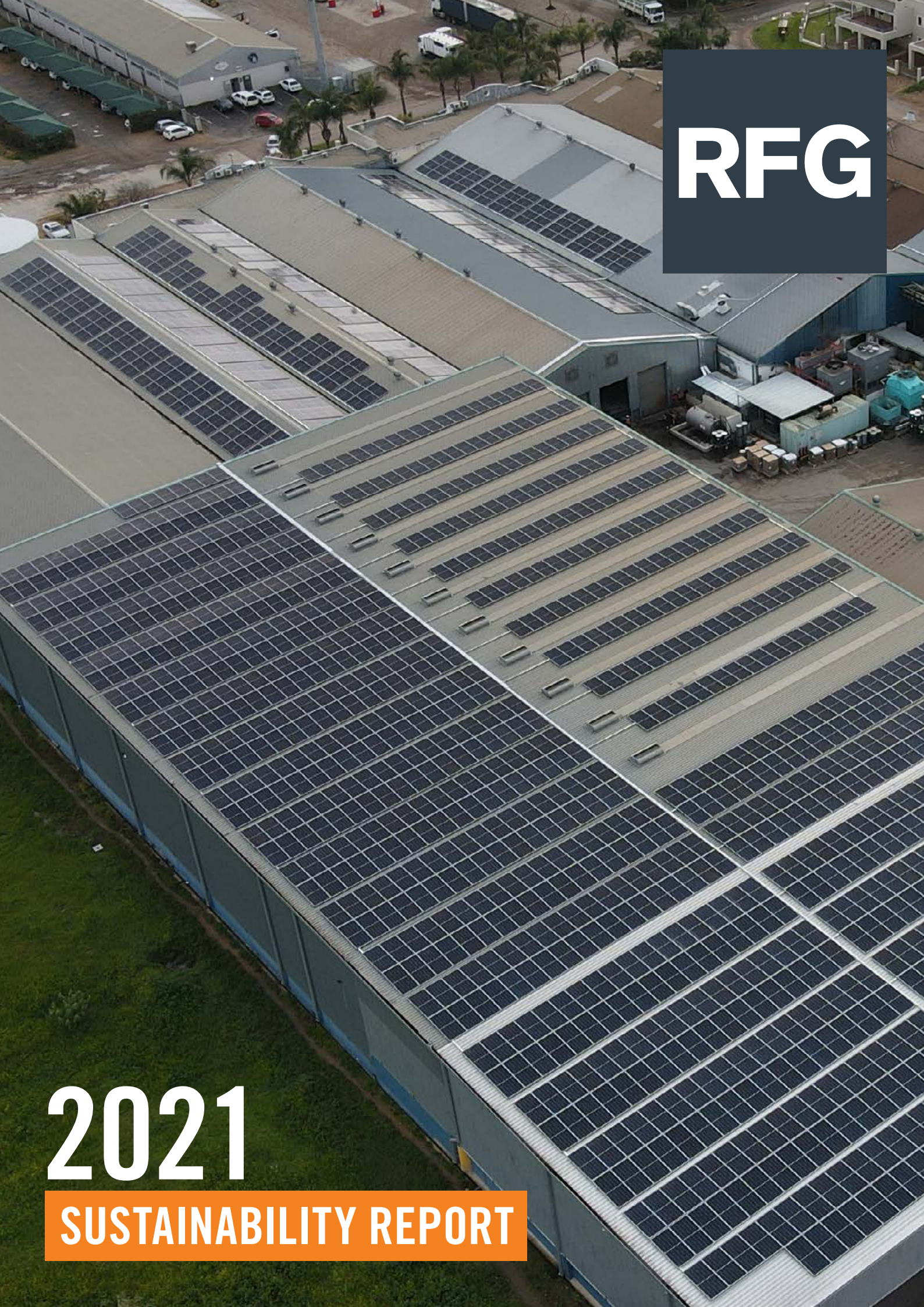


RFG

2021

SUSTAINABILITY REPORT

SUSTAINABILITY REPORT 2021

RFG is committed to responsible environmental, social and governance (ESG) practices. Governance practices are entrenched across the business in compliance with legislation and regulation, and in the application of the King IV Report on Corporate Governance.

In the next phase of the sustainability project the business will broaden the scope of environmental and governance issues into other social areas to ensure the sustainability of all the group's resources.

Social initiatives undertaken by the group are covered in the social and ethics committee report on pages 66 to 71 of the 2021 integrated report.

Environmental sustainability

Key developments in 2021

- Solar installation completed at the fruit juice plant in Wellington, becoming the first RFG site to move towards renewable energy.
- Additional boreholes sunk at the Limpopo and Krugersdorp facilities to further augment the supply of water to the sites.
- Rerouting of piping at the Krugersdorp plant resulted in substantial water savings at the site.
- A condensate return system was installed at the Limpopo operation to reduce water consumption, save energy, reduce chemical usage for water treatment and reduce carbon emissions due to more efficient utilisation of the coal fire boilers.
- New processing equipment, fitted with a water recirculation system, was installed at the salads and pickles plant in Bethlehem.
- Introduced continuous production runs at the flexible packaging plant at Groot Drakenstein, resulting in lower chemical usage, less effluent outflow and more efficient use of energy.
- Energy efficient cooling units were installed on the refrigeration plant at the juice products operation in Wellington to further reduce energy consumption.
- A project was undertaken at the Eswatini operation to produce compost from decomposing pineapple and citrus waste.
- Recycling of packing materials was introduced at the dry food operation in KwaZulu-Natal.
- Upgraded the boilers at the Groot Drakenstein site which resulted in more efficient boilers and lower carbon emissions, as well as energy and water savings.

As the business uses natural resources for food production it has a direct and indirect impact on the environment. Owing to the increasing pressure on natural resources and the environment, the group's sustainability strategy has until now largely been aimed at minimising negative impacts on the environment.

Population growth is generating increasing demand for our products. Consumers are increasingly considering the environmental and social aspects of food production and it is essential that our operations demonstrate responsible consumption and production practices.

On the supply side, there are concerns about declining yields, accessibility and cost competitiveness of inputs, due primarily to the effects of water shortages and climate change. These issues have far reaching implications for our business in terms of both opportunities and risks.

The sustainability of our business is therefore influenced by the health and productivity of the environmental systems which support us, and the international and national interventions to reduce environmental impact, including economic and behavioural disincentives, consumer activism and increasing regulation.

Environmental key performance areas

The group's sustainability programme focuses on areas over which the business has direct control.

Four environmental key performance areas (KPAs) have been identified:

- Water consumption;
- Energy consumption;
- Waste generation and management (solid and effluent); and
- Air emissions generation and management.

These apply to the group's operations across all geographical regions.

Measurement systems have been implemented for these four areas and targets have been developed to be achieved by 2025.

The KPAs are aligned to five of the United Nations Sustainable Development Goals (SDGs) which the group has identified as priorities:

Clean water and sanitation

Climate action

Affordable and clean energy

Life on land

Responsible consumption and production

SDG 6: CLEAN WATER AND SANITATION

Access and rights to water, the efficient use of the resource and the anticipated impacts of climate change on rainfall patterns are significant concerns for communities, civil society, government and business alike.

Water is a critical input in our production processes and water availability and the security of supply has been identified as the group's most significant environmental risk. While certain sites have a stable supply of water, we are vulnerable to a reduction in water availability or quality.

Activities undertaken to improve water security include:

- Improved monitoring of water consumption on production lines at all factories.
- Most manufacturing plants have boreholes to ensure security of water supply and to reduce dependence on municipal systems.
  - The Groot Drakenstein production hub has four boreholes which can meet the total water demand of the site.
  - The fruit products plant in Tulbagh has boreholes to augment river water supply and has improved its recycling system.
  - The Aeroton production site has boreholes which cater for 20% of the site's water requirements and act as a contingency when the municipal supply is down.
  - In the past year, boreholes were sunk at the Krugersdorp site. An investigation was conducted on water losses and the subsequent rerouting of pipework resulted in substantial water savings.
  - The vegetable products facility in Limpopo is largely supplied from a network of boreholes which are closely monitored to ensure that only sustainable yields are extracted. During the year, additional boreholes were sunk to further augment the water supply to the site. In addition, a condensate return system was installed to reduce water consumption, save energy, reduce chemical usage for water treatment and reduce carbon emissions due to more efficient utilisation of the coal fire boilers.
- New processing equipment, fitted with a water recirculation system, was installed at the salads and pickles plant.
- The fruit products plant in Eswatini has an alternative supply of river water to augment or replace the main supply system.
- Continuous production runs were introduced at the flexible packaging plant, resulting in lower chemical usage and less effluent outflow.
- Effluent is self-treated at four sites.

Treatment and reuse of wastewater is carried out as follows:

- At the Groot Drakenstein hub, all effluent is treated and used to irrigate pastures on the group's adjacent dairy farm.
- Wastewater from the fruit products plant in Tulbagh is treated and irrigated on surrounding lands which are leased to a neighbouring beef farmer for grazing.

The group recycled 7.4% (2020: 17.7%) of the fresh water used. River water, boreholes and other sources accounted for 56.7% (2020: 59.9%) of fresh water usage, with the balance being purchased water.

SDG 7: AFFORDABLE AND CLEAN ENERGY

Energy is a critical input into the production process and is also consumed in the manufacture of raw material inputs, the supply of utilities, the transport and refrigeration of products and the treatment of waste. RFG is committed to changing energy sources and introducing energy saving measures to minimise our environmental impact.

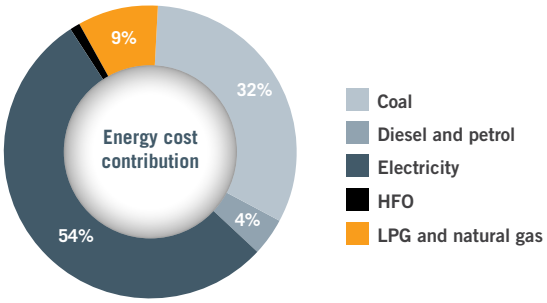
New technology was installed on high energy usage equipment to reduce energy consumption at some of the factories.

Energy efficient cooling units were installed on the refrigeration plant at the juice products operation in Wellington to further reduce energy consumption.

To reduce the group's carbon footprint and manage costs, evaluations have been conducted for the installation of solar power at all plants. Following this evaluation, the group completed the installation of a solar energy project at the juice products operation in Wellington in the current year. This is the first site to move towards green energy and the photovoltaic rooftop installation generates peak power output of 928 kilowatts. A new solar project is being considered for the meat operation in Krugersdorp and a biomass fuel project is being evaluated for the Eswatini operation.

Light-emitting diode (LED) technology has been implemented for lighting at all sites and motion sensors introduced to reduce energy usage. Energy efficient technology is continually implemented at all plants as part of new equipment procurement.

The following graph reflects the energy cost contribution per source for the 2021 financial year:



SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

There is increasing national and international focus on reducing food waste, wasteful or inefficient use of natural resources and the environmental and societal implications and impacts of waste disposal.

Fruit and vegetable raw materials are processed as fast as possible to maintain freshness and minimise losses. Within the production facilities, best practices and appropriate technologies are implemented to optimise yields, reduce micro spoilage and improve shelf-life, thereby minimising waste and warehouse spoils.

The dairy farm at Groot Drakenstein has implemented "green bedding", a process whereby separated manure solids are used as bedding for the dairy cows.

All sites recycle and re-use waste generated in the production process, with recycling programmes for plastic, cardboard and glass on site. Operations with food waste generally send the waste to farmers to use for animal feed.

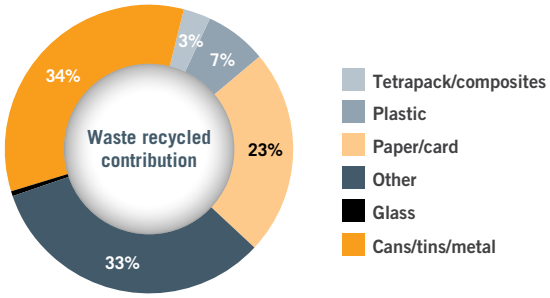
A high percentage of long life products are packed in glass and cans which contain high recycled content and are easily recyclable. Plastic cups are 100% recyclable, while a project on the recyclability of plastic lids is ongoing. While the lidding material has been developed, it is still undergoing further testing.

In 2021, 81.5% (2020: 44.6%) of waste was sold or used as a by-product, 5.3% sent to landfill and 13.1% (2020: 11.7%) recycled. A breakdown of the group's waste recycling is detailed in the accompanying graph.

A project was undertaken at the Eswatini operation to produce compost from decomposing pineapple and citrus waste. The compost is used on the pineapple farms with great success. The composting process, which is the main driver of the improvement in 2021, will be further improved in 2022.

Recycling of packing materials was introduced at the dry food operation in KwaZulu-Natal.

Boiler ash from the fruit plant in Tulbagh which was previously sent to landfill, is now recycled for brickmaking.



SDG 13: CLIMATE ACTION

Greenhouse gas (GHG) emissions arise from the use of fuels to produce energy, the use of land to grow crops, the application of fertiliser in the pineapple plantations in Eswatini and from the livestock at the group's dairy operations in the Western Cape.

Activities undertaken to reduce emissions include:

- Installation of a condensate return system at the vegetable products factory resulting in improved boiler efficiencies.
- Upgraded the boilers at the Groot Drakenstein site which resulted in more efficient boilers and lower carbon emissions, as well as energy and water savings.
- Insulation of unlagged steam lines at most factories.

Direct emissions, being fuel combustion, livestock and manure management and land use, comprised 22.3% (2020: 21.2%) of total emissions, with indirect emissions from purchased energy and electricity accounting for 77.7% (2020: 78.8%).

SDG 15: LIFE ON LAND

Appropriate farming practices are in place to prevent soil erosion and depletion at the group's pineapple plantations in Eswatini. New technology has been implemented to ensure efficient and responsible irrigation practices.

Measuring efficiency

Efficiency in the production process is determined by measuring the quantum of input used per kilogram of product output:

	2020	**2021**	% change	**2021 target**	**Variance to target (%)**	2025 target
Water usage intensity (kL/Tonne)	8.18	**7.17**	12.3%	6.81	(5.3%)	5.52
Electricity usage intensity (kWh/Tonne)	214	**203**	5.0%	200	(1.7%)	158
Waste to landfill intensity (kg/kg)	0.05	**0.01**	87.7%	0.04	83.0%	0.01
GHG emissions (Tonne CO_2/Tonne)	0.28	**0.29**	(1.9%)	0.26	(11.0%)	0.25

The 2025 targets reflected above were determined in 2018 when the above metrics were first measured. The 2018 and 2019 GHG emissions measurement of 0.46 was used to determine the 2025 target of 0.35. As this target has been successfully achieved for the past two years, the target has been revised to 0.25.

The group remains committed to improving its water and electricity usage efficiencies and achieving the targeted 25% reduction. Further environmental statistics are available on the following page.

Commitment to sustainability

In addition to the SDGs listed under environmental sustainability, RFG is active in the following:

Zero hunger

Good health and wellbeing

Gender equality

Commentary on these initiatives is contained in the social and ethics committee report on pages 66 to 71 of the 2021 integrated report.

The Covid-19 pandemic has had a devastating effect globally which has exacerbated the socio-economic challenges that the SDG agenda sought to address. Earlier adoption and implementation of the SDGs might have assisted with access to clean water and sanitation, medical treatment and online education, less women in danger, more agile and resilient businesses and more people able to adapt their way of working.

The board and management believe that encouraging progress has been made on sustainability issues, but as the risks posed by climate change, socio-economic challenges and political instability have become more apparent, the importance of further incorporating SDGs into the business has been highlighted.

We believe that a focused approach will deliver the best results and will continue to slowly expand our focus as we progress through our current initiatives.

RFG is committed to responsible business practices and as a good corporate citizen will continue to limit its environmental impact through more efficient use of natural resources and to enhance its management of social and governance issues, while also reducing operating costs to improve returns to shareholders.

ENVIRONMENTAL SUSTAINABILITY STATISTICS

ENERGY	2021	2020	UNITS	
Total direct energy consumption from renewable fuels burned	**0**	0	GJ	Scope 1 only
Total direct energy consumption from non-renewable fuels burned	**9 194 923**	8 266 342	GJ	Scope 1 only
Total direct and indirect energy consumption	**9 411 542**	8 266 342	GJ	Scope 1 and 2
Total volume of electricity purchased	**59 898**	68 495.8	MWh	Excluding self-generated from solar, wind or other sources
Total volume of electricity self-generated	**274**	0	MWh	Solar project implemented 1 July 2021
Total volume of electricity consumed	**60 172**	68 496	MWh	
GHG EMISSIONS				
Total carbon emissions	**851 998**	779 296	Ton CO_2e	Scope 1 only, including mobile usage
WATER				
Total volume of water consumed – new purchases and abstractions	**2 148 248**	2 323 807	kL	Excluding recycled water used
WASTE				
Total volume of waste sent for recycling	**3 974**	3 855	Tons	Recycled to formal recycling institutions
Total volume of waste sold as byproducts for re-use purposes	**30 491**	15 451	Tons	Ash, kernels, whey, manure and composting
Total volume of waste disposed sent to landfill	**1 985**	15 083	Tons	
Total volume of non-hazardous waste disposed	**36 450**	34 389	Tons	
Total volume of hazardous waste disposed	**10**	13	Tons	

Cover image

Commitment to renewable energy

As part of the commitment to minimising its environmental impact by adopting renewable energy and introducing energy saving measures, RFG investigated the installation of solar power at all its production facilities. The first site to move towards green energy was the juice products factory in Wellington in the Western Cape with a solar rooftop installation which generates peak power output of 928 kilowatts. The group is evaluating a solar power project for the meat products factory in Krugersdorp and a biomass fuel project for the Eswatini plant.

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