Environmental report

Famous Brands is committed to high standards of environmental responsibility and continuous improvements against our targets.

Our Environmental and Climate Change Policy

Our Environmental and Climate Change Policy outlines our commitment to responsible environmental practices and continuous improvement. This policy includes measures to limit air pollution, use more sustainable packaging, invest in renewable energy, and cut water and energy usage.

Since this policy was developed, we have made solid progress in achieving our environmental targets. We see the greatest opportunity in reducing food waste across the front-end and back-end and reducing our energy consumption. This includes investing in solar energy at key sites where the high investment is justified.

Our environmental focus areas

Manufacturing	• Investigating alternative cleaner fuel and energy options (with lower GHG emission factors), including planned renewable energy projects. • Use of improved quality refrigerants to reduce electricity consumption. • Efficient water usage and effluent management are set against a continuous improvement target. • New plant design focussed on responsible consumption. • Maximising recycling opportunities for our general waste. • Responsible sourcing of sustainable food products for processing. • Responsible re-use or redistribution of food through the donation of excess food products.
Logistics	• Optimisation of transport efficiencies in our Logistics fleet. • Better route planning and reduction in the number of trips. • Responsible redistribution of near expiry date stock through donations to identified charities. • Use of improved quality refrigerants to reduce electricity consumption.
Brands	• Maximising recycling opportunities for our general waste. • Rolling out fully biodegradable and compostable take away coffee cups. • All brand packaging ranges are currently 100% recyclable. • Reduction in food wastage through portion control and made-to-order practices in our restaurants. • Responsible re-use or redistribution of food through the donation of excess food products.

Our electricity and water usage

The Group's consumption of non-renewable resources on a geographical basis is detailed on page 76. All energy sources have increased compared to last year.

Carbon footprint report

Famous Brands has aligned its carbon footprint assessment methods with global best practices. This approach allows the Group to adequately prepare for the potential introduction of a carbon tax while proactively reducing its overall carbon footprint. Although Famous Brands is below the threshold for paying carbon tax, all sites are registered for carbon tax with SARS.

Famous Brands conducted a detailed assessment of the Group's carbon footprint for its Manufacturing and Logistics divisions and Company-owned restaurants. The Group does not have equity in nor financial or operational control of franchised restaurants, and the franchise operations are not included in this assessment. This assessment focussed on:

- **Scope 1:** Identifying and quantifying direct GHG emissions that will require reporting to the Department of Environment, Forestry and Fisheries, and be liable for the carbon tax. Direct emissions include mobile fuel combustion (own fleet) and stationary fuel combustion (on-site equipment).
- **Scope 2 and 3:** Understanding the primary sources of indirect GHG emissions contributing to the Group's overall carbon footprint. Indirect emissions include purchased electricity, water supply and waste disposal.

The Group's total GHG emissions in 2022 by scope and division are detailed below.

Scope	Emission source	Manufacturing tCO_2e	Logistics tCO_2e	Total tCO_2e	% increase/ (decrease)
Scope 1 32.42%	Mobile fuel combustion	**102.69**	**7 497.33**	**7 600.02**	**32.39**
	Stationary fuel combustion	**9 404.84**	**49.37**	**9 454.21**	**36.33**
	Total Scope 1 emissions	**9 507.53**	**7 546.70**	**17 054.23**	**36.80**
Scope 2 64.84%	Purchased electricity, heat and steam	**26 117.70**	**7 988.94**	**34 106.64**	**173.58**
	Total Scope 2 emissions	**26 117.70**	**7 988.94**	**34 106.64**	**19.82**
	Total Scope 1 + 2 emissions	**35 625.23**	**15 535.64**	**51 160.87**	**24.99**
Scope 3 2.74%	Purchased goods and services and water supply	**498.10**	**25.36**	**523.46**	**45.54**
	Waste generated in operations	**738.02**	**179.74**	**917.76**	**46.14**
	Total Scope 3 emissions	**1 236.12**	**205.10**	**1 441.22**	**45.92**
All scopes	**Total Scope 1, 2 and 3 emissions**	**36 861.35**	**15 740.74**	**52 602.09**	**25.49**
Division contribution		**70.08%**	**29.92%**	**100%**	

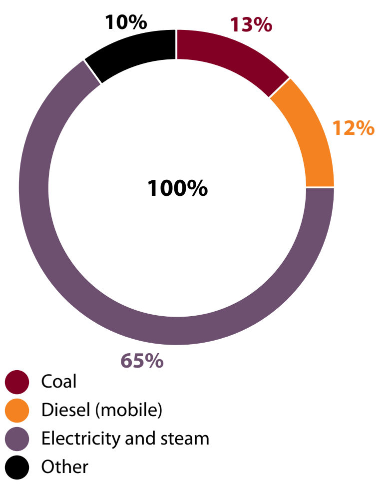
The Group's consumption of non-renewable resources on a geographical basis is detailed below. All energy sources have increased in the year under review compared to the comparable periods in the previous years.

ENVIRONMENTAL REPORT continued

Input	Unit of measurement	2021	2022
SA operations: Manufacturing and Logistics divisions			
Water	kilolitres	287 201	**363 906**
Energy			
Electricity	MWh	25 366	**29 301**
Electricity – solar	MWh	548	**650**
Diesel	kilolitres	1 461	**2 010**
Petrol	kilolitres	452	**635**
Paraffin	kilolitres	54	**67**
Liquefied petroleum gas	tonnes	32	**37**
Natural gas	gigajoules	29 257	**34 886**
Coal	tonnes	2 121	**2 827**
Steam*	tonnes	6 617	**7 754**
CO_2 emissions	metric tonnes CO_2e		**52 602**
Direct		14 961	**17 054**
Indirect		25 970	**34 106**
SA operations: Signature brands excluding Group associates			
Electricity			
All Company-owned restaurants	MWh	1 084	**1 779**
Water			
All Company-owned restaurants	kilolitres	5 584	**11 143**
Botswana			
Electricity			
All Company-owned restaurants	MwH	3 833	**4 148**
Headquarters	MwH	60	**139**
Water			
All Company-owned restaurants	kilolitres	30 285	**32 218**
Headquarters	kilolitres	112	**164**
Kenya			
Electricity			
All Company-owned restaurants	MwH	128	**272**
Water			
All Company-owned restaurants	kilolitres	697	**1 419**

* *Supplied from a third-party coal user.*

Emissions source tCO_2e



Emissions across Scope 1, Scope 2 and Scope 3 increased by 25.49% year-on-year due to higher activity levels as the front-end of the business recovered.

- Mobile fuel usage increased by 32.39%, while stationary fuel increased by 36.33%. This is due to more activity for our fleet and the burning of fuel in our generators due to load shedding.
- Purchased electricity usage increased by 34.45%.
- Water usage in our operations increased by 23.29%, while water supply emissions climbed 45.54%.
- Waste generated in our operations was 1 556.52 tonnes for a mix of industrial and commercial waste to landfill. Emissions related to waste were calculated at 917.76 metric tonnes CO_2e, increasing 46.14% year-on-year.

Despite the increased operational activity in 2022, our emissions have been kept within our targeted ranges due to:

- A Group-wide utilities savings awareness programme.
- Employee awareness campaigns to encourage environmentally responsible behaviour.

- Smart metering of electricity, water and key fuel usage tied to key performance indicators.
- Fuel type conversion to lower carbon fuels.
- The annual electricity generated from solar systems increased during the year.
- Close monitoring and evaluation of new generators.
- Cultivating potatoes closer to the Lamberts Bay Foods processing plant to reduce the travel emissions.

We are targeting a 25% improvement in our water and carbon usage per case of production between 2022 and 2026. We have identified the following focus areas to reduce our carbon footprint further:

- Enhancing plant efficiencies to produce more units per hour of plant time.
- Switching to low carbon fuels where practical (for example, less coal and paraffin and more gas and solar).
- Improving electricity usage by refrigerators.
- Fleet route optimisation to reduce the number of trips required.
- Investing in new solar installations (The solar plants on The Meat Plant switched on in February 2022).
- Managing our utility usage at our largest plants (The Meat Plant, Cater Chain, Lamberts Bay Foods and our Midrand Campus).

Carbon footprint by type (2018 to 2022) (tCO_2e)