsibility for a product at the end of its life cycle (post consumption) lies with the “producer” of that product.

### OUR WASTE MANAGEMENT APPROACH

We strive to manage all waste generated by our activities in the most environmentally-responsible way possible. Applying the waste management hierarchy, we analyse all types of waste material generated to assess options for possible reduction, reuse, recycling or recovery options. Waste that cannot be channelled back into the circular economy is disposed of at licensed waste disposal facilities.

#### OUR WASTE MANAGEMENT APPROACH AND FOCUS AREAS



<sup>9</sup> Operation Phakisa Chemicals and Waste Economy Overview and Aspirations: South Africa country report presentation, 2019

We have refined and implemented business models that will **maximise our waste-to-value prospects** at Rainbow's Worcester and Rustenburg processing operations, and we continue to work towards **reducing the amount of waste sent to landfills by reducing, recycling and reusing** materials wherever possible.

### OUR 2022 WASTE PERFORMANCE

- 90% of our total waste was used as energy, converted into fertiliser or reused.
- 1% of our waste was recycled.
- 9% of our waste was landfilled.
- We **continued investigating innovative processes and strategic partnerships** to divert waste from landfill into alternative value streams. To reduce waste generated during the production process, we began **composting the collagen “skins” in which our viennas are cooked** before being packaged. This could reduce our waste sent to landfill by 80 tons annually.
- We continued to optimise waste contracts and align them across sites.
- We are making **progress with delivering on our Plastics Packaging Roadmap** as part of our **Sustainable Packaging Strategy** (refer to page 52).

### OUR SUSTAINABLE PACKAGING JOURNEY

#### Our Approach to Packaging

We depend on packaging to contain, protect, preserve, transport, differentiate and sell our products, as well as to communicate with and educate our customers. At the same time, we understand the need to reduce the pre- and post-consumer environmental impact of our packaging. For this reason, **we strive for best-purpose packaging that holistically balances food waste versus packaging waste, while still providing affordable food offerings** to our consumers.

Our ambition is to achieve **plastics neutrality** through our Sustainable Packaging Strategy, which aims to ensure that our packaging remains within the circular economy and does not end up as waste in the environment.

**South Africa's new EPR regulations** came into effect in November 2021. In terms of these regulations, producers (which include brand owners like RCL FOODS) are responsible for the full cost of recovering all packaging materials placed onto the market. EPR fees are charged per ton of each type of packaging material produced, with fees being highest for non-recyclable and hard-to-recycle materials. The objective is for these fees to go towards closing gaps that may have prevented industry from achieving the collection, recycling targets outlined in the EPR regulations for years 1, 2, 3, 4 and 5.

We are **working very closely with a number of Producer Responsibility Organisations (PROs)** – including Polycy, Fibre Circle and MetPac-SA – to ensure the effectiveness of **EPR schemes in increasing collection and recycling** of all plastic and paper-based packaging plus aluminium-based packaging.

Over the last year we have identified a number of opportunities to make a positive change, and have been collaborating with our customers, packaging suppliers and recyclers to come up with viable solutions.

#### OUR SUSTAINABLE PACKAGING STRATEGY



**ELIMINATE**  
the plastics we don't need by:

- **Identifying and developing alternatives** to problematic items
- **Reducing unnecessary weight** where possible, while maintaining food safety as a priority



**INNOVATE**  
to ensure that the plastics we use:

- Are **reusable** or **100% recyclable**
- **70%** of those plastics are actually **recycled**



**CIRCULATE**  
all the plastic items we use to keep them in the economy and out of the environment, including by:

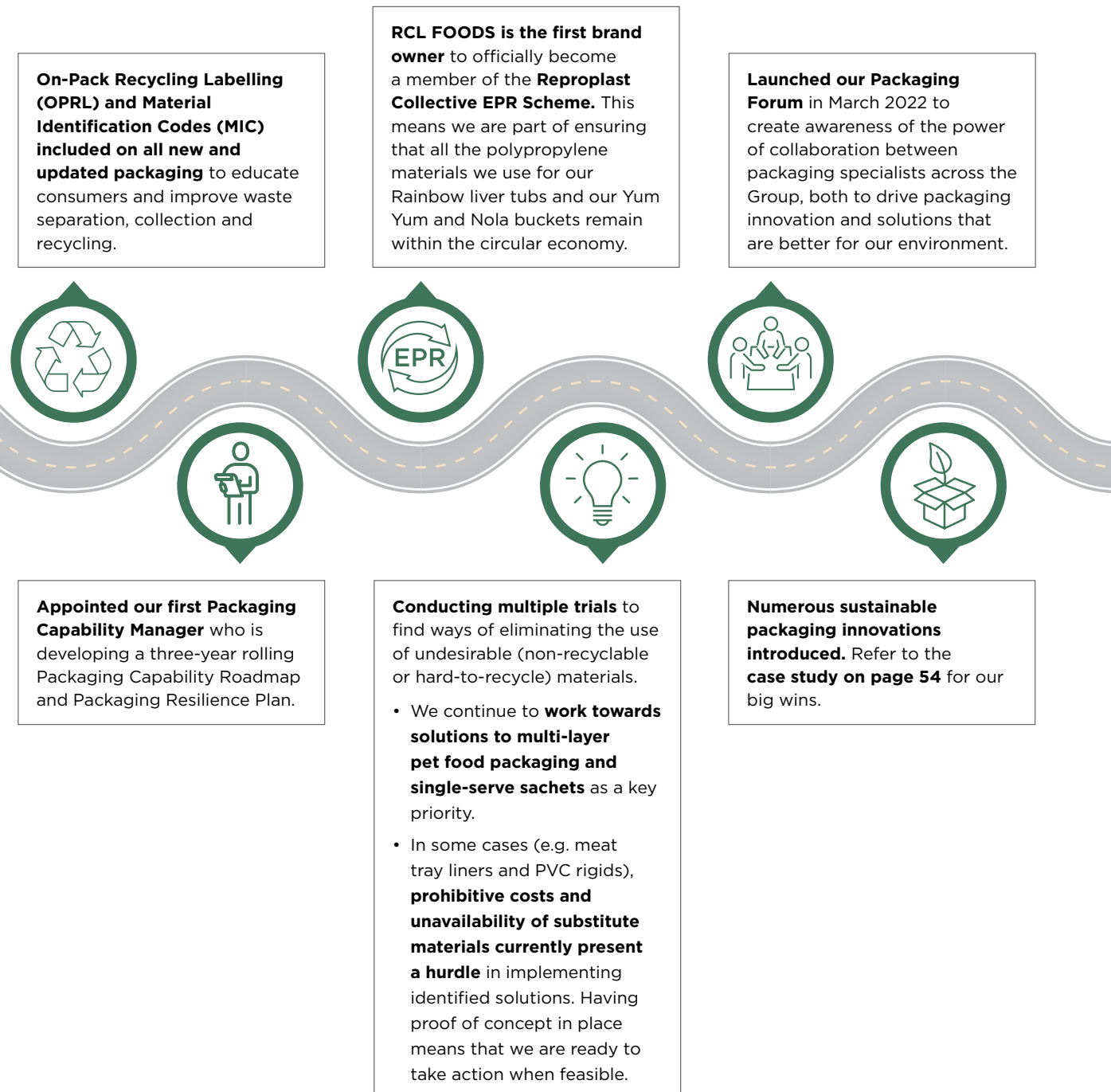
- Incorporating an average of **30% PCR** (post-consumer recycled) content in all non-food contact packaging



## SUSTAINING RESOURCES CONTINUED

### 3.1 MORE WASTE-FREE OPERATIONS CONTINUED

Our packaging progress in 2022





## SUSTAINING RESOURCES CONTINUED

### 3.1 MORE WASTE-FREE OPERATIONS CONTINUED

# CASE STUDY

## RCL FOODS is invested in Extended Producer Responsibility



At RCL FOODS we take our extended producer responsibility seriously. In the case of plastic packaging, we are committed to keeping this resource within the economy by ensuring that the plastics we use are 100% recyclable, 70% of our plastics packaging is actually recycled, and 30% of our non-food-contact packaging consists of post-consumer recycled (PCR) content.

We are also actively looking for ways to eliminate the plastics we don't need, such as by developing alternatives to non-recyclable types, or by reducing packaging weight (without compromising the integrity of our products).

Over the last year we have identified a number of opportunities to make a positive change, and have been collaborating with our customers, packaging suppliers and recyclers to come up with viable solutions.

We have implemented a number of these already, while others will bleed in during the coming year. In cases where we have not yet found viable solutions to problematic materials, we will continue to “see and do things differently” until we do.



## SOME OF OUR SUSTAINABLE PACKAGING INNOVATIONS IN 2022

### A zippy solution to recycle more Nola jars

Because the polyethylene terephthalate (PET) outer sleeve on Nola Mayonnaise jars is not recyclable due to its thinness and high ink content, it has to be manually removed before the jar can be recycled. To make this easy to do and educate consumers on recycling at the same time, **we are introducing a vertical perforated strip on the sleeve of our 750g jars.** This will give recycling value to 1 600 tons of PET jars each year, increasing their chances of being collected and recycled. The innovation will be bled in from November 2022.



### A lighter, whiter Nola oil drum

**We redesigned our 20-litre Nola oil drums to make them “lighter” on the environment while maintaining their strength.**

Each drum is now 100g lighter, enabling us to eliminate 20 tons of high-density polyethylene (HDPE) each year – the equivalent of 103 fully-grown male lions. We also changed their colour from yellow to white to encourage waste pickers to collect them for recycling, as recyclers pay more for white or clear plastic which can be upcycled into many more items than coloured plastic. This will further encourage the recycling of 160 tons of HDPE each year – the equivalent of 829 lions.

### Fully recyclable sugar sachets, chicken over-wrap and vienna packaging

To help one of our retail customers meet its 2022 recycling target, **we introduced fully recyclable packaging for its private label sugar sticks, we replaced the PVC over-wrap on its chicken with recyclable polyethylene (PE), and we are currently rolling out recyclable packaging for its private label viennas.** That's a combined total of 23 tons of packaging that now get to stay in the circular economy!



# OUR CARBON DISCLOSURE REVIEW

OUR SUSTAINABLE BUSINESS DRIVE EXECUTIVE SUMMARY

OUR SUSTAINABLE IMPACT UNPACKED

OUR CARBON DISCLOSURE REVIEW

OUR APPROACH TO ENVIRONMENTAL SUSTAINABILITY

OUR PERFORMANCE INDICATORS



# OUR CARBON DISCLOSURE REVIEW

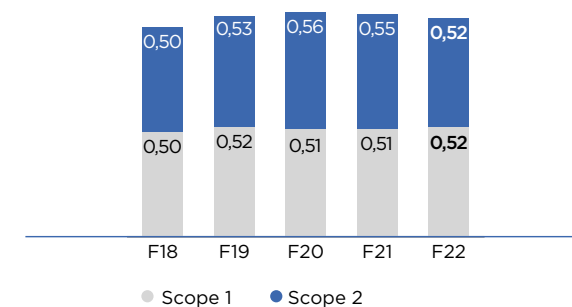
We conducted our 2022 Carbon Disclosure Review internally and our results were verified by an external assurance specialist. This was our seventh carbon footprint review since our baseline assessment in 2015.

## QUALITY ASSURANCE OF OUR CARBON FOOTPRINT ASSESSMENT

We reported on our review findings using the standard international methodology for Greenhouse Gas (GHG) corporate accounting and reporting, namely the World Business Council for Sustainable Development/World Resources Institute GHG Protocol for Corporate Accounting Standards. We then commissioned an independent party to perform a gap analysis of our Carbon Footprint Inventory and verify the statements we made about our GHG emissions. This verification process assessed the alignment of our procedures and methodologies to the above protocol, as well as the technical correctness of the quantification procedures/methodologies of our GHG Inventory.

The GHG Protocol requires businesses to report on both direct emissions and indirect emissions resulting from purchased electricity. All other indirect emissions can be reported on a voluntary basis.

CARBON FOOTPRINT BY SCOPE OF CO<sub>2</sub>e (billion tons)



## OUR 2022 CARBON FOOTPRINT

Our 2021 CO<sub>2</sub>e (carbon dioxide equivalent) for **scope 1 and 2 emissions** was **1 045 842 tons**, a decline of 1% against 2021.

- Our Scope 1 GHG emissions (direct emissions from our operations) were 518 861 tons CO<sub>2</sub>e.
- Our Scope 2 emissions (indirect emissions from use of purchased electricity) were 526 981 tons CO<sub>2</sub>e.

## Carbon Disclosure Project (CDP) Climate Change survey

The CDP runs an annual survey of the world's leading businesses in terms of their management of climate change impacts, water security and forests. Survey submissions are based on the previous year's climate performance. Our CDP scores for 2021 were as follows:

- **Climate Change:** We maintained a B rating which is in the Management band ("Taking coordinated action on climate issues"). This is the same as the Africa regional average of B, and higher than the Food & Beverage Processing sector average of B-.
- **Water Security:** We received a C rating which is in the Awareness band ("Knowledge of impacts on, and of, water issues"). This is lower than the Africa regional average of B and the Food & Beverage Processing sector average of B.
- **Forests:** Reporting only on soy, we received a C which is in the Awareness band. This is lower than the Africa regional average of B, and lower than the Food & Beverage Processing sector average of B.





# OUR APPROACH TO ENVIRONMENTAL SUSTAINABILITY

- OUR SUSTAINABLE BUSINESS DRIVE EXECUTIVE SUMMARY
- OUR SUSTAINABLE IMPACT UNPACKED
- OUR CARBON DISCLOSURE REVIEW
- OUR APPROACH TO ENVIRONMENTAL SUSTAINABILITY**
- OUR PERFORMANCE INDICATORS





OUR APPROACH TO ENVIRONMENTAL SUSTAINABILITY

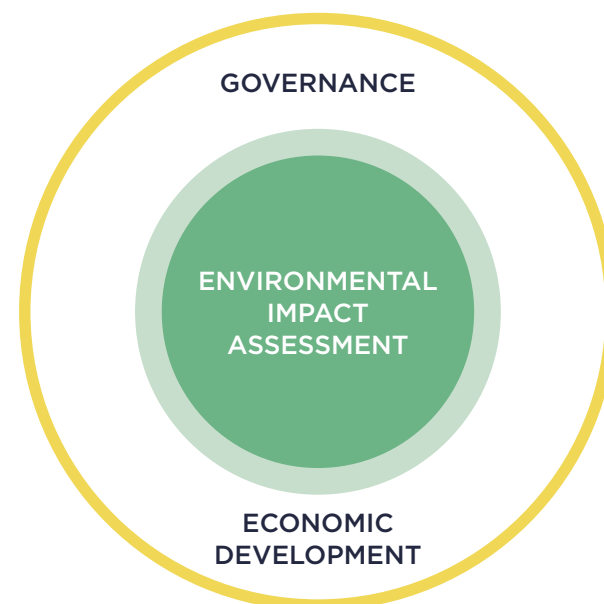
# OUR APPROACH TO ENVIRONMENTAL SUSTAINABILITY

In order to keep providing More Food to More People, More Often, we know we need to safeguard our environment by using natural resources effectively and limiting the negative impacts of our operations and those of our suppliers. Our efforts in this regard are governed by our Group Environmental Policy which promotes shared responsibility and accountability amongst our stakeholders, including employees and suppliers. This policy applies across all operations and functions linked to our business, including situations where employees and contractors work off-site. The environmental policy is available to RCL FOODS employees on our intranet.

When considering potential facility upgrades or new investments, we carry out Environmental Impact Assessments (EIAs) where required by the Department of Agriculture, Land Reform and Rural Development (DALRRD) and the Department of Forestry, Fisheries and the Environment (DFFE). These enable us to carefully consider the proposed investments' impact on the local environment by including comments and input from affected parties and other interested stakeholders. The construction of such projects is conducted according to an Environmental Management Plan which assists in minimising negative environmental impacts.

## OUR APPROACH TO ENVIRONMENTAL AIR QUALITY

We have an established protocol in place for managing environmental air quality across our business. This ensures that the environment is safeguarded by providing reasonable measures to protect and enhance air quality and prevent air pollution and ecological degradation. Given the impact of vehicle emissions on the environment, we maintain and replace all vehicles on a regular basis to minimise both emissions and fuel wastage.







# OUR PERFORMANCE INDICATORS

**66** OUR ENVIRONMENTAL, SOCIAL  
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OUR PERFORMANCE INDICATORS

# OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) DATA

## GOVERNANCE

	Unit of Measure	2022	2021	2020	2019
Number of Board Members	Number	<b>*12</b>	13	14	13
Number of Board Members who are Deemed Non-Executive	Number	<b>10</b>	11	12	11
Percentage of Board Members who are Deemed Non-Executive	%	<b>83</b>	85	86	85
Number of Board Members who are Deemed Executive	Number	<b>2</b>	2	2	2
Number of Prescribed Officers ( <b>Note:</b> Persons who are NOT already counted as "Executives")	Number	<b>0</b>	0	0	0
Number of Board Members who are Deemed 'Independent'	Number	<b>5</b>	7	8	7
Percentage of Board Members who are Deemed 'Independent'	%	<b>42</b>	54	57	54
Number of Board Members who are African, Coloured or Indian (ACI)	Number	<b>5</b>	5	5	5
Percentage of Board Members who are ACI	%	<b>42</b>	39	36	39
Number of Board Members who are Women	Number	<b>2</b>	3	3	3
Percentage of Board Members who are Women	%	<b>*17</b>	23	21	23
Average Length of Executive Director Service (in years)	Number	<b>9</b>	17	16	15
Average Length of Non-Executive Director Service (in years)	Number	<b>9</b>	9	8	8
Average Length of Director (full Board) Service (in years)	Number	<b>9</b>	10	9	9
Average Age of Directors (in years)	Number	<b>54</b>	56	57	56
Overall Board and Committee Meeting Attendance	%	<b>95</b>	97	94	93
Name of Financial Auditor		<b>PwC</b>	PwC	PwC	PwC
Length of Current Auditor's Service	Number	<b>18</b>	17	16	15
Independence of Board Chairman	Y/N	<b>No</b>	No	No	No
Publicly Available Policy on Board Conflicts of Interest & Politically Exposed Persons (PEPs)	Y/N	<b>In Code of Ethics</b>	In Code of Ethics	Yes	Yes
Public Disclosure on any/all Board Member Conflicts of Interest	Y/N	<b>No</b>	No	No	No
Public Disclosure on any/all Board Members Deemed a PEP	Y/N	<b>No</b>	No	No	No
Signed Publicly Available Climate Related Financial Disclosures, as per TCFD	Y/N	<b>No</b>	No	No	No
Publicly Available Human Rights Policy	Y/N	<b>No</b>	No	No	No
ESG Included into Service Level Agreements with Suppliers	Y/N	<b>Yes</b>	Yes	Yes	Yes
Formal Audit of Suppliers and Contractors for ESG Compliance (including human rights)	Y/N	<b>No</b>	No	No	No
Shareholders Vote (binding) on Executive Remuneration	Y/N/P	<b>Partial**</b>	Partial	Partial	Partial
Shareholders Vote (binding) on Sustainability-related Resolutions	Y/N	<b>No</b>	No	No	No
Public Disclosure of Voting Record on Sustainability-related Resolutions	Y/N	<b>No</b>	No	No	No
Executive Remuneration Linked to ESG	Y/N	<b>No</b>	No	No	No

\* Mr M Dally and Mrs MM Nhlanhla retired in November 2021

\*\* At the 2021 AGM there was a non-binding vote on the Remuneration Policy and a non-binding vote on the Remuneration Implementation Report

## LABOUR

	Unit of Measure	2022	2021	2020	2019
Total Number of Employees - Permanent	Number	<b>20 793</b>	20 547	19 824	20 210
Total Number of Employees - Fixed term (>90 days, but not permanent)	Number	<b>590</b>	586	797	581
Total Number of Employees - Temporary (<90 days)	Number	<b>328</b>	171	202	255
Total Number of Employees - All	Number	<b>21 711</b>	21 304	20 823	21 046
Total Number of Contractor Employees ('Contractors')	Number	<b>4 888</b>	4773	3848	4011
Total Number of Employees and Contractors	Number	<b>26 599</b>	26 077	24 671	25 057
Total Number of Employees and Contractors Operating in South Africa	Number	<b>26 506</b>	25 993	24 594	24 998
Percentage of Employees and Contractors Operating in South Africa	%	<b>99.7</b>	99.7	99.7	99.8
Percentage of Management (Top and Senior - F and E Band) who are ACI*	%	<b>35</b>	26	25	21
Percentage of Management (Top and Senior - F and E Band) Deemed EE**	%	<b>44</b>	33	33	29
Percentage of Management (Top and Senior - F and E Band) who are Women	%	<b>14</b>	8	8	7
Percentage of Employees who are ACI	%	<b>94</b>	94	94	93
Percentage of Employees Deemed EE	%	<b>97</b>	96	96	96
Percentage of Employees who are Women	%	<b>32</b>	32	32	32
Percentage of Employees who are 'Permanent'	%	<b>96</b>	96	95	96
Number of Employees who are Deemed 'Disabled'	Number	<b>149</b>	149	162	92
Percentage of Employees who Belong to a Trade Union	%	<b>45</b>	46	50	52
Number of Employee Terminations (all departures)	Number	<b>2 001</b>	1 958	2 114	2 699
Employee Turnover	%	<b>9.6</b>	10.0	10.0	13.0
Total Number of Person Hours Worked (PHW)*** - all employees and contractors	Number	<b>42 098 090</b>	41 710 900	40 903 662	41 341 644
Total Number of Employees Trained, Including Internal and External Training Interventions	Number	<b>9 367</b>	9 251	9 821	10 169
Percentage of Employees Trained in South Africa	%	<b>100</b>	100	100	100
Total Number of Employees on Learnerships	Number	<b>598</b>	189	247	518
Total Number of Employees on Apprenticeships	Number	<b>91</b>	79	96	72
Total Number of Internships	Number	<b>85</b>	44	39	80
Percentage of Learnership, Apprenticeship and Internship candidates that are ACI	%	<b>99</b>	99	99	98
Rand Value of Employee Training Spend	Rands	<b>48 059 189</b>	32 595 704	31 807 414	44 398 199
Percentage of Training Spend in South Africa	%	<b>100</b>	100	100	100
Total number of Person Days Lost Due to Absenteeism	Number	<b>43 148</b>	40 074	37 498	41 306
Percentage of Total Person Days Lost Due to Absenteeism	%	<b>0.8</b>	0.8	0.7	0.8
Total number of Person Days Lost Due to Industrial Action	Number	<b>6 647</b>	203	0	571
Percentage of Total Person Days Lost Due to Industrial Action	%	<b>0.126</b>	0.004	0.000	0.011

\* ACI: African, Coloured or Indian

\*\* EE: Employment Equity (ACI, women and people living with disabilities)

\*\*\* Person Hours Worked (PHW) based on calculated hours less 14% for leave and typical absences



OUR PERFORMANCE INDICATORS

OUR ESG DATA CONTINUED

HEALTH & SAFETY

	Unit of measure	2022	2021	2020	2019
Number of Fatalities (injuries on duty (IODs) leading to death)	Number	1	0	1	1
Number of Medical Treatment Cases (MTCs) (IODs leading to medical treatment, but no lost days)	Number	769			
Number of Lost Time Injuries (LTIs) (IODs leading to at least one lost day)	Number	437	371	325	322
Total Number of Recordable Injuries, including MTCs, LTIs and Fatalities	Number	1 207			
Fatal Injury Frequency Rate (FIFR, i.e., number of Fatalities per 200 000 person hours worked)	Rate	0.0048	0.0000	0.0049	0.0048
Lost Time Injury Frequency Rate (LTIFR, i.e., Number of LTIs per 200 000 person hours worked)	Rate	2.076	1.779	0.005	1.558
Total Recordable Injury Frequency Rate (TRIFR)	Rate	5.73			
Does the Company Report a LTIFR and/or TRIFR target?	Rate	No	No	No	No
Number of Operational Health and Safety Audits Conducted	Number	13	11	16	18
Number of Food and Safety Audits Conducted	Number	33	32	33	32

CSI/SED/B-BBEE EXPENDITURES

	Unit of Measure	2022	2021	2020	2019
<b>Corporate Social Investment (CSI) expenditures – total</b>	Rand	13 361 390	8 479 088	9 000 000	12 300 000
CSI Spend on Education (Star Schools)	Rand	1 242 317	671 000		
CSI Spend on Skills Development, including Adult Education and Training (AET)	Rand	128 000			
CSI spend on Basic Needs and Social Development, including nutrition/feeding projects	Rand	11 991 073	7 808 088		
CSI Spend on Infrastructure Development	Rand	14 271			
<b>Enterprise Development Spend</b>	Rand	11 132 697	15 686 142	9 918 702	8 247 346
<b>B-BBEE Procurement Spend</b>	Rand (R'000)	11 669 411	11 823 636	7 212 547	4 133 908

ENVIRONMENTAL

	Unit of Measure	2022	2021	2020	2019
<b>ENERGY</b>					
Total Petrol Consumption	Kilolitres	86	66	56	67
Total Diesel Consumption	Kilolitres	29 262	27 294	28 548	27 664
Total Volume of Electricity Purchased	GWh	494	526	536	511
Total Volume of Electricity Self-Generated (PRODUCED)	GWh	145	178	181	203
Total Volume of Electricity Self-Generated (CONSUMED)	GWh	131.5	160	159	175
Total Electricity Consumption (purchased and self-generated)	GWh	625.5	686	696	686
Total Coal Consumption	tons	177 425	175 534	171 419	176 540
<b>CARBON FOOTPRINT</b>					
Scope 1	tCO <sub>2</sub> e	518 861	509 265	500 066	520 795
Scope 2	tCO <sub>2</sub> e	526 981	547 122	557 724	531 699
Carbon emissions – Scope 1 and 2	tCO <sub>2</sub> e	1 045 842	1 056 388	1 057 790	1 052 494
Carbon efficiency	tCO <sub>2</sub> e/PHW	0.025	0.025	0.026	0.025
<b>WATER</b>					
Total Water Consumption	Megalitres	131 506	125 745	135 395	147 772
Total Municipal Water Consumption	Megalitres	5 980	5 940	5 490	5 537
Total Borehole Consumption	Megalitres	732	661	700	811
Total Raw Water Consumption	Megalitres	124 770	119 145	129 205	141 424
Total Volume of Water Discharged	Megalitres	3 150	2 721	2 550	2 524
Water Efficiency – Average Volume of Water (litres) consumed per PHW	litres/PHW	3.124	3.015	3.310	3.574
<b>WASTE</b>					
Total volume of non-hazardous waste sent to landfill	tons	213 372	218 546	75 303	187 122
Total volume of hazardous waste sent to appropriate disposal sites	tons	279	359	863	21
Total waste from poultry farms	tons	142 451	129 756	118 528	125 066
Total waste from sugarcane farms	tons	NA	NA	NA	NA
Total volume of waste recycled	tons	7 007	4 037	3 674	2 643
Percentage of waste converted to energy, fertiliser or reused	%	90	90	90	92
Percentage of waste recycled	%	1	0.5	0.5	0.3
Percentage of waste diverted from landfill	%	91	90.3	90.6	92
Total volume of waste	tons	767 492	835 753	799 619	801 226
Waste efficiency	tons/PHW	0.018	0.020	0.020	0.019
Levies for non-compliance	Rand	5 955 000	7 648 000	824 000	1 659 000



OUR PERFORMANCE INDICATORS

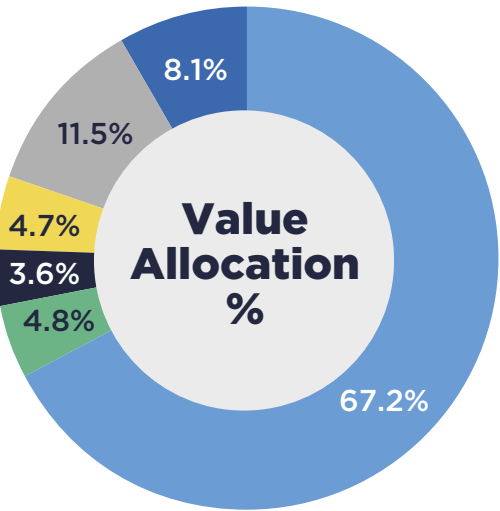
# OUR VALUE-ADDED SUMMARY

REVENUE ('000)	PAID TO SUPPLIERS ('000)	DIVIDEND RECEIVED ('000)	FINANCE INCOME ('000)
<b>R34 906 972</b>	<b>- R26 428 395</b>	<b>+ R70 421</b>	<b>+ R40 396</b>
(2021: R31 687 850)	(2021: R23 847 243)	(2021: R96 046)	(2021: R37 053)

Total value-added (R'000)

**= R8 589 394**

(2021: R7 973 706)



Allocated as follows (in R'000)

**EMPLOYEES**  
Salaries, wages and benefits

**R5 775 829**  
(2021: R5 279 384)

**GOVERNMENT**  
Tax

**R413 561**  
(2021: 338 824)

Providers of capital

**FUNDERS**  
Interest

**R311 622**  
(2021: R326 161)

**SHAREHOLDERS**  
Dividend

**R402 876**  
(2021: R225 316)

Reinvested in the business

**DEPRECIATION, AMORTISATION AND IMPAIRMENT**

**R989 841**  
(2021: R932 330)

**RETAINED (LOSS)/ EARNINGS**

**R695 665**  
(2021: R871 691)





# NOTES