

OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

We use the SDGs as a framework to provide focus and track progress against universal challenges and global priorities. We support the ideal of collective action through the 17 goals.

Our significant contributions



Our significant impacts

We identified Quantum Foods’ most material impacts on society and the planet in line with global reporting developments and to better understand our sustainability risks and opportunities. Our material impacts are considered parallel to our financial materiality, as these are interconnected and interdependent. 📖 Read more about these on page 39.

In this section, we match our material impacts with the SDGs to highlight our ESG focus areas.



UN SDG 2: ZERO HUNGER

 Nutrition	Our ability to provide high-quality protein at affordable prices contributes to ending hunger and associated perils, such as stunted development of young children.
 Responsible sourcing	Developing local small suppliers and ensuring responsible practices in our value chain will create value for all stakeholders and assist in the protection of human rights.

Context and commitment

Conflict, climate variability and extremes, economic slowdowns, lack of access to healthy diets, unhealthy food environments, and high and persistent inequality continue to drive food insecurity and malnutrition all over the world¹.

In South Africa, more than half the population lives below the upper-bound poverty line, meaning household income cannot cover both food and basic living costs. About 20% of the population is food insecure, with poor nutrition putting extra strain on overcrowded and under-resourced hospitals.

¹ FAO, IFAD, UNICEF, WFP and WHO. 2024. *The State of Food Security and Nutrition in the World 2024 – Financing to end hunger, food insecurity and malnutrition in all its forms*. Rome. <https://doi.org/10.4060/cd1254en>.

One in four children in South Africa experience stunted growth because of undernutrition. Food insecurity and consumption of foods with low nutritional value are primary reasons for ill health².

Poultry and eggs are a critical and low cost source of animal protein for human nutrition. Layer hens and broilers are highly efficient converters of feed into animal protein, with favourable conversion ratios of feed to final product compared to other animal protein sources. Eggs can play a key role in fighting hunger and malnutrition and preventing stunting in children.

Eggs are almost pure protein of very high quality. They also provide virtually the entire adequate intake of vitamin B12 and choline for young children. The essential fatty acid content of eggs may be especially important during pregnancy.

Quantum Foods plays an important role in the fight against hunger and food insecurity through our products, services and corporate social investment initiatives. We are committed to promoting local food production and supporting small producers through enterprise and supplier development programmes.

We sold 531 million eggs across four countries on the African continent in FY2024. We produced 71 million day-old chicks that are reared for human consumption this year. Egg volumes (44 million dozen) were much lower than in previous years following the HPAI outbreaks of 2023 and 2024.[📄](#) Read more about the impact of HPAI on the Company on page 57.

Combating malnutrition and stunting

Quantum Foods is a longstanding supporter of Food Forward South Africa. This non-profit organisation collects edible surplus food from manufacturers, wholesalers, and retailers, and distributes it to verified organisations that feed thousands of hungry people daily.

Children in the tracking data set all exhibited consistent weight increases over the period.

We have supported Food Forward’s Mother and Child Nutrition Programme since 2023. This programme targets at-risk pregnant women and children in the Western and Eastern Cape who live below the poverty line and thus experience food insecurity. It aims to prevent child malnutrition and rehabilitate underweight children.

Food Forward has a network of over 300 mentor mothers who work with social partners and government to provide nutrition education, intervention programmes and early identification of malnutrition at the household level.

Quantum Foods contributes eggs that are included in food parcels distributed to households experiencing food scarcity. These families are monitored and receive support from a social worker or dietician. We contributed 2 700 dozen eggs to the project for the financial year.

UN SDG 2 targets	Measuring progress in 2024
2.2 By 2030, 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	– Families facing hunger receive support through our long-standing donor relationship with Food Forward South Africa – We donate egg and liquid egg products to several institutions that assist with food security
2.3 By 2030, double the agricultural productivity and the incomes of small-scale food producers, particularly 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	– We continued supporting small black enterprise suppliers such as NNT Women Poultry in Tsitsikamma

² Johnston, P. et al. 2023. *Climate change impacts in South Africa: What climate change means for a country and its people.* University of Cape Town, South Africa.

Developing small enterprises in our supply chain

We have a range of initiatives where we support small businesses in different parts of our operations:

- We support black farmers with discounted point-of-lay hens and feed
- We provide feed and farm management assistance to historically disadvantaged South African (“HDSA”) farmers for improved production
- We rented a broiler farm in Bronkhorstspuit from an HDSA
- We procure eggs from HDSA egg producers in the Western Cape and Eastern Cape

We continue to explore opportunities to support HDSA suppliers further.

Supporting female poultry entrepreneurs

NNT Women Poultry is a small, black female-owned entrepreneurial venture that started in 2019 at the Tsitsikamma Community Wind Farm. Quantum Foods regularly donates point-of-lay hens and animal feed and assists the small business with technical advice. Through *Nulaid*, we also became a customer, with NNT Women Poultry supplying us with over 430 000 eggs during the year.



UN SDG 8: DECENT WORK AND ECONOMIC GROWTH

 Skills development	As one of the few corporate players in the poultry and egg sector in South Africa, Quantum Foods contributes to creating a pool of skills for the industry and high-performing employees for our own operations.
 Health, safety and human disease	By providing a safe working environment and protective equipment, including biosecurity measures, Quantum Foods takes care of employees and complies with legislation.
 Transformation	Our commitment to empowerment, development and employment equity will lead to improved socio-economic status for previously disadvantaged individuals and communities.

Context and commitment

The post-pandemic labour market recovery in South Africa has been slow. The unemployment rate remains high at 33.5%. Major supply-side constraints, such as insufficient electricity and logistical constraints, limited economic growth, averaging 0.3% quarterly since 2021. While firms have slowly added back employees to the workforce, weak productivity placed a cap on job creation¹.

HPAI poses a significant risk to employment as outbreaks can result in job losses due to the labour-intensive nature of the poultry industry. With no financial compensation from government for the losses resulting from HPAI outbreaks, producers have to take drastic measures to manage costs, including reducing labour-associated costs.

Quantum Foods is well positioned to contribute to employment in the agriculture sector due to the size and scale of our business. This includes employing people in more rural areas where our farming operations are located.

¹ Guest lecture by Lesetja Kganyago, Governor of the South African Reserve Bank, at the University of the Free State, Faculty of Economic and Management Sciences Bloemfontein, 15 August 2024.

In our sustainability policy, we state Quantum Foods' objectives to:

- Treat all employees and contractors fairly and respect their dignity, wellbeing and diversity
- Work towards full compliance with the International Labour Organization Fundamental Conventions and with the UN Universal Declaration of Human Rights

Quantum Foods aims to comply with applicable local and national laws. We also commit to:

- Not employ or make use of forced labour of any kind
- Not employ or make use of child labour
- Pay wages that (as a minimum) meet or exceed the industry or legal national minimum

- Treat employees fairly in terms of recruitment, progression, terms and conditions of work and representation, irrespective of gender, race, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, or HIV status
- Allow consultative workplace structures and associations that enable employees to present their views to management
- Ensure that for remote operations involving the relocation of employees for extended periods, such employees have access to adequate housing and basic service
- Work to increase the percentage of management deemed HDSA as a direct focus area in terms of the Group's employment equity strategy
- Support our employees' rights to collective bargaining

UN SDG 8 targets	Measuring progress in 2024
8.5 By 2030, 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	• Quantum Foods provides employment for 2 425 people (FY2023: 2 584) • 36.6 % female employees in South Africa (FY2023: 36.2%)
8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training	• 53 internships, apprenticeships, learnerships and adult basic education and training ("ABET") opportunities in South Africa (FY2023: 43) • Support for skills training and entrepreneurship community programmes
8.7 Take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour, eradicate forced labour, and by 2025, end child labour in all its forms	• No child labour • No forced labour • Quantum Foods demands these standards from its suppliers
8.8 Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment	• Successfully concluded wage agreements as evidence of healthy employee relationships • One contractor fatality due to an incident at the Malmesbury feed mill •  Read more about occupational injuries on page 85

Our employee profile

We employ people in South Africa, Zambia, Uganda and Mozambique and adhere to employment legislation in all territories.

Headcount	2024	2023
Salaried	484	505
Salaried contractors	54	48
Wages	1 104	1 316
Wages contractors	7	6
Total South Africa	1 649	1 875
Total Mozambique	86	84
Total Uganda	223	165
Total Zambia	467	460
Total Quantum Foods Group	2 425	2 584

The number of South African employees decreased in FY2024 due to HPAI-related retrenchments. We also experienced a higher-than-normal turnover in senior management positions, many of which were related to uncertainty around the HPAI outbreak. An information session was held with all senior Quantum Foods employees to provide an update on the impact of the HPAI outbreak and future focus areas.

There was an increase in headcount in Zambia, Uganda and Mozambique from 709 to 776 employees. The increase in employee numbers in Uganda can be ascribed to additional parent stock placements and the opening of additional shops.

Employee turnover for South African operations	2024	2023
Total turnover	26.9%	16.3%
Management turnover	1.2%	2.1%
Not-in-management turnover	25.7%	14.2%

We follow prescribed legal processes when implementing operational resizing measures and, where possible, explore alternatives to people losing jobs. The increase in employee turnover resulted from HPAI-related restructuring.

[Read more on page 84.](#)

Diversity, transformation and employment equity

Quantum Foods is committed to addressing inequalities regarding race, gender and disability.

1 588
EMPLOYEES

were **permanently employed** by the South African operations as at 30 September 2024

(FY2023: 1 821)

39.7%

of management in South Africa are HDSA (grade 12+ employees)

(FY2023: 41.7%)

3.7%

of South African **employees** are on fixed-term contracts

(FY2023: 2.9%)

92.7%

of **permanent employees** in South Africa are HDSA

(FY2023: 93.3%)

37.0%

of permanent South African employees are women

(FY2023: 36.2%)

[Read about diversity in our Board composition on page 69](#)

Employment equity statistics for South Africa as at 30 September 2024	African		Coloured		Indian		White		Foreigners		
Occupation levels	F	M	F	M	F	M	F	M	F	M	Total
Top management	1	2	1	1	0	0	1	4	0	0	10
Senior management	0	1	3	0	0	0	3	17	0	0	24
Professionally qualified, experienced specialists and mid-management	0	22	5	11	1	2	14	37	0	0	92
Skilled technical and qualified employees, junior management, supervisors, foremen and superintendents	45	97	55	50	2	4	14	23	0	0	290
Semi-skilled and discretionary decision- making employees	177	364	75	131	0	0	1	2	0	0	750
Unskilled and defined decision-making employees	168	202	22	30	0	0	0	0	0	0	422
Total permanent employees	391	688	161	223	3	6	33	83	0	0	1 588
Non-permanent employees	13	21	2	9	0	0	1	15	0	0	61
Total	404	709	163	232	3	6	34	98	0	0	1 649

Aligning employee compensation and job grades

We completed a four-year job profiling and evaluation project to align employee compensation with job grades. All employees are now remunerated according to Groupwide standards and per job grade bands that correspond to their profiled positions. Where employees were not paid according to the entry level salary for the grade, this was corrected over the project period.

Employee volunteers at Badirile



The Badirile Early Childhood Development Centre in Brandvlei, North West province, provides education and daycare services to the local community. The school was founded in 2008 by Maria Mabele in her mother's house and moved to its current premises in 2010. Classes are held in specially designed containers, with a capacity for 75 children between six months and six years. The centre also provides meals for all the children.

Due to limited government funding, the centre has struggled to maintain its facilities, leading to significant maintenance needs over time. Towards the end of 2023, the Quantum Foods team from the Hartbeespoort hatchery got involved. They installed new classroom floors, addressed electrical issues, upgraded the kitchen and toilet facilities, and replaced playground equipment and shade netting. The hatchery team also painted the fencing and other areas, giving the centre a refreshed look.

Badirile was the main beneficiary of the annual *Bellevue Chix* Golf Day held in May 2024, which raised R30 000.

Leadership development

Our leadership development programme, initiated in 2019, resulted in several promotions and transfers in the Group as it positions employees for leadership positions. This is an essential element in succession planning.

A new intake of candidates joined the programme in July 2023. A total of four employees have completed the programme to date.

Eleven employees are currently busy with their three-year programme to position them for possible executive level participation. The programme starts with an assessment that identifies the skills to be developed. Programme participation is integrated with their individual performance management objectives and indicators.

Farm management talent pipeline

We are committed to developing a pipeline of farm managers for Quantum Foods and the industry, as the skills pool for experienced layer farm managers is very small. In 2022, we started a pilot graduate training programme with an honours student in Animal Science from the University of Pretoria.

The pilot graduate training programme in the layer operations continued this year, notwithstanding a slight delay caused by HPAI and quarantine regulations. The programme is designed to fast-track trainees. It includes exposure to all areas of farming operations and packing station processes. We are planning to roll this out in the broiler division.

The broiler farming business is also actively building a talent pipeline for managers on farms. Four employees are currently completing a management development programme, and six are participating in senior management development programmes. We have also invested in an employee who received training at the Budapest hatchery school.

Training and development

Quantum Foods contributes to employability in South Africa and invests in building our own skills pipeline. We continuously develop available training resources and adapt our training investment according to business performance and requirements.

We use online learning to train farm employees, induct new employees and enhance or refresh existing skills.

Training and workshops in life skills, legislation and compliance continued.

Key initiatives included:

- We provided second-round support for six unemployed disabled learnerships, which included stipends.
- 28 bursaries were allocated to students studying at institutions including North-West University, Stellenbosch University, Boston City College and Unisa. Courses included degrees and diplomas in Animal Science, Agricultural Science, Supply Chain Management, Accounting, Business Management and HR.
- 89% of bursaries were awarded to HDSA candidates.
- Eight students from Tshwane University of Technology and Elsenburg Agricultural Training Institute were appointed as interns on various farms as part of their work-integrated learning to graduate at the end of 2024.

Skills pipeline in South Africa	2024	2023
Internships	8	15
Apprenticeships	0	10
Learnerships	24	15
ABET	21	32
Total	53	72

With a number of farms either on lay-off or closed, we were not able to accommodate as many internships as previously. The number of learnerships increased due to the popularity of the NQF2 Animal Production learnership. This resulted in lifting the educational levels of employees on farms. The NQF2 learnership is at the same level as the current ABET classes hence the drop in ABET and increase in NQF2 learnership numbers. Due to the previous number of apprenticeships in the business there were no new requirements for 2024.

Training spend in South Africa	2024	2023
Total number of employees trained	460	429
Employee training spend	R4.7 million	R3.8 million
Employee training spend as a percentage of payroll	1.1%	0.8%

Life skills and diversity training commenced, increasing the number of employees trained as well as the training spend. This training will be rolled out to all units over the next two years.

Retrenchments and layoffs

Quantum Foods, unfortunately, had to reduce jobs at various sites across the *Nulaid* and layer farming businesses due to HPAI impacts. We had multiple engagements with employees at units affected by the loss of layer birds and egg volumes. This resulted in implementing short time, rotational employment and layoff agreements.

All S189 process requirements were followed. We engaged with seven unions with affected members in the process. Engagements were positive and constructive despite challenging conditions.

Our efforts to protect jobs and support employees included engaging with retirement funds to secure the continuation of risk-benefit payments while saving contributions were suspended.

Shorter time and temporary layoffs were implemented where possible while farms and operations were closed or discontinued while under quarantine and before new flocks could be placed. Layoffs entailed temporary termination of employment. Where unavoidable, retrenchments resulted in permanent termination of employment, especially on farms that were closed permanently.

TWO EMPLOYEES

retrenched at Brandvlei were re-appointed at *Nova Feeds* Pretoria and Eggland layer farm.

157 EMPLOYEES

were retrenched

459 EMPLOYEES

were on layoffs for varying periods of time. Depending on operations and new flock placements, employees started resuming duties with a staggered approach. 282 employees had returned to work by 30 September 2024.

Occupational health and safety

The Quantum Foods sustainability policy sets out specific health and safety objectives:

- To attain safe and healthy working conditions for employees and contractors
- To safeguard the health and safety of all those affected by the businesses

Quantum Foods is committed to:

- Complying with applicable local and national laws and addressing any gaps identified
- Assessing and, where applicable, taking appropriate actions to eliminate or reduce health and safety risks arising from work activities
- As appropriate, working over time to comply with international best practice standards for health and safety and the substitution of hazardous materials

Employees working in animal feed and poultry production can face risks, including exposure to high noise levels, dangerous equipment, slippery floors, musculoskeletal disorders, and hazardous chemicals used in refrigeration and disinfection. Biological hazards include infectious diseases.

Our farming operations have a qualified Occupational Health, Safety and Environmental (“OHSE”) manager who supports the farms in developing their management systems and conducts periodic inspections. Farm managers are primarily responsible for implementing the management system at each farm. Each farm has a health and safety committee that meets monthly or quarterly and comprises farm management, supervisors and labourers.

Occupational health and safety training is conducted annually to provide a safe working environment.

All appointments in terms of sections 16(1) and 16(2) of the Occupational Health and Safety Act, No. 85 of 1993, have been implemented.

The Group’s animal feed factories are veterinary approved, AFMA compliant and certified for ISO 9001:2015 quality management system, ISO 14001:2015 environmental management system and the ISO 45001:2018 occupational health and safety management system. The factory situated in Paterson (Eastern Cape) is still working towards certification for ISO 14001:2015 and ISO 45001: 2018 but follows the related principles. The Paterson factory is not veterinary-approved.



Info tip: ISO is the International Organization for Standardization, an independent, non-governmental organisation that develops consensus-based, market-relevant guidance to standardise product and service standards. ISO 45001 provides a framework to increase safety, reduce workplace risks and enhance health and well-being at work, enabling an organisation to proactively improve its health and safety performance.

Hazardous chemicals include cleaning and disinfection, pesticides, liquid fuels (primarily diesel), fumigation and water treatment chemicals.

Hazardous chemical assessors are appointed and trained for sites with significant quantities of hazardous chemicals. When handling or being exposed to hazardous chemicals, employees are provided with suitable protective wear, including respirators.

Where relevant, we have occupational hygiene surveillance programmes, including two yearly surveys for occupational noise, illumination, general workplace ventilation, asbestos, grain dust and ergonomics. We also perform detailed ergonomics assessments at times.

The Quantum Foods medical surveillance programme requires entry, periodic and exit medicals for permanent employees in certain positions. It includes assessments for lung function, vision, audiometry, diabetes, hypertension, epilepsy and testing for illicit drugs.

ONE

contractor fatality
(FY2023: 0)

90

recordable injuries
in South African
operations
(FY2023: 78)

401

lost days
in South African
operations
(FY2023: 455)

We had one serious incident where an employee was unable to work for 48 non-consecutive days due to a burn accident. He was not wearing the requisite protective clothing at the time of the incident. To address any future risk, we initiated refresher health and safety training with the emphasis on requirements for protective clothing and consequences of not wearing such.

The increase in the number of injuries was mainly in the categories of needle pricks and machine entanglements. Refresher training was provided on the correct handling of needles and the requirement to switch off machines before attempting to work on the machines has been reinforced.

🔗 Read more about the Malmesbury feed mill incident on pages 23 and 58.

Employee wellbeing

Improved employee wellbeing contributes to higher productivity, increases performance, reduces absenteeism and alleviates stress.

We started preparing to launch a wellness app for employees in 2023. With more than 85% of employees having access to smartphones, this is a very effective communication channel to reach employees. The app is now in its final design phase and will go live early in the next financial year.

The app will feature four modules:

- Financial wellbeing
- Wellness
- Community
- Corporate communication

It will further provide employees with toll-free numbers to access mental health support. We plan to track usage to determine areas where our employees require additional support.

Protecting labour rights

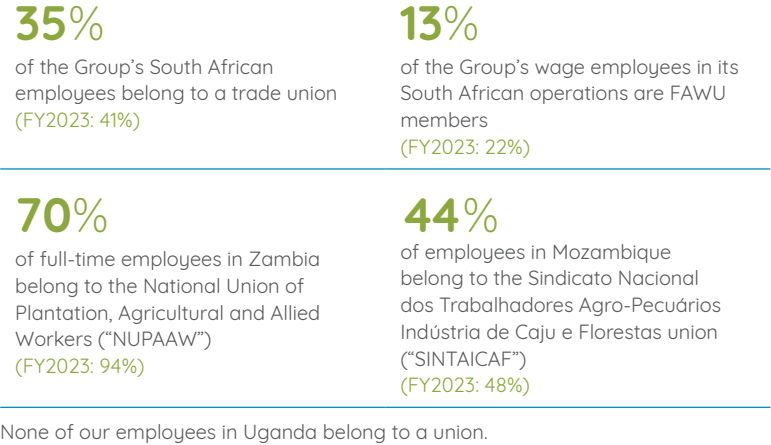
The Quantum Foods sustainability policy highlights our commitment to good labour relationships through consultative workplace structures and associations that allow employees to present their views to management. As such, we engage with different labour unions and have open communication channels.

Our human resource policies and code of ethics protect employees' rights against discrimination and set out our commitment to freedom of association. Employees are informed of these policies at induction and have access to a central database of policies.

We adhere to all legal and regulatory requirements regarding labour decisions and processes.

Seventeen trade unions represent employees in South Africa. The Food and Allied Workers Union ("FAWU") has the highest overall representation among Quantum Foods' employees. Union membership reduced slightly.

All annual wage negotiations were settled within mandate.



Broad-based black economic empowerment

We are committed to enhancing the socio-economic status of HDSAs. Quantum Foods’ progress towards black economic empowerment is verified annually through a compliance scorecard. Improving the Company’s B-BBEE status is a key management focus area.

Quantum Foods achieved a level 7 B-BBEE score in FY2024 (FY2023: level 7 discounted to level 8) but was again discounted to level 8 as we did not achieve the subminimum scores for the ownership, training and development and preferential procurement elements. The ownership element relates to shareholder structures, which were subject to significant change this year.

The subminimums for training and development and preferential procurement could not be achieved due to, *inter alia*, HPAI-related constraints and the fact that material quantities of feed raw materials were mostly supplied by international companies or imported based on cost comparisons. For example, the need to increase our ratio of imported soya meal based on price or availability had a significant impact compared to sourcing from our local level 1 supplier. A change in the composition of the Board further impacted our score.

We achieved maximum scores in elements such as enterprise, supplier, and socioeconomic development. [Our full scorecard is available on our website at https://quantumfoods.co.za/company-documents.](https://quantumfoods.co.za/company-documents)

The Group considers employment equity when making external appointments, especially at the senior level, to improve our management control and employment equity scores. [Read more about employment equity on page 82.](#)



UN SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

 Protecting the environment (emissions and waste)	Implementing practices to minimise emissions and waste is crucial for environmental stewardship, compliance with regulations and reducing our carbon footprint and taxes.
 Water	More pervasive drought conditions can lead to water supply risks, which will affect raw material quality and availability as well as operations, including bird performance, cooling and sanitation. Floods, on the other hand, can lead to severe infrastructure damage. This will require increasing investment in water recycling, storage and treatment capacity.
 Product safety and quality	We aim to provide products that are safe and nutritious for their target market – be it human or animal – to consume.
 Animal welfare	Adhering to acceptable and required practices reflects our ethical responsibility, while biosecurity measures protect our birds.

Context and commitment

The way the world produces food is undermining the potential to provide food in the future. Many of the critical challenges the world is facing are affected by food production, including climate change, water shortage, deforestation, forced labour and corruption. Food security and affordability have become critical issues for global prosperity and wellbeing.

According to the United Nations, if the global population continues its current growth trend and reaches 9.6 billion people by 2050, it will take three planet Earths to support current food consumption patterns¹.

Consumers are becoming increasingly aware of food safety issues and require traceability and assurance of quality control measures. As the demand for socially responsible food grows, consumers also expect more information about animal welfare and wellness at every stage of the poultry production process. In response, more producers are using smart farming technologies to monitor animal health and welfare, which can further improve disease prevention and animal welfare standards.

The Quantum Foods sustainability policy states our objectives to:

- Minimise adverse impacts and enhance positive effects on the environment as relevant and appropriate
- Make efficient and sustainable use of natural resources, for example, soil, land, livestock, biodiversity and water, and take a preventive and precautionary approach to protect the environment wherever possible
- Support the reduction of greenhouse gas emissions, which contribute to climate change
- Encourage the development of environmentally friendly technologies
- Ensure the fair treatment of animals

UN SDG 12 targets	Measuring progress in 2024
12.2 By 2030, achieve the sustainable management and efficient use of natural resources	• We measure progress in minimising our resource use • We continue to invest in solar systems, water treatment and waste management
12.3 By 2030, halve per capita global food waste at the retail and consumer level, and reduce food losses along production and supply chains including post-harvest losses	• We improve efficiency and reduce waste to avoid losses in the production process • We support Food Forward, which reduces waste by recovering quality edible surplus food for distribution to community organisations
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	• We use Biobin® to recycle waste • We recycle water at some sites and continue to look for opportunities • We pack most of our eggs in recyclable packaging • Feed is mostly supplied in bulk, a process not generating packaging waste • Livestock supplies use reusable packaging • Poultry manure is mostly recycled as fertilizer
12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	• We require top suppliers to share their policies and declare compliance with sustainable practices, such as human rights and child or forced labour

¹ The sustainable food revolution, future-proofing the world's food supply, PWC Strategy 2022.

Quantum Foods aims to:

- Comply with applicable local and national laws and address any gaps identified
- Assess the environmental impact of our operations as follows:
 - By identifying potential risks and appropriate mitigating measures through an environmental impact assessment, especially when business operations change
 - By considering the potential for positive environmental impacts from business activities.
 - By taking appropriate actions to mitigate environmental risks
- Ensure the fair treatment of animals according to local and international guidelines, as appropriate
- Consider the impact of our operations on the environment, particularly in terms of carbon emissions, as an important consideration when evaluating new capital projects

Promoting resource efficiency

The Quantum Foods businesses have environmental management systems (“EMS”), ranging from comprehensive systems covering all environmental issues to African businesses covering the majority of the basics of environmental management. We monitor resource efficiency levels, such as electricity and water usage, to reduce consumption and impact further.

We use new technologies to drive improvements, for example, in the construction of the new feed mill in Malmesbury. [🔗 Read more about our new feed mill on page 58.](#)

We continue to adopt innovative solutions to reduce and optimise packaging at the egg packing stations. We have reconfigured our boxes, which now have short flaps, saving on the volume of packaging required. Switching to corrugated packaging also contributed to savings, and using clamshell packaging significantly reduced the need for plastic shrink wrap.



Environmental performance indicators

South Africa	2024	2023	2022	2021	2020	Notes
Coal (tons)	3 355	3 718	3 547	2 963	3 082	Coal heating has remained fairly flat over time as it is only used at a small number of farms and at the start of the rearing cycle. Coal use decreased in FY2024 due to reduced broiler placement on a particular farm and timing of broiler cycles.
Gas (Kg)	1 831 999	1 666 519	1 691 353	1 601 939	1 372 395	Factors that affect gas use include the number of day-old pullets placed on layer rearing farms, the pre-placement heating regime, the acquisition of the Helderfontein broiler farm in FY2021 and the impact of HPAI on bird volumes. The pre-placement heating period and temperatures were increased in FY2024 which resulted in increased gas usage but contributed to improved winter farming performance.
Diesel/petrol/paraffin (litres)	1 743 819	3 627 010	1 722 523	1 282 974	1 110 670	Fuel use increased over time due to additional generator capacity to combat higher levels of load shedding in FY2022 and FY2023. In FY2024, diesel consumption decreased by 1.9 million litres due to reduced levels of load shedding and a reduced requirement for generators.
Heavy fuel oil/poly fuel (litres)	1 197 458	1 264 519	1 063 457	1 112 546	1 061 436	Heavy fuel oil use is impacted most significantly by producing higher volumes of pelletised feeds, as these consume more fuel per ton of feed produced. Lower production of pellets at the Pretoria feed mill reduced use in FY2024.
Packaging (tons)	2 269	10 095	11 264	11 600	13 616	Although we continuously improve packaging, it is mainly determined by the volume of eggs sold, which is affected by HPAI and market demands. Egg sales volumes declined significantly in the past year due to the HPAI outbreaks.

South Africa	2024	2023	2022	2021	2020	Notes
Waste: litter/manure produced (tons)	68 875	125 002	144 331	138 604	163 163	Litter or manure is determined by the volume of birds on farms, which HPAI and market demand can impact. Waste decreased in FY2024 due to the culling of flocks affected by HPAI outbreaks in Gauteng/North West and farms remaining dormant for most of the year.
Mortalities to landfill/waste pits (tons)	2 581	2 370	1 409	949	824	Mortalities increased over time in line with volumes and outbreaks of HPAI. FY2024 include the culling of birds that were infected by HPAI at the end of FY2023.
Water (kl)	1 470 917	1 608 368	1 539 176	1 473 424	1 435 349	Water usage is mainly determined by bird numbers and the requirement for cooling. FY2024 water consumption decreased due to fewer birds in production.
Effluent water (kl)	188 104	306 957	264 694	285 490	297 823	Effluent water usage depends on volumes produced, the number of rearing and laying cycles completed within a year, and increased cleaning requirements following an HPAI outbreak.
Electricity (kWh'000)	39 526	37 513	45 209	46 813	49 170	The use of purchased electricity decreased in the period 2021 to 2023 mainly due to load shedding. Additional solar panel projects implemented had a further positive impact. Load shedding was suspended from the second quarter of FY2024 while electricity use decreased due to HPAI outbreaks which resulted in fewer farms being in operation.
Electricity from renewable sources (kWh'000)	2 183	2 686	2 797	2 353	1 776	The use of electricity from renewable sources has increased over time as new solar panel projects were implemented. FY2024 renewable energy use has decreased due to solar plant maintenance.

We started measuring environmental performance indicators for Zambia, Uganda and Mozambique in FY2022. Comparative numbers are unavailable for the full FY2022 for some indicators in the table.

Other African Countries	2024	2023	2022	Notes
Coal (tons)	16	20	52	Coal heating is only used on one Quantum Foods farm in Zambia and reduced in FY2024 due to having to switch to gas heating. FY2022 included usage on Ugandan farms. Usage is determined by the number of rearing cycles, the quality of coal available and the efficiency with which the coal is utilised.
Gas (Kg)	52 793	43 004	38 588	Gas use increased in FY2023 due to Ugandan farms converting from coal to gas heating. Gas use increased in FY2024 due to Zambia having to use gas brooders for new flocks as coal brooders could not be used due to load shedding (electricity required to power fans).
Diesel/petrol/paraffin (litres)	622 393	502 668	485 521	Petrol use was not included for the full FY2022. In FY2024, higher use in Zambia resulted from increased load shedding, with generator diesel usage increasing by 129 725 litres.
Packaging (tons)	617	634	-	Packaging usage is mainly determined by the volume of eggs sold, which is affected by egg production efficiency and market demands. Packaging was not measured in FY2022. In FY2024, packaging decreased due to lower egg volumes sold in Mozambique and lower feed volumes sold from the Lusaka feed mill. In Zambia, feed is mostly sold in bags.
Waste: litter/manure produced (tons)	21 670	21 171	20 641	Litter or manure is determined by the volume of birds on farms.
Mortalities to landfill/waste pits (tons)	163	195	193	Mortalities reduced in FY2024 mainly at the Kampala breeding farm.
Water (kl)	220 979	213 686	175 040	Water usage is mainly determined by bird numbers and the requirement for cooling. Borehole water use was only measured from May 2022 and corrected for Uganda in FY2023.
Effluent water (kl)	529	1 525	-	Effluent water usage depends on volumes produced and the number of rearing and laying cycles completed within a year. Effluent water was not measured in FY2022. Effluent water decreased in FY2024 due to fewer flocks being replaced in Mozambique, which resulted in less washing at chicken houses and birds being kept for longer before culling.
Electricity (kWh'000)	2 697	3 163	3 027	Electricity use decreased due to increased load shedding in Zambia.

Ensuring food safety

We aim to provide products that are safe and nutritious for their target market – be it human or animal – to consume. Our risk process includes considering food safety risks such as contamination.

We produce safe animal feeds according to good manufacturing practices. All feed mills have integrated management systems (“IMS”) subject to annual external audits and reviews to ensure adherence to industry, regulatory and product safety standards.

Internationally accredited certification bodies perform annual surveillance audits. This includes a complete re-certification audit done every three years. An internal audit programme enables continuous monitoring and improvement of the IMS.

This year, we allocated a specialist quality management resource to audit selected suppliers, *inter alia*, to ensure compliance with food safety regulations and standards. This supplements our existing quality system that identifies non-conformance, records specific customer complaints and identifies preventative and corrective actions which management is accountable to implement.

If non-conformance is established during supplier audits, we engage with suppliers, and where the required action is not taken, supplier contracts could be terminated. Raw materials are tested at delivery points at our feed mills, and if there are any non-conforming items, such material is not allowed to be offloaded at the sites.

The health of poultry flocks is important in the production of safe food. Stringent biosecurity measures are in place at all our farms and are audited regularly by employees and independent veterinarians. In addition, we implement vaccination programmes and monitor serology, environmental and water quality results to maintain a healthy flock capable of producing safe food. At a minimum, internal health and safety audits are conducted annually at all layer farms, cull depots and broiler farms.

HPAI and food safety

In South Africa, strict food safety regulations apply with any outbreak of HPAI to prevent products that might be considered harmful from entering the food chain.

Once the disease has been identified at a site, no products, including feed, feathers, birds and eggs, may leave the site. All infected and contact animals have to be isolated and destroyed¹.

HPAI is not transmissible by eating properly cooked/prepared chicken, eggs and other poultry products. The risk of being infected with HPAI from eating chicken, eggs and poultry products available in South Africa's retail markets is considered very low².

Our egg production and packing facilities undergo annual food safety audits by accredited audit bodies. Food safety certification for conformance to FSA or FSSC 22000 requirements has been awarded for each site.

The annual independent ESG review of all our operations includes assessments of the effectiveness of food safety management systems, personal hygiene, training, micro-biological, environmental, and chemical verification plans, handling of non-conformances and traceability.

¹ Department of Agriculture, Forestry and Fisheries: Clarification and update regarding disease control measures for properties affected by a confirmed HPAI outbreak, 2017.

² <https://www.poultrydiseases.co.za/>.

Food safety and Salmonella

Salmonella is one of the most important pathogens affecting food safety in poultry. Salmonella bacteria typically live in the guts of animals, and consumers can become infected with Salmonella by eating contaminated food products such as meat, chicken, dairy and eggs¹.

Poultry producers can suffer significant losses because of Salmonella infection through lost production, downgrading of meat or the termination of an entire flock. Some variants of salmonellosis are notifiable conditions involving the state veterinarian.

The broiler farming business launched a proactive Salmonella reduction plan this year. This includes implementing various prevention, detection and control measures on our farms and hatcheries.

Customer satisfaction measures

We have internal and external customers due to the integrated nature of our business. We deliver the same high-quality products and service levels to all customers. We have a formal customer complaint system in place, and an independent customer satisfaction survey is conducted annually for animal feeds to measure overall satisfaction, identify trends and benchmark performance.

For farming operations, customer satisfaction is monitored through engagements on the quality and production performance of the livestock supplied.

As complaints in the egg business are generally more generic than those received in the feeds and farming businesses, the Group uses an external company to monitor complaints. A toll-free number is available to customers and consumers, and all calls are logged and managed. A weekly report is generated and monitored by senior management to identify trends and assist the Group to maintain a customer-centric focus.

Quantum Foods experienced zero product recalls during 2024 (FY2023: 0).

Protecting animal welfare

The Quantum Foods sustainability policy sets out our commitment to ensure the fair treatment of animals. We subscribe to the SAPA welfare standards and code of practice.

We have a zero-tolerance approach to non-compliance with animal welfare regulations and requirements.

We provide ongoing employee training to ensure compliance with standards and optimal livestock husbandry practices and facilities, which creates an environment for improved farming production efficiencies.

The SETC assists the Board in formally monitoring animal welfare matters.

Regular internal audits are conducted on all farms to ensure adherence to and compliance with biosecurity and animal welfare protocols. Ongoing animal welfare and biosecurity training is provided to farming employees.

We also receive unscheduled and unplanned visits from the NSPCA. All farms have a veterinary health plan and biosecurity measures, including access control for visitors.



Info tip: The NSPCA is the largest and oldest animal welfare organisation in South Africa and an important stakeholder for Quantum Foods. As a non-profit organisation, they advocate animal welfare and protection and conduct inspections, *inter alia*, at commercial farming facilities. They also play a role in investigating public complaints related to animal welfare.

Strict biosecurity measures are in place at all farms to mitigate the risk of diseases and illness. Supplier and contract production facilities must comply with the same standards that apply to the Group's farms regarding animal welfare.

We have a facility maintenance schedule, including bird cages, houses, roofs and temperature control systems. Our sites feature fresh water, feed, ventilation and lighting facilities.

¹ <https://www.lallemandanimalnutrition.com/en/europe/solutions-services/all-programs/salmonella-in-poultry-production/>.

HPAI is a serious threat to the welfare of poultry. We continue to explore solutions to protect birds from infection, including using only enclosed houses, cutting down trees to reduce wild bird populations in the surroundings and improving water treatment. When farms and facilities were temporarily closed during quarantine this year, employees received refresher training on animal welfare and biosecurity when operations restarted.

In Zambia, mortality rates, water quality indicators and dust levels are monitored to mitigate, *inter alia*, infectious bronchitis, and there is regular oversight and monitoring by qualified veterinarians. Uganda and Mozambique have formal procedures for biosecurity and animal welfare.

We contract with veterinarians to visit farms and conduct audits based on standard operating procedures related to flock health. They also provide input on operational improvements that will benefit our flocks.

Water availability

A new water pricing strategy for raw water use will be effective in South Africa from 2026. The strategy aims to promote effective and efficient water management to support the overarching goals of the 2023 National Water Resource Strategy ("NWRS"). The NWRS estimates South Africa will have a water deficit of between 1.6 billion and 2.7 billion cubic metres of water (roughly 17%) by 2030. The new pricing will assist in reflecting the scarcity value of water, promoting its conservation.

South Africa's raw water quality is deteriorating significantly, mainly due to waste discharges from municipal water treatment works. The pricing strategy will seek to address this through the long-anticipated implementation of the waste discharge charge system and the waste mitigation charge¹.

Water availability, quality and cost are increasing risks to businesses. We require water in all our operations for consumption as part of poultry sustenance, packing, processing and cleaning. Poultry farming constitutes a large component of our water consumption, with limited opportunities for reduction beyond ensuring that water is not wasted.

Water for farming operations is primarily obtained from boreholes or surface water through irrigation schemes, and the quality is managed carefully to ensure that bird health is not adversely affected. This includes periodic water sampling and testing to confirm that the water meets the required standard.

Zambia is experiencing one of its worst droughts in history. The drought impacted water availability at operations and resulted in severe load shedding due to falling water levels at the hydroelectric power stations that generate most of the country's electricity. We have backup generators during load shedding, and the business has ensured that all possible leaks on our water reticulation systems are immediately addressed. Additional wells have been commissioned on the commercial layer farm.

Water supply and quality are continuously monitored at all Quantum Foods' operations with backup supply in place. At some sites, recycled water is used, and supplementary water is stored on-site in case of fire and for emergency water supply.

Water use licences requiring B-BBEE shareholding

The Department of Water and Sanitation published the Revised Regulations regarding the procedural requirements for water use licence applications on 19 May 2023. The proposed amendments require applicants for new water use licences (to take or store water) to have an onerous minimum B-BBEE shareholding. The proposed amendments only apply to applications for new water use licences, not renewals or relicensing of water use allocations made prior the National Water Act came into effect. We are working with the Department to address cases where some of our farms have outdated licences and to address any risks proactively.

¹ <https://agrisa.org.za/centre-of-excellence-natural-resources/south-africas-new-water-pricing-strategy/>.

Wastewater and effluent management

We have processes in place to manage wastewater and effluent, for example:

- For domestic wastewater, we use septic tank systems, soakaways, or discharge effluent into municipal sewer systems
- Animal feed truck wash effluent is mainly outsourced to custom-built facilities that are periodically audited
- Upgrades at facilities aim to improve wastewater management, for example, at the Hartbeespoort hatchery, where multiple wastewater treatment and retention ponds were installed to improve wastewater management
- Effluent from poultry houses that drains to evaporation ponds is a requirement included in water use licence applications for new farm constructions/ expansions after the ratification of the National Environmental Management Act, No. 107 of 1998

Quantum Foods handles waste from our operations, including litter and manure, feathers, mortality, egg and hatchery waste, according to a waste management system and plan. The plan guides operations in handling waste in different ways, including traditional waste management through landfill and burning and alternative value-adding circular economy opportunities for organic waste.

Manure waste as a byproduct is a valuable input for fertilizer products and can generate additional income streams.

The organic waste generated at poultry farms and egg packing stations is biodegradable and can be turned into compost. Quantum Foods uses the BiobiN® system and has three units in place – at our Brackenfell egg packing station, Fransrug layer rearing farm and *Bellevue Chix* broiler hatchery in the Western Cape. We plan to use BiobiN® at more sites with the necessary volumes.

**Info tip:** BiobiN® is an in-vessel composting system that helps reduce the volume of waste going to landfill sites. Full bins are collected by local agents and delivered to a compost manufacturer. Once the bins are emptied, they are washed and returned to our sites to be refilled.

No environmental or pollution incidents were reported in South Africa, Zambia, Uganda or Mozambique this year.

² <https://www.trade.gov/country-commercial-guides/south-africa-energy>.

Renewable energy use

In South Africa, approximately 85% of electricity is generated via coal-fired power stations. Despite environmental concerns, coal will continue to provide the majority of South Africa’s power for the next decade, although the share from renewables will grow rapidly².

Quantum Foods is committed to expanding its use of renewable energy and considers reducing carbon emissions an important factor when evaluating new capital projects. We have been investing in grid-tied solar photovoltaic (“PV”) systems since 2016, as the technology matured and became more affordable. Solar PV has proved to be a solid investment with a predictable rate of return.

We are considering future solar installations at our feed mills and some farms to continue increasing the contribution of electricity from renewable sources to total consumption.

We have installed solar PV systems at eight sites, delivering a combined output equal to 5.2% of our total electricity usage.

South Africa	2024	2023	2022	2021	2020
Electricity purchased (kWh'000)	39 526	37 513	45 209	46 813	49 170
Electricity from renewable sources (kWh'000)	2 183	2 686	2 797	2 353	1 776

Biodiversity

The Atlantis Sand Fynbos Conservation Area of 34 ha is adjacent to our Fynbos broiler farm on South Africa’s West Coast. It was established in 2010 in collaboration with the City of Cape Town under the auspices of the Western Cape Nature Conservation Board.

The area is part of the broader Cape Flats Sand Fynbos ecosystem, known for its unique biodiversity and conservation significance. Conservation efforts in this region are vital to preserving native flora and fauna.

This vegetation type has been classified by the South African National Biodiversity Institute as critically endangered due to the rate of habitat loss and the high number of threatened plant species in this habitat.

The conservation area contains a vast variety of threatened species, as identified by a team of researchers who visit the site regularly. Over the years, the list has grown to more than 160 species, of which 31 are considered threatened by extinction.

In terms of the environmental management plan for the area, no development may occur, alien and invasive species are controlled and eradicated, and a fire management system is implemented to favour natural vegetation patterns ecologically.

The area is fenced off from our broiler farm, and access is restricted to keep it in its natural state.

This year, we also joined the Paardeberg Sustainability Initiative to support work done on botanical surveys, conservation, soil erosion, alien clearing and fire protection. Quantum Foods contributed two resources to the project and donated machinery and fuel. Our involvement created new opportunities to engage with neighbouring farmers and communities in the area.

Environmental initiatives in Africa

Emerging regulations in other African countries now require environmental impact studies, and increasing environmental audits are being done by national environmental management agencies.

We apply the same biosecurity protocols at all our farms in the other African operations and contract similar veterinary services to ensure the required level of compliance with regulations and animal welfare standards.

