



2023 SUSTAINABILITY REPORT



SUSTAINABILITY REPORT

RFG’s integrated environmental, social and governance strategy has been aligned with five of the United Nations Sustainable Development Goals where the group can make a meaningful contribution to addressing environmental and societal challenges.

Sustainable development is defined as *development that meets the needs of the present without compromising the ability of future generations to meet their needs*. The King IV Code on Corporate Governance (King IV) recommends that sustainable development be considered within the triple context of the economy, society and the natural environment in which an organisation operates. The South African Companies Act, 2008 reaffirms the concept of the company as a means of achieving economic and social benefits.

RFG recognises that sustainable development is an essential element of the value creation process and is committed to responsible environmental, social and governance (ESG) practices.

In preparing this report consideration has been given to the following:

- United Nations Sustainable Development Goals (SDGs)
- National Development Plan
- Institute of Directors (IODSA) paper: King IV and the SDGs
- IODSA King IV guidance paper: Responsibilities of governing bodies in responding to climate change
- IODSA: Climate change risk and responses guide
- Presidential Climate Commission: Just Transition framework
- JSE: Sustainability and climate disclosure guidance papers
- Recommendations of the Task Force on Climate-related Financial Disclosures

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

SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations member states in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs which recognise that “ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth, all while tackling climate change and working to preserve our oceans and forests”.

The SDGs emphasise the interconnected environmental, social and economic aspects of sustainable development, by putting sustainability at their centre. The SDGs are defined in a list of 169 targets.

RFG can have a material impact on specific SDGs through:

- food manufacturing, by modifying products as well as farming, production and marketing processes, including how the business engages with stakeholders in its value chains;
- innovation and new markets, by looking at the evolving priorities of current and future customers and consumers to improve societal impact;
- operations, by implementing and enhancing policies relating to employee welfare such as employee equity and income parity as well as internal resource efficiencies; and
- strategic corporate social investment (CSI), by deploying social development expenditure in a manner that enhances the group’s impact through collaboration.

RFG has identified priority SDGs where it can make a meaningful contribution to addressing environmental and social challenges. These priority goals are separately listed under the environmental sustainability and social sustainability reports below and the alignment of RFG’s initiatives to specific SDG targets are referenced throughout the report.

SUSTAINABILITY GOVERNANCE

RFG recognises that sustained value creation is founded on good governance and responsiveness to significant social and environmental challenges and opportunities.

Responsibility for the oversight of sustainability-related issues is delegated by the board to the social and ethics committee. The committee aims to ensure that the group’s activities support its role as a responsible corporate citizen and assist the board in creating an appropriate environment for an ethical organisational culture by overseeing the group’s conduct, approach and manner in which the business is conducted with due regard to value creation in society.

In discharging its responsibilities to the board and shareholders the committee:

- Oversees and reports on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships.
- Considers environmental, health and safety issues, including climate change, and in particular, the impact of the company’s activities, products or services.

SOCIAL RESPONSIBILITIES
of the committee include oversight of the following:

- Inclusion, incorporating transformation
- Employee value creation
 - » monitor employees’ freedom of association and effective recognition of the right to collective bargaining;
 - » monitor the group’s standing in terms of international protocols on decent work and working conditions;
 - » monitor adherence to the group’s ethical standards by employees and other relevant stakeholders;
 - » review the impact assessment of training programmes; and
 - » review an analysis of the income differentials and the progress to close identified gaps.

ENVIRONMENTAL RESPONSIBILITIES
of the committee include:

- Review approach to environmental challenges
- Review initiatives to promote greater environmental responsibility
- Confirm the development and application of environmentally friendly technologies

Recognising the segregation of roles between the board and management, an environmental and sustainability committee was established, with extensive technical expertise.

Environmental sustainability

RFG is committed to achieving a sustainable food value chain by minimising environmental impacts of the day-to-day operations and increasing operational efficiency for cleaner production lines.

The management environmental and sustainability committee drives the group’s environmental management and compliance objectives, which are as follows:

- Compliance with the National Environmental Management Act (NEMA) and all applicable environmental legislation, regulations and other requirements and where reasonably practicable, promote environmental standards which exceed the legal requirements.
- Set and regularly review environmental sustainability objectives and targets which are integrated into the group’s strategic objectives.
- Identify the environmental impacts of the group’s current and future activities, develop appropriate procedures and programmes for managing environmental risks.
- Monitor their implementation and effectiveness to ensure continual improvement with environmental management programmes.

ENVIRONMENTAL MANAGEMENT AT RFG

Environmental management encompasses all the processes, data capture and measurement systems and personnel training that have been implemented across the group’s operations to comply with environmental legislation.

Objectives were set to ensure that employees are familiar with the group’s environmental policy, trained to comply with any environmental management protocols, and encouraged to fulfil their environmental responsibilities.

The group also recognises its responsibility to promote environmental management standards that go beyond the legal requirements, and to support local and international voluntary agreements.



Understanding that food production and agriculture are natural resource intensive, and that environmental factors such as climate change put natural resources under stress, the group has implemented reduction targets under four key environmental performance areas (KPAs).

THE KPAs IDENTIFIED ARE:

- 1 Waste management
- 2 Water consumption
- 3 Energy consumption
- 4 Air emissions management

THE KPAs ARE ALIGNED TO FIVE OF THE SDGs WHICH THE GROUP HAS IDENTIFIED AS PRIORITIES:



These four KPAs apply to all operations across the group. Group reduction targets have been set for each KPA for 2025 and data capture and processing systems have been established to monitor the group’s environmental performance and progress. Each operation has specific reduction targets.

The group’s short-term incentive scheme has been aligned with the environmental sustainability objectives. The group’s score for performance against the four environmental KPAs is applied as a non-financial measure in determining incentive payouts.

ENVIRONMENTAL KEY PERFORMANCE AREAS

Metric	MEASURING EFFICIENCY	Unit	Target for 2025	2023			
				2023	2022	2021	2020
1 WASTE MANAGEMENT	Tons of waste generated/ton of production: Measures the amount of waste sent to landfill, for every ton of production.	Ton	0.01	0.004	0.006	0.007	0.053
2 WATER CONSUMPTION	Kilolitres/ton of production: Measures the amount of water used for every ton of production.	Kl	5.52	7.31*	6.63	7.17	8.18
3 ENERGY CONSUMPTION	kWh/ton of production: Measures the amount of electricity being used for every ton of production.	kWh	158	169	196	203	214
4 AIR EMISSIONS MANAGEMENT	Tons CO ₂ /ton of production: Measures the amount of carbon dioxide being generated for every ton of production.	CO ₂ tons	0.25	0.26	0.29	0.29	0.28

* Water consumption adversely impacted by a change in product mix.

Efficiency measurements under each KPA are reviewed annually and targets are amended based on the environmental performance under each KPA.

1 WASTE MANAGEMENT



OBJECTIVE

Promote a circular economy with waste streams by minimising and diverting waste from landfill through alternative waste treatment initiatives and improving packaging design for recyclability.
Prevent food waste from going to landfill and donate any edible food surplus to under-resourced schools and community initiatives.

RFG's waste management efforts support SDG target 12.5 which aims to substantially reduce waste generation through prevention, reduction, recycling and reuse by 2030.

Landfill sites in South Africa are under pressure, with limited space available. Eswatini only has six commissioned and managed sanitary landfill sites. Understanding these landfill challenges and knowing that waste has the potential to adversely impact the natural environment when not managed correctly, the group's waste management approach looks at reducing and repurposing waste streams and maximising recycling systems where possible.

Key waste management developments for the past financial year:



SOLID WASTE AND RECYCLING

- Currently 95% of waste generated at the Groot Drakenstein plant is reused on-site or recycled, with only 5% sent to landfill.
- New separation of source projects have been implemented at the fresh foods operations at Groot Drakenstein, Aeroton and Linbro Park, resulting in a significant increase in recycling of raw material packaging.
- Ongoing research and development is carried out to inform packaging design for recyclability to comply with the National Environmental Management: Waste Act's extended producer responsibility (EPR) regulations.
- A wooden pallet repurposing initiative has been implemented at the majority of sites where pallets are donated to local communities or to staff as building materials or collected by local furniture makers.
- At Eswatini, all raw material metal drums are donated to local communities for water collection.

Volume of materials recycled (tons)	2023	2022	2021
	2 628	2 444*	2 351*

* Restated

As we succeed in reducing the amount of waste generated, we are also seeing a decline in the amount of product that is recycled.



FOOD AND ORGANIC WASTE MANAGEMENT

- The group is a core signatory of the South African Food Loss and Waste Agreement and is committed to reducing its food waste by 50% by 2030.
- Through redistributing non-marketed food products to local charities, Groot Drakenstein currently sends no food waste to landfill.
- At the Groot Drakenstein dairy farm cow manure is collected, processed and re-used.
- The Eswatini facility composts all organic waste from the pineapple factory in windrows.

Food loss and waste is a major environmental and social issue in South Africa. Many South Africans experience food shortages and hunger. Food waste, when discarded in landfill, decomposes to produce methane (greenhouse gas). Understanding the urgent need to address food loss and waste, the group has become a signatory of the South African Food Loss and Waste Agreement which is co-led by the Consumer Goods Council of South Africa, the Department of Trade, Industry and Competition and the Department of Environment, Forestry and Fisheries. As a core signatory to the agreement, the group is committing to reduce food waste by 50% by 2030 and to report on progress annually. This agreement is aligned to SDG target 12.3 which aims to 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.

The key activities for 2023 under this commitment support SDG target 2.1 which aims to end hunger and ensure access by all people to safe, nutritious and sufficient food year around. Activities include:

- Groot Drakenstein distributes excess food product to the Pebbles Project nutrition programme, a local charity which enables children from farming communities to access quality education programmes and health, nutrition and social work services. Milk, cream and yoghurt from the dairy at Groot Drakenstein are also donated to this charity.
- Additionally, 380 000 meals were distributed to unregistered early childhood development centres in Helderberg, Kayamandi, Klapmuts and Franschhoek in the Western Cape.
- At the ready meals factory in Aeroton and pies and pastries factory in Linbro Park, excess food product is donated to Meals on Wheels and TLC Children's Home. Over 3 000 kg of food was donated in the reporting period.

- Excess products at the pineapple and jam canning factory in Eswatini were donated to 17 organisations, including Neighbouring Care Point centres and rural schools in the region, with 89 tons donated in the past year.
- The dry foods factory in Durban donates excess products to Gift of the Givers who redistribute food parcels to people in need.
- Short-dated stock that is within 90 days of expiry is sold to a network of job-lot customers across South Africa. This stock is then sold to wholesale and informal markets before expiry.



WASTEWATER/EFFLUENT TREATMENT

- An advanced wastewater treatment system has been commissioned at Groot Drakenstein. The first stage of the treatment process removes fats and solids from the wastewater. Once treated, the effluent stream is discharged into a pond system. In the first pond, anaerobic treatment lowers the levels of organic contaminants. In the second pond, further contaminants are removed through an aerobic treatment process, where oxygen is added to the water body. In the final pond, water is stored for irrigation.
- The majority of the group's plants have commissioned on-site wastewater treatment plants to remove fats and solids, and to adjust the alkalinity (pH levels).

These activities support SDG target 6.3 which aims to 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 by 2030.



ASH TREATMENT

Ash from boilers is being repurposed for brick making at all sites. Ash from the boilers at the fruit products factory in Eswatini is repurposed for local road maintenance.

In line with the objective for waste management, the group is implementing a circular system for all waste streams to reduce the amount of waste sent to landfill.

Waste stream	Volumes (tons)				
	2023	2022	2021	2020	
Waste to landfill	1 480	1 999	1 985	15 083	
Waste reused/repurposed	33 163	33 005	30 491	15 451	Ash, kernels, whey, manure and composting
Total volume of waste sent for recycling	3 171	3 457	3 974	3 855	Recycled to formal recycling institutions
Sum of non-hazardous waste disposed	37 814	38 461	36 450	34 389	

2 WATER CONSUMPTION

6 CLEAN WATER AND SANITATION
SDG 6:
CLEAN WATER AND SANITATION

OBJECTIVE
Conserve water sources by designing systems that reduce water usage, avoid water wastage and recycle water where possible.

Food production is water and resource intensive. The group's focus to conserve water resources has been to optimise production lines to reduce the water demand and to improve system and infrastructure monitoring to identify unnecessary water wastage. This supports SDG target 6.4 which aims to substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity.

Water usage (Kilolitres)	2023	2022	2021
Total volume of water used, including municipal and abstraction	2 353 234	2 050 077	2 148 248

Water availability and the security of supply has been identified as a significant environmental risk for the business. While certain sites have a stable supply of water, the group is vulnerable to a reduction in water availability or quality. Quality initiatives are reflected under waste management.

Most plants are reliant on municipal water supply, and where feasible, boreholes have been commissioned and storage tanks installed. Activities undertaken to improve water security include:

- The fruit juice factory in Wellington draws 70% of its water supply from four boreholes on site.
- The fruit products plant in Tulbagh receives its water supply from a mountain stream.
- The vegetable plant in Limpopo has eight boreholes on site where the water is treated to be made potable.
- Rainwater is harvested for greywater use at the dry foods factory in Durban.
- At the pineapple farms in Eswatini irrigation canals have been built which make use of the site's natural depressions.



- At both pineapple farms (Siphofaneni and Malkerns), 30 metre buffer zones have been set to protect natural water sources.
- At the pineapple factory pressurised spray nozzles have been installed at the fruit washing plant to save water. Water used to wash the belt press at the juicing plant is recycled. Water from the cooker is directed to the water treatment plant for recirculation. The on-site water treatment plant makes use of advanced sand and carbon filters to remove contaminants and make the water potable. Waste silos have been modified to avoid clogging. As a result, less water is used to wash the silos to remove excess organic waste.
- At the meat products factory in Krugersdorp, all water lines have been moved above ground to improve leak detection and to avoid unnecessary water wastage.
- At the Aeroton site water interruptions reached critical levels as a direct result of the elevated levels of load shedding.
- Two 200 000 litre capacity water buffer tanks provide water for 24 to 36 hours for the Aeroton factories. The local municipality has installed a generator at the water tower adjacent to the site to ensure that the water pumps continue to operate during load shedding.
- Water shortages also occur at the Krugersdorp plant due to load shedding. This is mitigated by two additional water storage tanks as well as an electrical booster pump.
- A water recovery project at the pulps and purees factory recovers water from fruit washing to be redirected to wash bins.
- A borehole monitoring programme has been commissioned at the Groot Drakenstein site to assess the time the water table and installed borehole takes to recover. This informs the borehole use to avoid stress on the underlying aquifer.



3 ENERGY EFFICIENCY

7 AFFORDABLE AND CLEAN ENERGY
SDG 7:
AFFORDABLE AND CLEAN ENERGY

OBJECTIVE
Implement energy efficient technology and processes to minimise energy consumption where feasible.

Implementing energy efficient technology and processes and shifting towards renewable energy sources is a priority for the group. All sites collect and report on energy consumption data which allows management to review usage and identify ways to reduce consumption. Energy consumption at each operation is affected by seasonality, demand and production levels. Each production facility therefore has specific energy intensity reduction targets, essentially aiming to reduce the amount of electricity that is being used for every ton being produced.

South Africa continues to experience an energy crisis with the national grid subject to widespread load shedding. To ensure that production is not interrupted, all South African operations have backup generators on-site. In 2023 the group significantly accelerated its renewable energy infrastructure programme with four new solar photovoltaic (PV) installations, battery energy storage solutions and inverters. Solar energy solutions have been installed at seven production facilities as well as the dairy farm, with a further four solar installations planned for 2024. It is in the group's interest to invest in renewable energy technology to ensure reliable energy resources that are also cleaner and have a lower carbon footprint. Only three sites will not be solar enabled by the end of the 2024 financial year.

This is aligned with SDG target 7.2 which aims to substantially increase the share of renewable energy in the global energy mix as well as SDG target 7.3 which aims to double the global rate of improvement in energy efficiency.

Key developments in implementing energy efficient technology and processes for the past financial year:

- The group's first solar installation at the juice plant in Wellington has been operational for two years, supplying the factory with a portion of its energy demand. The energy output during the summer months increases and the factory draws more solar power. This is the first site to move towards green energy and the PV rooftop installation generates peak power output of 928 kilowatts. During 2023, phase two of the installation was successfully commissioned, adding 777 kilowatts of solar energy to the plant.
- A large-scale solar PV installation was completed at Groot Drakenstein and is currently in its commissioning phase. This forms part of phase one of the planned solar PV project for the site. Phase two will see a ground mounted installation due for completion in March 2024. The completed system will supply 42% of Groot Drakenstein's energy demand.
- All facilities have continued converting lighting to LED, a more energy efficient lighting source. Motion sensors have also been introduced to reduce energy when lighting is not required.
- Skylights have been installed at different factories to promote natural lighting and reduce the need for electrical lighting.
- Most sites have been installed with solar powered perimeter lights to supplement outdoor lighting requirements.
- The lagging and cladding on steam and refrigeration lines have been upgraded at most sites, to reduce energy losses.

Energy usage		Quantity			
Energy sources	Units	2023	2022	2021	2020
Total direct energy consumption from renewable fuels burned	GJ	0	0	0	0
Total direct energy consumption from non-renewable fuels burned	GJ	1 106 665	1 032 334	952 774*	882 938
Total direct and indirect energy consumption	GJ	1 298 667	1 253 729	1 169 392*	1 097 382
Total volume of electricity purchased	MWh	51 426	60 268	59 898	59 568
Total volume of electricity self-generated	MWh	1 908	1 230	274	0
Total volume of electricity consumed	MWh	53 334	61 499	60 172	59 568

* Restated

Electricity (MWh) generated from solar PV installations:

Site	2023	2022	2021
Fruit juice – Wellington	1 151	1 230	274
Meat products – Krugersdorp	500	0	0
Vegetable products – Limpopo	223	0	0
Dairy farm – Groot Drakenstein	34	0	0
Total volume of electricity self-generated	1 908	1 230	274

Less electricity was generated at the juice plant in 2023 due to longer periods of cloudy weather experienced than in 2022.



4 AIR EMISSIONS MANAGEMENT



SDG 13:
CLIMATE ACTION

OBJECTIVE

Reduce greenhouse gas emission by investing in renewable energy technology and optimised processes.

Climate action is crucial to conserve natural resources, regulate normal weather patterns and to prevent prolonged periods of drought. South Africa has witnessed the impacts of climate change, from being a water scarce country and experiencing drought, to the extreme of experiencing severe flooding. The effects of climate change impact our business by reducing agricultural yields, limiting access to critical natural resources and affecting fruit and vegetable crops which form a major part of the group's raw material purchases for use in production.



GOVERNANCE OF CLIMATE CHANGE

The board has a critical role to play in responding to climate change as a business imperative.

The board is responsible for:

- Governance oversight of climate-related risks and opportunities
- Considering the impacts of these on the group's operations, strategy and financial planning

The audit, risk and information technology committee is responsible for:

- Overseeing the identification, assessment and management of climate-related risks
- Determining the appropriate disclosure of the financial impact of climate-related risks and opportunities

The social and ethics committee is responsible for:

- approving and monitoring the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Executive management is responsible for:

- Compliance with changing regulations
- Addressing customer and investor expectations
- Conducting risk assessments and developing action plans to mitigate risks
- Determining appropriate goals and targets
- Committing resources (capacity/budget) to enable transition
- Understanding the social issues that will be impacted
- Investing in skills and enterprise development
- Communicating commitments and action plans effectively

The environmental and sustainability committee is responsible for:

- Assisting executive management in fulfilling the group's environmental and sustainability objectives
- Making recommendations on environmental and sustainability matters, including key targets and performance indicators
- Overseeing the effective implementation of the group's sustainability strategy

The group's strategy to reduce its carbon footprint and greenhouse gas (GHG) emissions is to transition to renewable energy technology where possible, reducing reliance on fossil fuel burning equipment. Technology upgrades have been implemented to improve processes and production efficiency, and steam line insulations to reduce the heat emitted from boilers.



GHG emissions are impacted by the use of backup generators at production facilities to mitigate excessive electricity load shedding.

GHG emissions	2023	2022	2021	2020
Total carbon dioxide emissions (CO ₂ e) – tons CO ₂ e emitted	85 607	94 771	86 497	80 835

The group’s carbon footprint includes both direct and indirect emissions. Direct emission sources are categorised as scope 1 emissions according to the GHG Protocol. This includes emissions from company-owned fuel combustion equipment, livestock and manure, and land use activity. Indirect emission sources are categorised as scope 2 as per the GHG Protocol. This includes emissions from purchased energy and electricity. To calculate scope 1 emissions for diesel, heavy furnace oil, petrol, paraffin and liquified petroleum gas, country-specific emission factors were used against the total amount of this fuel type burned. To calculate scope 1 emissions for natural gas, Intergovernmental Panel on Climate Change (IPCC) emission factors were applied. To calculate scope 1 emissions for coal, quality certificates were collected from suppliers to get the carbon content and calorific value of coal. All the group’s suppliers are registered with the South African Greenhouse Gas Emissions Reporting System (SAGERS).

GHG emissions	2023	2022	2021	2020
Scope 1 (direct)	62%	61%	59%	58%
Scope 2 (indirect)	38%	39%	41%	42%

The group’s environmental and sustainability committee recognises the importance of an ongoing assessment of the KPA data to review and improve the performance of each operation. Continuous improvement not only contributes to improved environmental management, but also reduces operating costs and improves returns for shareholders in the longer term. The group plans further investment in renewable energy infrastructure and other environmental sustainability initiatives in 2024 which include:

- Phase two of the solar PV system at Groot Drakenstein, a ground mounted installation, which is due for completion in March 2024.
- Additional solar installations will be completed in 2024 at the ready meals and pies operations on the Aero-ton site, the pies and pastries facility in Linbro Park and the fruit products Western Cape operation in Tulbagh.
- Appointing a Head of Sustainability to implement additional programmes to further minimise the environmental impact of the group and improve its long-term sustainability.
- Setting science-based targets for GHG emission reductions by 2030.

SUSTAINABLE FARMING PRACTICES IN ESWATINI



RFG recognises its responsibility to implement sustainable agricultural practices across its two pineapple farms: the 685-hectare pineapple plantation in Siphofaneni and 745-hectare plantation in Malkerns. The combined annual harvest of these sites was 42 000 tons for the 2022/2023 season. Each farm is located in different ecological zones, therefore careful consideration is given to the soil, plant and water requirements of each site, which is based on the climate in these areas.

Siphofaneni has a warmer climate, low altitude and moderate rainfall throughout the year. Pineapple crops grow quicker in this region compared to Malkerns. Irrigation is only carried out according to the rainfall received and the measured water retention in the soil.

Pineapple crops are grown and harvested in two stages, known as the plant crop and ratoon crop. The plant crop is grown from a newly planted pineapple crown and will generate the first fruit. The ratoon crop is the secondary crop that grows after the first fruit harvest. The ratoon crop will produce the second fruit, or fruits. Each farm follows a different planting and harvesting cycle that is specifically designed according to the climate of the region. Malkerns follows a total five-year cycle between plantings and Siphofaneni follows a four-year cycle.

Stage	Description	Malkerns timeline	Siphofaneni timeline
Plant crop grow	Time required to grow a mature plant for fruiting	14 months	12 months
Plant crop fruit	Time required to grow the full fruit for harvesting	9 months	8 months
Ratoon crop grow	Time required to grow the mature ratoon crop for fruiting	12 months	12 months
Ratoon crop fruit	Time required to grow to full ratoon fruit for harvesting	9 months	8 months
Fallow	Time required to restore the soil before the next cycle	16 months	8 months
Total cycle		60 months	48 months

Once the ratoon crop fruit has been harvested, the field will go into its fallow stage during which a mulcher will break down the crops and reintegrate the organic mass back into the soil. At Malkerns the fields are restored for 16 months while at Siphofaneni, the fields are restored for eight months before the next planting cycle starts.

COMPOSTING AND SOIL MANAGEMENT

All the organic waste generated at the fruit products factory is collected and placed into composting windrows located on a section of the Malkerns farm. These windrows consist of compost that is made up of 75% factory organic waste and 25% chicken manure. Occasionally saw dust is mixed in to increase the carbon content. A new compost turner has been purchased to turn the compost once per week to aerate the mass and promote biodegradation and beneficial microbial growth. A barrier has been constructed around the composting site to prevent unwanted seepage into the bordering Mlilwane River.

Compost is ready for use after eight weeks. Before it is applied to the land, samples are tested for traces of heavy metals and to determine the nutritional and mineral values of the compost. After testing, compost is carefully applied according to an application plan. The average compost application on the farms is 10 tons per hectare.



WATER MANAGEMENT

Pineapple is considered to be a water efficient crop and is mostly rain fed. At both farms, regular soil testing is conducted using probes that measure the microbiology and moisture content. Plants are also carefully monitored for signs of water stress. Based on these assessments, the irrigation needs will be determined for each farm.

Irrigation canals that source water from the Great Usutu River are the main water supply for Siphofaneni. Two reservoirs have been constructed to store water.

As pineapple can be prone to phytophthora root rot, crops are planted on elevated ridges to avoid water saturation near the roots.

RAINFOREST ALLIANCE CERTIFICATION

In 2023, RFG Eswatini achieved its Rainforest Alliance Certification. To acquire this certification our operations were evaluated to assess compliance for social, economic and environmental sustainability. Complying with the Rainforest Alliance Certification, no highly hazardous pesticides that pose a risk to the environment are used on the farms. Soil preparation, plant health management and harvesting are carried out in accordance with the certification.

FROM FARM TO FACTORY

All harvested pineapples are processed at the fruit products factory in Eswatini. Pineapples are graded according to size. The largest fruit is used for premium products such as pineapple rings in the larger can sizes. The medium size fruit is used for canning and fruit cups and the smaller fruit is used for juicing. All operations and processes within the factory are designed to reduce organic waste and water usage along the production lines.



ANIMAL WELFARE AT GROOT DRAKENSTEIN DAIRY FARM

RFG's Ayrshire stud dairy farm in Groot Drakenstein has significantly invested into the farm and equipment to create optimal conditions for the herd. Careful attention is given to animal health and comfort. Each cow is monitored via an electronic tag that measures activity, body temperature, general comfort levels and the absence of stress. These tags will also indicate when a cow is in heat. The dairy farm subscribes to the internationally recognised five freedoms for animal welfare:

- 1. Freedom from hunger and thirst.
- 2. Freedom from discomfort.
- 3. Freedom from pain, injury or disease.
- 4. Freedom to naturally roam.
- 5. Freedom from fear and distress.

The cow feeding lot has been installed with cooling fans and sprinklers to regulate temperature. All feed is natural and is sourced from a local supplier. Feed ratios are determined for different cow groups to give them the best food and nutrient supply according to their lactation cycle or pregnancy stage.

All cows are rBST hormone free and left to grow and produce milk naturally. The end product is therefore completely growth hormone free.


Social sustainability
EMPOWERMENT AND TRANSFORMATION

The group subscribes to the philosophy of broad-based black economic empowerment (BBBEE) and is committed to the spirit and principles of the BBBEE Act as well as compliance with the AgriBEE codes, which relate specifically to the agricultural and food production sector.

Management believes that development, transformation, empowerment and economic growth are complementary imperatives and the group aims to foster transformation through its business activities and by contributing to the broader society.


RFG's EFFORTS ARE ALIGNED TO SIX SDGs WHICH THE GROUP HAS IDENTIFIED AS PRIORITIES:

ZERO HUNGER	GOOD HEALTH AND WELL-BEING	QUALITY EDUCATION	GENDER EQUALITY	DECENT WORK AND ECONOMIC GROWTH	REDUCED INEQUALITIES
2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH 	10 REDUCED INEQUALITIES 

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The group's transformation strategy is focused on four key stakeholder groups:
- **SHAREHOLDERS** – seeking to deliver competitive long-term returns and to attract a diversified shareholder base.
 - **EMPLOYEES** – focus on employment equity-based placement practices, skills training and employee development.
 - **SUPPLIERS AND BUSINESS PARTNERS** – developing meaningful and enduring business partnerships that will provide value creating opportunities.
 - **THE COMMUNITY** – contributing to the development and upliftment of communities in need.

RFG attained 97.57 points on the amended AgriBEE sector code and maintained its level 2 BBBEE rating. The rating was independently verified by Honeycomb BEE Ratings, a SA National Accreditation System verification agent.

The group's short-term incentive scheme has been aligned with the transformation and empowerment objectives. The group's score for performance against the preferential procurement, enterprise and supplier development, and management control elements of the AgriBEE sector codes is applied as a non-financial measure in determining incentive payouts.

BBBEE scorecard						
Element	Maximum score	2023	2022	2021	2020	2019
Ownership	25	18.63	18.30	17.01	15.45	6.02
Management control	19	10.88	9.72	8.93	10.60	11.50
Skills development	20	15.92	16.45	15.27	16.73	15.11
Preferential procurement and enterprise development	40	37.21	37.67	35.67	33.62	24.63
Socio-economic development	15	14.92	14.07	15.00	15.00	11.87
Total	129	97.57	96.21	91.88	91.40	69.13
BBBEE level		2	2	3	3	8

OWNERSHIP

RFG’s score for the BBBEE ownership element has continued the improvement experienced since 2020, increasing to 18.63 points against 18.30 points in 2022.

Management notes that the group’s overall BBBEE rating may fluctuate from year to year as the ownership score is sensitive to changes in the group’s institutional shareholding and is dependent on the BBBEE status of its shareholders.

MANAGEMENT CONTROL AND EMPLOYMENT EQUITY

Black non-executive directors accounted for 56% (2022: 40%) of the board, with five black non-executive directors, including a black female chairperson. Female directors comprise 44% (2022: 30%) of the board, supporting SDG target 5.5 which aims to ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making.

RFG’s score for this element increased to 10.88 points from 9.72 points in 2022, with improved performance on most management levels.

In accordance with the guidance of the BBBEE Act and SDG 10 on reduced inequalities, diversity targets are set for each level of management against a timeline, using the group’s revised employment equity plan for 2024 as a basis for determining targets. A talent and learning strategy was developed to identify skills gaps and development needs to facilitate the achievement of the targets. Talent assessments have been conducted to form a base for succession planning for top and senior management levels. Assessments will also be conducted on the next levels of management to identify training needs to meet succession planning needs. In the year ahead, organisational transformation will remain a focus.

Labour statistics	2023	2022	2021	2020
Total number of permanent employees	3 488	3 427	3 378	3 430
Total number of contractors	1 749	1 972	1 770	1 062
Total number of employees and contractors	5 237	5 399	5 148	4 492
Total number of employees and contractors operating in South Africa	4 188	4 482	4 285	4 211
Percentage of management (top and senior) deemed a historically disadvantaged South African person (HDSA)	45%	37%	37%	37%
Percentage of management (top and senior) who are women	23%	20%	21%	21%
Percentage of total employees who are deemed HDSA	97%	97%	97%	97%
Percentage of total employees who are women	45%	48%	46%	47%
Percentage of total employees who belong to a trade union	34%	38%	43%	37%
Employee turnover (number of persons who departed relative to the total number of employees at year end)	10.3%	9.5%	10.1%	11.3%
Total number of person hours worked	14 550 869	14 752 328	13 020 280	13 809 247
Total number of person days lost due to absenteeism	39 686	34 540	56 323	47 297
Total number of person days lost due to industrial action	–	1 160	11 112	3 600

SKILLS DEVELOPMENT

The group invested 3.3% (2022: 2.5%) of its annual payroll on the training and development of black employees.

Black employees on learnerships comprise 8.8% (2022: 5.6%) of the workforce, with the number of women participating in learnerships being 4.7% (2022: 3.4%) of total employees.

The score for the skills development element has decreased from 16.45 points in 2022 to 15.92 points in 2023.

Skills development is a key enabler to the ongoing growth and transformation of the business. A talent and learning strategy was developed to identify skills gaps and development needs. Extensive learnership programmes are offered to employees, including programmes for people with disabilities, where significant progress has been made. This supports SDG target 4.4 which aims to substantially increase the number of people who have relevant skills for employment.

The group operates an adult education and training programme (ABET) across its operations, aimed at teaching adult learners reading, writing and numeracy skills. After completing the programme employees are enrolled in the food and beverage handling processes programme. A total of 50 learners have completed the ABET programme, with 90 learners currently enrolled on the programme. This supports SDG target 4.6 which aims to ensure that all youth and a substantial proportion of adults achieve literacy and numeracy.

Training	2023	2022	2021	2020
Total number of employees trained, including internal and external training interventions	3 243	2 471	2 492	2 709
Rand value of employee training spend (R’000)	17 376	9 557	10 957	6 846
Percentage of employees trained in South Africa	88%	76%	74%	73%
Percentage of training spend in South Africa	97%	96%	96%	94%

PREFERENTIAL PROCUREMENT, ENTERPRISE AND SUPPLIER DEVELOPMENT



The group’s spend with BBBEE suppliers was 87.5% (2022: 69.7%) of total procurement, with 15.9% (2022: 17.4%) spent on procurement with qualifying small, medium and micro-enterprises (SMMEs). There is continued emphasis on growing black-owned SMMEs, particularly businesses owned by black women.

The enduring focus on supplier selection and development has delivered a solid improvement for the current year. Preferential procurement with qualifying small enterprises is still underrepresented and, together with a focus on increased spend with exempted micro enterprises, will characterise the effort for the next year.

RFG will continue to focus its enterprise and supplier development initiatives to help bring about meaningful transformation in the agricultural sector with specific emphasis on its own supplier base.

The group invested 1.9% (2022: 1.1%) of profit after tax on enterprise development initiatives against a target of 1% (2022: 1.5%). Projects include the further development of two black-owned SMMEs, one of which distributes a range of the group’s products.

The group also invested 1.8% (2022: 1.9%) of profit after tax on supplier development initiatives against a target of 2%. Projects include the further development of several black-owned SMMEs which supply RFG with fruit and vegetables.

The most significant project is the continued funding of the development of the Constitution Road Wine Growers (CRWG) farm, which is majority owned by black, female farm workers. CRWG supplies RFG with fruit for processing, with 1 604 tons received in the reporting period. This reflects extremely good growth given the humble beginnings of 100 tons in 2009. This activity supports SDG target 2.3 which aims to double the agricultural productivity and incomes from small-scale food producers, in particular women.

SOCIO-ECONOMIC DEVELOPMENT



Active support of social upliftment programmes contributed to the group achieving a score of 14.92 for socio-economic development. In South Africa, this includes providing support to organisations involved in national food distribution programmes and soup kitchens, such as Meals on Wheels, Gift of the Givers, Pebbles Project, Ladles of Love, Food Forward SA and SA Harvest. The group also contributes financially to The Woolworths Trust, which in turn supports community projects. In 2023, the group continued to support local organisations providing relief to the communities in which the group operates, including Paarl Hospice, Nation Builders, Magda’s Soup Kitchen, Fountain of Hope, Cradle of Love and TLC Children’s Home.

In Eswatini, support is provided to a range of community and caregiving organisations.

RFG’s corporate social investments support SDG target 2.1 which aims to end hunger and ensure access by all people to safe, nutritious and sufficient food year round. The support RFG provides to the various programmes also supports SDG target 17.17 which encourages effective partnerships.

Summary of socio-economic development spend	2023	2022
Category – Basic needs and social development		
Description – Feeding programmes and nutrition		
Total spend – South Africa	R7 822 321	R5 098 096
Total spend – Eswatini	R1 741 381	R1 483 036
Total spend	R9 563 702	R6 581 132

HEALTH AND SAFETY



RFG recognises and accepts its duties as an employer to ensure the health, safety and welfare of its employees at work, as far as reasonably practicable. This supports SDG target 8.8 which aims to promote safe and secure working environments for all workers.

The group also ensures that all reasonably practicable efforts are made to safeguard its visitors, contractors and members of the public, who may be affected by its activities. The group endeavours to prevent any incident that may result in injury, ill-health or damage to property.

The employee wellness programme assists employees in addressing mental, social and physical issues and provides emotional and social support to staff and their immediate families, which is aligned to SDG 3 for good health and well-being.

Commitment to sustainability

RFG will endeavour to align its efforts with the key principles outlined in South Africa’s Just Transition framework by adopting a people- centred approach to addressing the impacts of climate change. Recognising that we operate in a sector that has already begun to experience the impacts of increasingly volatile weather, we acknowledge the potential impact on job security in our industry and the need to create re-skilling and training opportunities for the jobs of the future.

RFG is committed to responsible business practices that mitigate the impact on the environment and contribute to a better society. Given the environmental and social challenges that persist on a national and international level, it is important that we continue to focus and align our environmental and sustainability strategy to the SDGs.



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