



MORE FOOD TO
MORE PEOPLE,
MORE OFTEN

www.rclfoods.com



Our business profile

RCL FOODS is a leading South African food manufacturer that produces a wide range of branded and private label food products in various categories, ranging from staples to value-added high-end speciality offerings, which we distribute to our retail and food service customers through Vector Logistics, our own route-to-market supply chain specialist.

With R8,4 billion in market capitalisation and more than 20 000 employees, we are one of the top 100 companies listed on the JSE. Driven by Our Ambition and Our Passion, and guided by Our Values, our strategy is about creating the future Our Way.

Our Passion

More Food to More People, More Often

We believe in doing more... with a single-minded passion to provide More Food to More People, More Often. We believe that by nourishing people whilst sustaining our resources, everyone wins. Communities will be enriched, employees inspired and our customers and shareholders will enjoy the benefits.

Our Ambition

To build a profitable business by creating food brands that matter

The key to our strategy is to build brands that people love – brands that make an impact on their lives and cater to their needs.

Our Strategic Thrusts

Our Passion and Ambition are enabled by six strategic thrusts:



Grow through strong brands



Partner with strategic customers



Extend our leading value chain



Inspire great people



Expand into the rest of Africa



Drive sustainable business

Our Values

Four powerful values drive the way we do business:



Respect for people



Uncompromising integrity



Seeing and doing things differently



Act responsibly

Our Way

Inspired by Our Passion and Our Values

Our unique RCL FOODS culture is at the heart of our strategy, brought to life in Our Way – the key behaviours that inspire the way we work and create value.



MORE IMPACT



MORE OPEN



MORE CURIOUS



MORE BRAVE



MORE SPEED



MORE YOU



Over 230 operations across South Africa and Africa
(including joint ventures)



Founder and partner of the **DO MORE FOUNDATION** which aims to **DO MORE** for young children, youth and to ease hunger in vulnerable communities



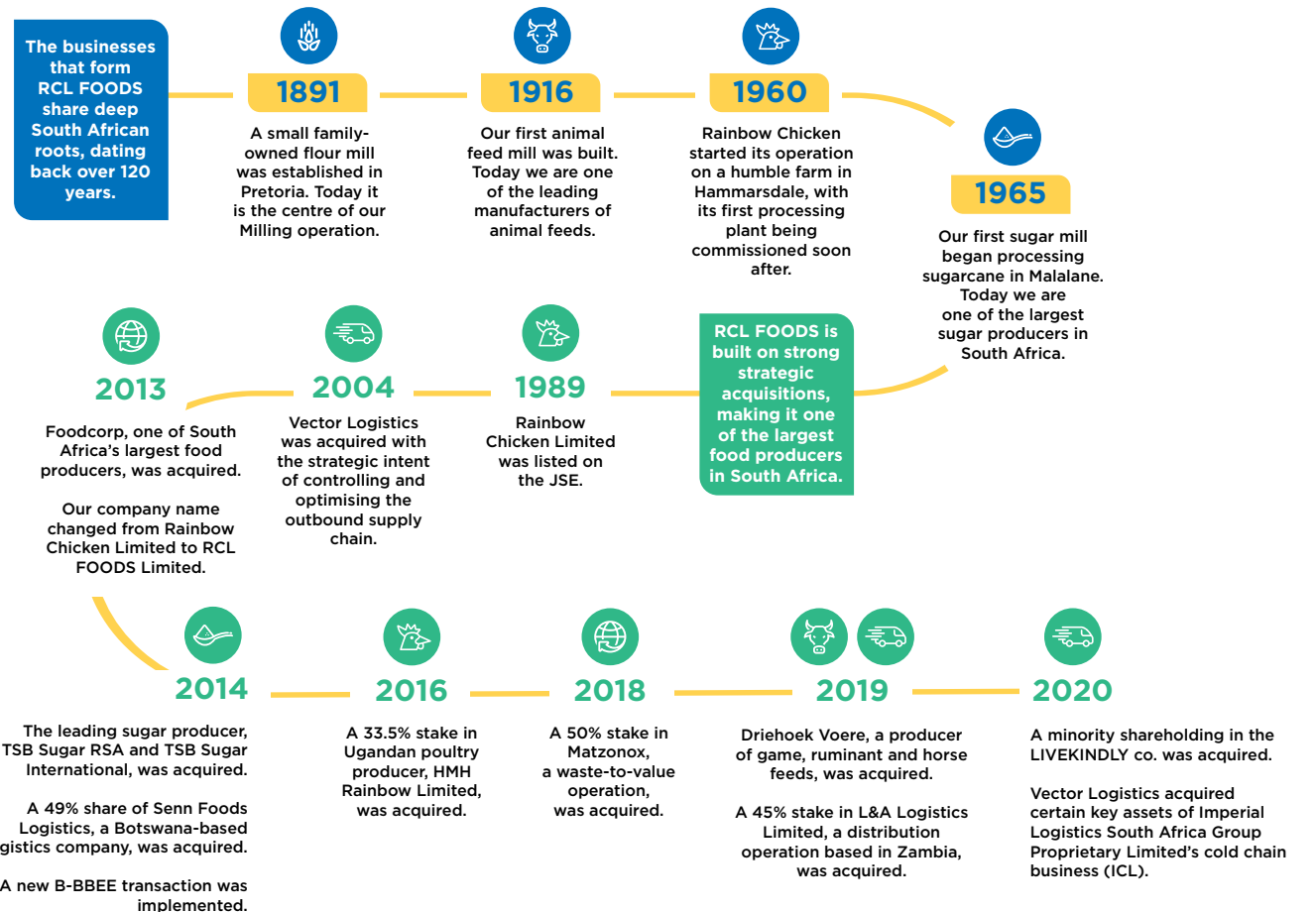
More than 20 000 employees



Home to more than 30 of South Africa's much-loved brands

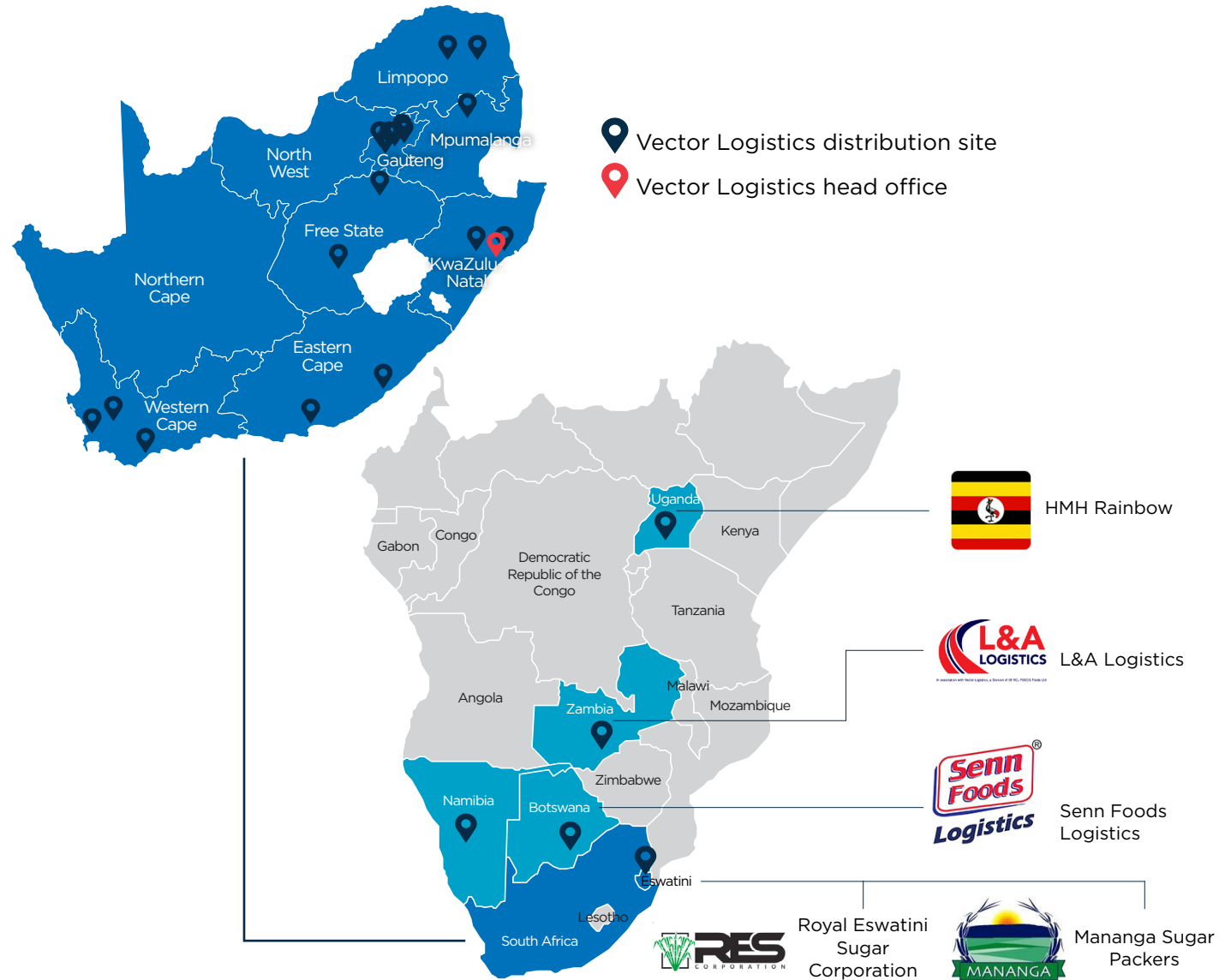


110 million cases delivered annually by **Vector Logistics**, our route-to-market specialist



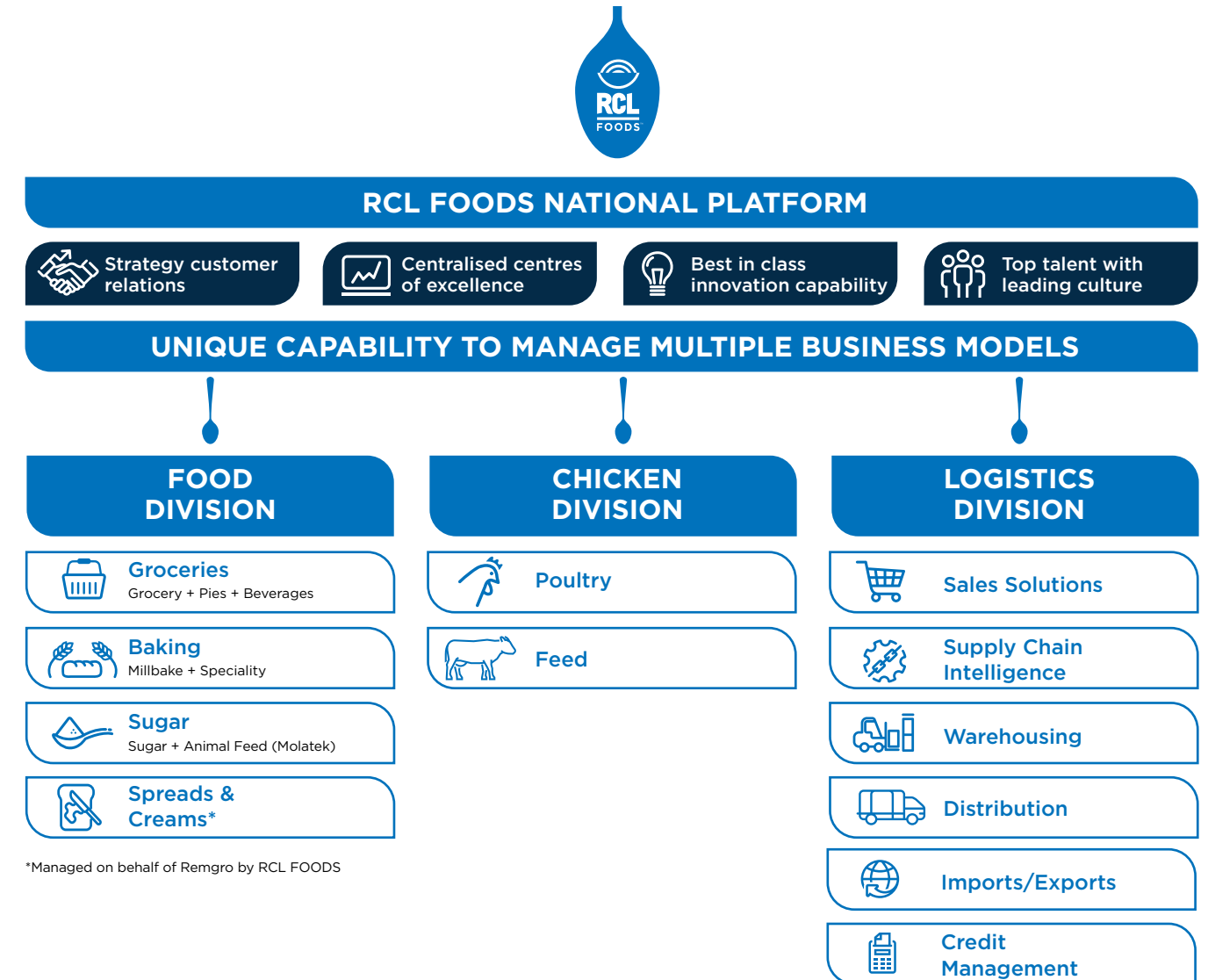
Where we are

RCL FOODS' operations span across South Africa, Swaziland, Namibia, Botswana and Uganda. We have a strong footprint across South Africa with our farms, mills, plants, bakeries and distribution sites.



Our structure

In pursuit of our ambition to create a strong resilient business with food brands that matter. Our operations are carried out by three divisions – Food, Chicken and Logistics – which are supported in common strategic and functional areas by our Group Functions platform.



Food Division

Our Food Division produces a wide range of quality culinary, pet food and beverage products through its four business units.



Baking



Groceries



Sugar



Spreads*



*Managed on behalf of Remgro by RCL FOODS

WE OFFER **OVER 30 BRANDS**



Chicken Division

Our Chicken Division provides a range of fresh and frozen chicken products, including popular value-added ranges, for consumer and food service channels. The division also produces quality grain-based animal feeds.



Chicken



Feed



Vector Logistics

Our Logistics Division (Vector) provides RCL FOODS and numerous third parties with multi-temperature warehousing and distribution, supply chain intelligence and sales solutions. In addition to facilitating our own integrated supply chain, Vector has partnered with several leading food manufacturers, foodservice customers and retailers to distribute food products on their behalf across Southern Africa.



Sales Solutions



Supply Chain Intelligence



Warehousing



Distribution



Imports/
Exports



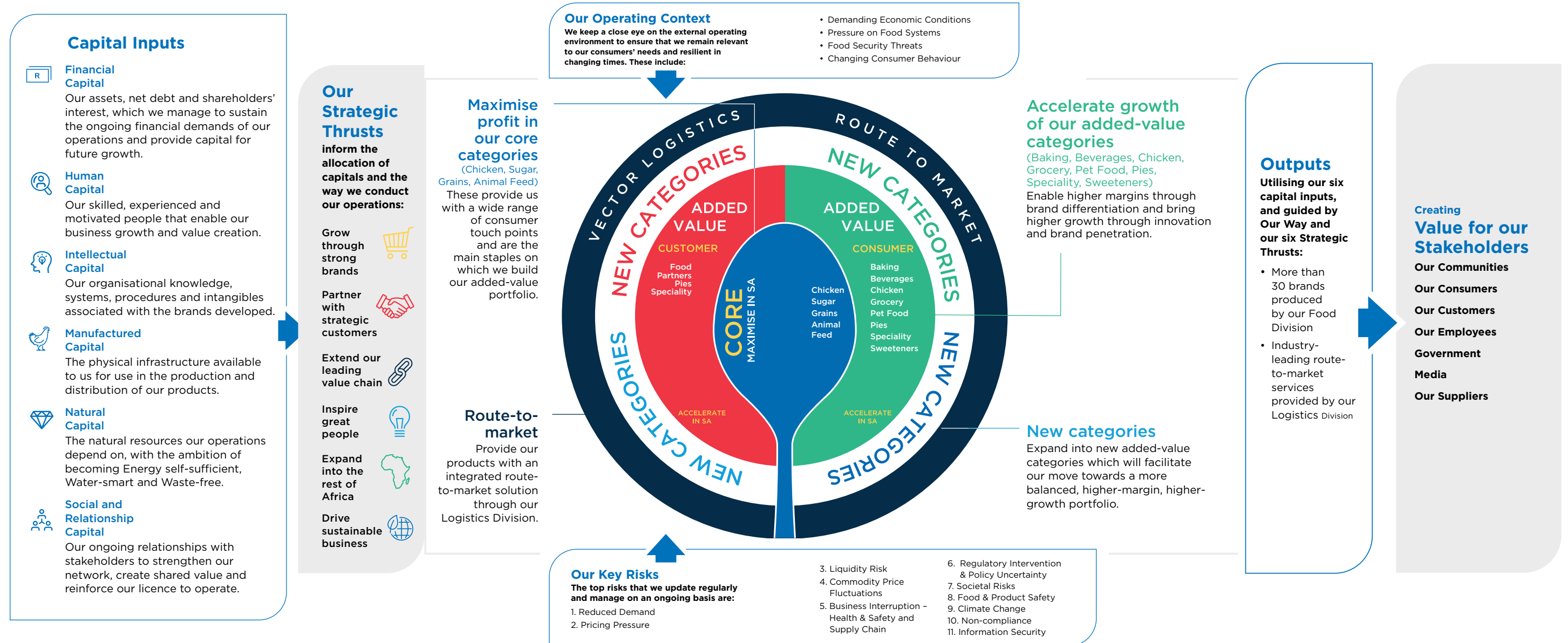
Credit Management



Our business model

We create value for our stakeholders by using our six capitals to manufacture, distribute and sell a wide range of branded and private label food products. In line with our business model, our business activities centre on maximising profit in our core categories and accelerating growth in our added-value categories. A strong focus is provided by Our Ambition – to build a profitable business by creating food brands that matter – and the six strategic thrusts that support its realisation.

Since our ability to generate value is impacted by our dynamic operating context and a constantly evolving set of risks and opportunities, identifying and proactively managing these is key to our business operation. Equally important is the enabling role played by our unique culture, Our Way, and our integrated ONE RCL FOODS structure.



Value we create

The value we created
for our stakeholders
in 2020

For our Communities



R9,0 million in corporate social investment via the **DO MORE FOUNDATION**

Over **8 million*** meals donated in 2020 through the DO MORE FOUNDATION

* in the 12 months to June 2020

Small-scale growers generated R350 million in turnover from supplying cane to our mills

R43 million in lease payments received by beneficiaries from three partnering land claimant communities

For our Consumers



Over **30 much-loved South African brands**



10 category-leading brands



* Freezer to Fryer category
** Core sugars
*** Horse Feed

We kept South Africans fed during the COVID-19 pandemic – delivering 1 500 tons each of flour and sugar, 700 000 loaves of bread, 500 tons of chicken, 270 tons of pet food and 97 tons of mayonnaise DAILY during level 5 lockdown

An opportunity to help feed the hungry through the DO MORE FOUNDATION's **#GiveItUp** COVID-19 relief initiative

For our Customers



Produced fit-for-purpose private label brands for major customers in seven categories

12 former ICL* principals taken into our Logistics network as customers

* Imperial Logistics South Africa Group
Proprietary Limited's cold chain business

Successfully incorporated Siqualo Foods into our platform

Strong volume growth for Chicken, Sugar, Bread, Peanut Butter, Maize Flour and Pet Food (branded and private label)

For our Employees



R31,8 million spent on training nearly 10 000 people

3 000 staff members enabled to work from home during lockdown

R52,7 million* spent directly on keeping our employees safe during the COVID-19 pandemic

* Relates only to Cleaning, Health & Safety and Medical supplies and services for our employees

A chance for employees to DO MORE for vulnerable communities via **monthly payroll contributions** and active participation in DO MORE FOUNDATION activities

For our Environment



First power produced by our **Waste-to-Value plant** in Rustenburg

Water use in our Sugar business has **reduced by 9.3% since 2017**

We have committed to step-change our plastic packaging by 2025 to reduce waste and promote recycling

3% reduction in our carbon footprint in 2020

For our Government



R47,9 million paid in income tax and **R731,6 million paid in VAT**

Public-private partnerships help implement Government policy for **Early Childhood Development** and **land reform**

Supported Government's call for **participation in the Y.E.S.* Programme** and for **contributions to the Solidarity Fund**

* Youth Employment Service

Engagement with Government in development of Poultry Sector and Sugar Industry Master Plans

For our Investors



We paid **R221,8 million in dividends** in 2020

We paid **R257,7 million in interest** in 2020

For our Suppliers



41% of Chicken supplied through **contract growers**

Nearly 1,7 million tons of sugarcane (32%) supplied to our mills through **small-scale farmers, community joint ventures and long-term land reform partnerships**

R77,5 million in contracts awarded to companies owned by **land reform beneficiaries** from our community-based joint ventures

R7,2 billion spent on **procurement through B-BBEE**



Our impact

Our Sustainable Business Drive, framed in the model below, is aligned to our business strategy and addresses our sixth strategic thrust – “Drive Sustainable Business”.



① Nourishing People

More nutritionally creative solutions

1.1 MORE NUTRITIOUS PRODUCTS

We will provide more nourishing food, better value and greater choice to all people – educating our consumers on the benefits of a balanced diet.

Ambition - To lead the promotion of nutrition with innovative product solutions in the context of a balanced diet.

1.2 MORE NUTRITIONAL THOUGHT LEADERSHIP

We will strive to become a trusted source of influence in food policies, regulation and food labelling development.

Ambition - To lead the promotion of nutrition through influencing policy development.

1.3 MORE BASIC NUTRITION FOR CHILDREN

We will drive awareness of the basic nutrition challenges for children through collaborative multi-stakeholder partnerships aimed at addressing nutritional stunting.

Ambition - To lead the promotion of nutrition for children through collective action against stunting.



② Enriching Communities

More socially creative solutions

2.1 MORE INSPIRED EMPLOYEES

We will build a unique organisation where work is safe, fun, meaningful and enriching in a way that unlocks the potential and creativity of more than 20 000 people.

Ambition - To become THE place to work by building a compelling RCL FOODS culture.

2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES

We will drive an inclusive business agenda through land reform and new inter-connected business models.

Ambition - To become THE trusted business partner for economic development in the communities in which we operate.

2.3 MORE SOCIALLY DEVELOPED COMMUNITIES

We will drive social upliftment of our communities through a dialogue approach – understanding their needs and partnering with like-minded organisations to find solutions.

Ambition - To become THE respected business partner for social development in the communities in which we operate.



③ Sustaining Resources

More environmentally creative solutions

3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS

We will invest in energy self-sufficient operations and support the generation of renewable resources at a rate greater than we consume them.

Ambition - To become an energy self-sufficient business.

3.2 MORE WATER-SMART OPERATIONS

We will invest in water-smart operations and influence local government and other key stakeholders for collective solutions in the higher risk areas.

Ambition - To become a water-smart business that continually seeks new ways to reduce, reuse and “create” water.

3.3 MORE WASTE-FREE OPERATIONS

We will invest in new business opportunities that turn our waste into value (through circular economy principles), and minimise our waste to landfill.

Ambition - To become a waste-free business that continually seeks new ways to turn waste into value.

UNDERPINNED BY NEW DISRUPTIVE MODELS

ACHIEVED AND SUSTAINED BY STRONG WIN-WIN MULTI-STAKEHOLDER PARTNERSHIPS

Social development

Three years ago we created the **DO MORE FOUNDATION** as a separate Non-Profit Organisation (NPO) to enable us to increase the impact of our corporate social investment by partnering with other organisations to DO MORE in three key areas: young children, hunger and youth.

We wanted to bring about meaningful, sustainable change in and beyond the impoverished communities where we operate, and we knew that this was only possible through well-coordinated collective action by a range of key stakeholders: Government, Non-Governmental Organisations (NGOs), business and communities themselves.

Some recent highlights include:



• **130 000 nutritional snacks** provided monthly to vulnerable children in ECD centres



• **107 418 sandwiches** made for young children in one hour for World Food Day 2019



• **Provided data-free online support materials** to caregivers during the COVID-19 lockdown



• **Over 7,6 million meals donated** for COVID-19 relief by October 2020



• **1 million Rainbow Chicken meals served to vulnerable families** for Mandela Day in 2020



• **DO MORE Porridge launched** for donation purposes at R1 a meal



• **Six sustainable enterprises** were recently established in Hammarsdale, benefiting 37 young entrepreneurs.



Economic development

As a business partner to numerous contract growers and secondary businesses across our supply chain, we play a key role in sustaining livelihoods and driving positive economic transformation. We promote Broad-Based Black Economic Empowerment (B-BBEE) through our procurement policies and our supplier and enterprise development partnerships, utilising interconnected business models to drive win-win solutions for all.

We are leading the transformation agenda in our sugar operations through the following initiatives:

Community-Based Joint Ventures (CBJVs)

Our three community-based joint ventures with land restitution communities in the Nkomazi area delivered 1 million tons of cane in 2020 - providing communities with R43 million in lease income, as well as study and enterprise development opportunities

Small-Scale Growers (SSGs)

1 200 SSGs supplied 590 000 tons of cane to our mills in 2020, generating R350 million in turnover. Continued production is supported by two 50/50 joint-venture services companies owned by the growers and RCL FOODS: TSGRO and Akwandze Agricultural Finance.

Akwandze Agricultural Finance (AAF)

- Through AAF, the small scale growers reinvested more than R165 million into their own operations in 2020, through retention savings and new loans.
- In partnership with The Jobs Fund, AAF funded the development of nearly 500 additional hectares of communally-owned land under sugarcane

Farming and Business Support Services – TSGRO

- All SSGs benefited from TSGRO's ongoing free extension service
- 630 SSGs and seven cooperatives accessed TSGRO's Bulk Water Supply (BWS) service, a user pay service that maintains critical irrigation, and 315 utilised its basic accounting and bookkeeping services to ensure good governance.



Long-Term Land Reform Partnerships

We have developed long-standing partnerships with 12 land reform beneficiaries whose farms we helped re-establish through the Department of Rural Development and Land Reform's Recapitalisation and Development Programme (RADP). Under our mentorship, the farmers' business plans were approved and the DRDLR released R65 million to restore irrigation and replant cane on the farms. We continue to mentor all 12 farmers, who supplied nearly 100 000 tons of cane to our mills in 2020.

We are also reaching beyond RCL FOODS to empower individuals through work experience and learnership opportunities such as:

- The Youth Employment Service (Y.E.S.) programme – providing over 330 unemployed youth with 12-month work experience contracts in 2019. Of these, 82 have now been permanently employed with us.
- Our new Supreme Siyabhaka Baking Academy for school leavers aspiring to become professional bakers
- Our Sugar learnership for disabled people to achieve an NQF3 National Certificate in Business Administration

Key to Committees

- Audit Committee (RV Smither, Chairman)
- Remuneration and Nominations Committee (NP Mageza, Chairman)
- Risk Committee (GC Zondi, Chairman)
- Social and Ethics Committee (GC Zondi, Chairman)
- Alternate to JJ Durand

Board of directors

Non-executive directors



Jannie JJ Durand
Non-Executive
Chairman



Cindy Hess
Independent
Non-Executive
Director



Peter Mageza
Independent
Non-Executive
Director



Penny Moumakwa
Independent
Non-Executive
Director



Derrick Msibi
Independent
Non-Executive
Director



Manana Nhlanhla
Independent
Non-Executive
Director



George Steyn
Independent
Non-Executive
Director



Hein Carse
Non-Executive
Director



Pieter Louw
Non-Executive
Director



**GCJ (Kees)
Tielenius
Kruythoff**
Non-Executive
Director



Gcina Zondi
Non-Executive
Director



Paul Neethling
Alternate
Non-Executive
Director to JJ
Durand

Executive directors



MILES DALLY
Chief Executive
Officer

■ Appointed
Feb 2003

Directorships
RCL FOODS Limited and its subsidiary companies



ROB FIELD
Chief Financial
Officer

■ Appointed
Jul 2004

Directorships
RCL FOODS Limited and its subsidiary companies

RCL FOODS executive team

CEO



MILES DALLY
Chief Executive
Officer

Divisional heads



**PAUL
CRUICKSHANK**
Chief
Operations Officer



CHRIS CREED
Managing Director -
Logistics Division

Functional heads



Rob Field
Chief Financial
Officer



Trevor Harding
Chief Information
Officer



Jason Livesey
Chief
Customer Officer



Deena Naicker
Chief Ethics
& Compliance
Officer

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