



Environmental report

We have identified two of the UN SDGs which are relevant to our environmental philosophy and activities in the Group; these are goal 12 (responsible consumption and production) and goal 13 (climate action). The goals respectively relate to sustainable consumption and production, and combatting climate change and its impacts by regulating emissions and promoting developments in renewable energy.



Our environmental and climate change policy sets out our commitment to responsible environmental practices and identifies key areas of focus and objectives with respect to air pollution reduction and eco-efficiency aimed at reducing our environmental footprint and contributing to a more sustainable operating environment for the benefit of all.

These initiatives include:

- optimisation of transport efficiencies in our Logistics fleet;
- ongoing review and implementation of energy-saving initiatives;
- conversion of paraffin-fuelled boilers to compressed natural gas;
- conversion of restaurant equipment in Company-owned and franchised restaurants to operate on LPG where practicable and possible;
- investigating alternative cleaner fuel and energy options (with lower greenhouse gas (GHG) emission factors);
- efficient water usage and effluent management;
- maximising recycling opportunities for our general waste;
- responsible sourcing of sustainable food products for processing;
- reduction in food wastage through portion control and made-to-order practices in our restaurants; and
- responsible re-use or redistribution of food through donation of excess food products.

Our consumption of non-renewable resources on a geographical basis is detailed below and adjacent.

Input	Unit of measurement	2020	2019
SA operations: Manufacturing and Logistics divisions and head office			
Water	kilolitres	368 371	446 694
Energy			
Electricity	MWh	30 734	30 651
Electricity – solar	MWh	442	*
Diesel	kilolitres	2 073	1 956
Petrol	kilolitres	731	702
Paraffin	kilolitres	182	618
LPG	Tons	48	51
Natural gas	Gigajoules	35 696	18 742
Coal	Tons	4 667	7 764
CO₂ emissions	metric tons CO ₂ e		
Direct		21 688	28 658
Indirect		31 963	29 661
SA operations: Signature brands excluding Group associates			
Electricity			
All Company-owned restaurants	MWh	3 238	1 356
Water			
All Company-owned restaurants	kilolitres	10 288	9 293

* No comparative data recorded for 2019

Input	Unit of measurement	2020	2019
Consumption and emissions in our operations outside SA			
Botswana operations (Retail Group)			
Electricity	MWh		
All Company-owned restaurants		3 815	3 324
Headquarters		36	29
Water	kilolitres		
All Company-owned restaurants		30 448	25 889
Headquarters		86	73
GBK UK operations			
Electricity	MWh	9 014	12 639
	metric tons	3 527	6 787
Natural gas	M ³	1 011 183	1 779 958
	metric tons	2 088	3 667
Water	kilolitres	38 907	62 401
GBK Ireland operations			
Electricity	MWh	470	460
	metric tons	180	247
Natural gas	M ³	79 832	94 546
	metric tons	165	195
Water	kilolitres	1 798	2 271

Carbon footprint report

In line with recent developments in SA's regulatory and tax landscape regarding climate change, the Group has resolved to align its environmental assessment methodologies with local legislation and international best practices. This revised approach will enable the Group to comply with legislative requirements, adequately prepare for the impact of carbon tax and proactively manage its overall carbon footprint.

In this regard, a detailed assessment of the Group's carbon footprint was undertaken, specifically focusing on the following:

- identifying and quantifying direct (Scope 1) emissions that will require reporting to the Department of Environment, Forestry and Fisheries, and be liable for the carbon tax; and
- understanding the main sources of indirect emissions (Scope 2 and 3) contributing to the Group's overall carbon footprint.

The carbon footprint assessment applies to the Group's Manufacturing and Logistics divisions. The Group does not have equity in, nor financial and/or operational control of franchised restaurants, and hence the franchise operations are excluded from this assessment.

The GHG emission categories assessed are: direct (including mobile owned vehicles and stationary fuel combustion) and indirect (including purchased electricity, water supply and waste disposal).

The Group's total GHG emissions in FY2020 by Scope are detailed in the table below.

Scope	Emission source	Manufacturing tCO ₂ e	Logistics tCO ₂ e	Total tCO ₂ e	% increase/decrease from previous financial year
Scope 1	Mobile fuel combustion		8 037.31	8 037.31	+5
	Stationary fuel combustion	13 599.67	51.73	13 651.40	-35
	Total Scope 1 emissions	13 599.67	8 089.04	21 688.71	-24
Scope 2	Purchased electricity – location based	23 038.14	8 925.35	31 963.48	+10
	Total Scope 2 emissions	23 038.14	8 925.35	31 963.48	+10
	Total Scope 1 + 2 emissions	36 637.80	17 014.39	53 652.19	-7
Scope 3	Water supply	198.19	11.42	209.60	-18
	Waste disposal	341.85	53.39	395.25	+37
	Total Scope 3 emissions	540.04	64.81	604.85	+12
All Scopes	Total Scope 1, 2 and 3 emissions	37 177.84	17 079.20	54 257.04	-7

GHG inventory by business unit tCO₂e

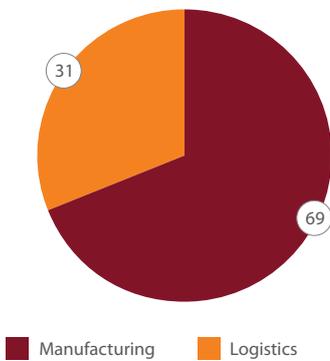


Figure 1 illustrates total GHG emissions by business unit.

GHG inventory by scope tCO₂e

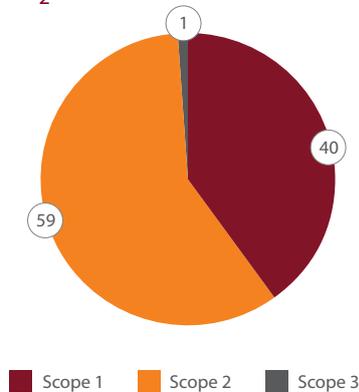


Figure 2 illustrates GHG emissions by Scope, with the majority of the Group's emissions being Scope 2 (indirect emissions from purchased electricity).

Emissions source tCO₂e

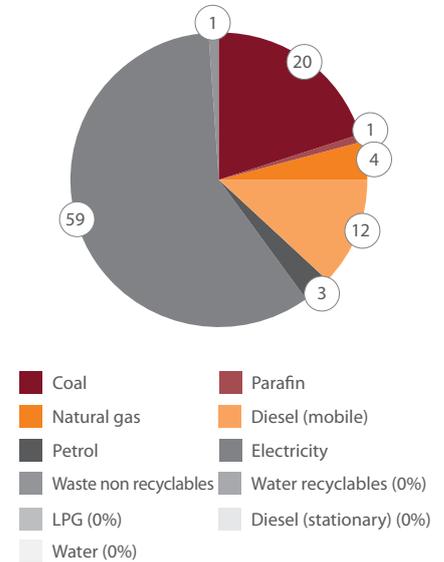


Figure 3 illustrates emission source contributions to total GHG emissions.

Carbon footprint by type (FY2018 to FY2020) (tCO₂e)

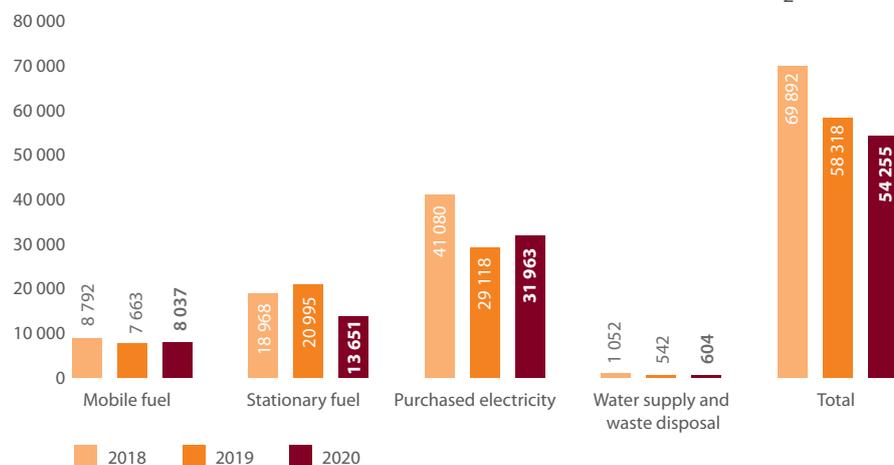


Figure 4 illustrates the year-on-year comparison of calculated emissions and the overall downward trend of the Group's carbon footprint impact.

Overall, the carbon footprint report reveals that the Group's emissions have decreased by 7% over the past year and 23% over the past two years. This can be attributed to:

- Company-wide utilities savings awareness programme;
- smart metering of electricity, water and key fuel usage tied to KPI settings for each business unit;
- fuel type conversion to lower carbon fuels; and
- lower production volumes at Lamberts Bay Foods (LBF) and the disposal of Coega Concentrate (October 2019).

In terms of reducing our carbon footprint in FY2021, we have identified the following key priorities:

- accelerate the roll out of smart utility metering;
- progress diesel to gas conversions for our fleet;
- closely monitor and evaluate newly acquired generators; and
- implement and expand employee awareness campaigns to encourage environmentally responsible behaviour.

The operations which are the heaviest consumers of non-renewable resources and utilities in the Group are the Meat Plant, Cater Chain, LBF and our Midrand Campus. Accordingly, particular attention will be paid in the year ahead to introducing mitigating measures to offset the GHG emissions of these business units.

Carbon tax implications

The Group's GHG emissions fall below the threshold of minimum carbon emissions and the business is therefore not liable for carbon tax.